

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

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2015
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



ACCOUNTING & FINANCIAL
SOLUTIONS
CERTIFIED PUBLIC ACCOUNTANTS

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

Year Ended June 30, 2015

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	Gear Up Special Revenue Fund
20	Workforce Readiness Special Revenue Fund

21 **Statement of Fiduciary Assets and Liabilities – Agency Funds**

Notes to the Financial Statements

23	Contents
24	Note I Summary of Significant Accounting Policies
31	Note II Stewardship, Compliance, and Accountability
32	Note III Detailed Notes On All Funds
37	Note IV Other Information

Required Supplementary Information

45	Schedule of the District's Proportionate Share of Net Pension Liability
45	Schedule of District's Contributions
45	Notes to the Required Supplementary Information

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:

General Fund:

48	Combining Balance Sheet
49	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):
50	Operating Fund
51	Transportation Fund
52	Instructional Materials Fund

Major Capital Projects Funds:

	Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):
54	Bond Building
55	Capital Improvements SB-9

Major Debt Service Funds:

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

TABLE OF CONTENTS

Year Ended June 30, 2015

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

Nonmajor Governmental Funds:

- 63 Combining Balance Sheet
- 72 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Nonmajor Special Revenue Funds:

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

- 82 Food Service
- 83 Athletics
- 84 Title I
- 85 Entitlement IDEA-B
- 86 Preschool IDEA-B
- 87 Fresh Fruits and Vegetables
- 88 IDEA-B "Risk Pool"
- 89 Title II Teacher Quality
- 90 Impact Aid Special Education
- 91 Impact Aid Indian Education
- 92 Title XIX Medicaid
- 93 Child & Adult Food Program
- 94 Indian Ed Formula Grant
- 95 Elementary School Counseling
- 96 LANL Foundation
- 97 Drawing from the Well
- 98 Dual Credit Instructional Materials
- 99 Libraries GO Bond 2010
- 100 Libraries GO Bond 2012
- 101 Reads to Lead
- 102 Pre-K Initiative
- 103 Indian Education Act
- 104 Breakfast for Elementary Students
- 105 Kindergarten 3-Plus
- 106 2013 School Buses
- 107 Early College HS Start-Up
- 108 STEM Teacher Initiative
- 109 New Mexico Grown
- 110 State Discretionary IDEA-B
- 111 Child and Adult Care Food Program
- 112 No Kid Hungry

Nonmajor Capital Projects Funds:

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

- 113 Special Capital Outlay - State
- 114 Public School Capital Outlay - 20%

OTHER SUPPLEMENTAL INFORMATION:

Fiduciary Funds:

- 116 Schedule of Changes in Assets and Liabilities – All Agency Funds
- 117 Schedule of Pledged Collateral
- 118 Cash Reconciliation
- 119 Schedule of Vendor Information

TABLE OF CONTENTS

Year Ended June 30, 2015

COMPLIANCE SECTION

- 123 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
- 125 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
- 128 Schedule of Expenditures of Federal Awards
- 129 Notes to the Schedule of Expenditures of Federal Awards
- 131 Schedule of Findings and Questioned Costs
- 136 Summary Schedule of Prior Year Audit Findings
- 137 Required Disclosure



STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

OFFICIAL ROSTER
June 30, 2015

BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Darlene Ulibarri	Superintendent
Elizabeth Romero	Business Manager

AUDIT COMMITTEE

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

FINANCE COMMITTEE

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

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

FISCAL YEAR 2015

JULY 1, 2014 THROUGH JUNE 30, 2015

THIS PAGE INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITORS' REPORT

Tim Keller, 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, 2015, and the related notes to the financial statements which collectively comprise Penasco Independent School District No. 4's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Penasco Independent School District No. 4's nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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, 2015, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental of Penasco Independent School District No. 4 as of June 30, 2015, 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.

Tim Keller, State Auditor,
The Board of Education, and
The Audit Committee of Penasco Independent School District No. 4

Emphasis of Matter

As discussed in Note I.A and Note IV.F, during the year ended June 30, 2015 Penasco Independent School District No. 4 adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2015 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 2, 2015

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

STATEMENT OF NET POSITION

June 30, 2015

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 2,276,549
Receivables:	
Delinquent property taxes receivable	85,973
Grant	293,518
Due from other governments	5,288
Food inventory	19,993
Non-current:	
Non-depreciable assets	1,530,311
Depreciable capital assets, net	<u>9,396,111</u>
Total Assets	<u><u>13,607,743</u></u>
 Deferred Outflows of Resources:	
Contributions to pension subsequent to the measurement date	<u>442,814</u>
 Liabilities	
Accounts payable	78,923
Accrued interest	27,969
Deposits held for others	60
Compensated absences	57,628
Long-term liabilities other than pensions:	
Due within one year	95,000
Due in more than one year	1,812,878
Aggregate net pension liability	<u>6,788,670</u>
Total Liabilities	<u><u>8,861,128</u></u>
 Deferred Inflows of Resources	
Advances of federal, state, and local grants	896
Difference between expected and actual experience	101,124
Net difference between projected and actual investment earnings on plan investments	617,103
Change in proportionate share of pension liability	<u>130,929</u>
Total Deferred Inflows of Resources	<u><u>850,052</u></u>
 Net Position	
Net investment in capital assets	9,071,234
Restricted for:	
Inventories	19,993
Special revenue funds	98,518
Capital projects	907,939
Debt service	168,846
Unrestricted	<u>(5,927,153)</u>
Total Net Position	<u><u>\$ 4,339,377</u></u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

STATEMENT OF ACTIVITIES
 Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
Instruction	\$ 2,988,784	\$ 1,450	\$ 553,960	\$ -	\$ (2,433,374)
Support Services - Students	924,706	58,592	171,391	-	(694,723)
Support Services - Instruction	147,577	-	27,353	-	(120,224)
Support Services - General Administration	285,916	-	52,994	656	(232,266)
Support Services - School Administration	347,633	-	64,433	-	(283,200)
Central Services	332,106	-	61,555	-	(270,551)
Operations & Maintenance of Plant	1,593,451	-	295,341	389,013	(909,097)
Student Transportation	445,813	-	277,820	-	(167,993)
Other Support Services	14,066	-	2,607	-	(11,459)
Food Services	289,651	3,410	218,788	-	(67,453)
Community Services	21,459	-	3,977	-	(17,482)
Capital outlay	-	-	-	315,418	315,418
Bond interest paid	83,151	-	-	-	(83,151)
Total governmental activities	<u>\$ 7,474,313</u>	<u>\$ 63,452</u>	<u>\$ 1,730,219</u>	<u>\$ 705,087</u>	<u>(4,975,555)</u>

General revenues:

Taxes:

Property Taxes:

General purposes	11,531
Capital projects	118,916
Debt service	148,167
State equalization	4,271,392
Grants and contributions not restricted	20,379
Miscellaneous income	18,235

Total general revenues 4,588,620

Change in net position (386,935)

Net position - beginning 11,939,552

Restatement (7,213,240)

Net position - beginning as restated 4,726,312

Net position - ending **\$ 4,339,377**

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, 2015

	General Fund	Gear Up Fund #25205	Workforce Readiness Fund #27179	Bond Building Fund #31100
Assets				
Cash and cash equivalents	\$ 1,056,334	\$ -	\$ -	\$ 593,055
Receivables:				
Property taxes	4,001	-	-	-
Grant	-	79,565	58,144	-
Due from other governments	247	-	-	-
Due from other funds	290,974	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,351,556</u>	<u>\$ 79,565</u>	<u>\$ 58,144</u>	<u>\$ 593,055</u>
 Liabilities, deferred inflows, and fund balance				
Liabilities:				
Accounts payable	\$ 22,190	\$ -	\$ -	\$ 51,708
Due to other funds	-	79,565	58,144	-
Deposits held for others	<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>22,250</u>	<u>79,565</u>	<u>58,144</u>	<u>51,708</u>
 Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>3,819</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>3,819</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	541,347
Debt service	-	-	-	-
Unassigned	<u>1,325,487</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>1,325,487</u>	<u>-</u>	<u>-</u>	<u>541,347</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 1,351,556</u>	 <u>\$ 79,565</u>	 <u>\$ 58,144</u>	 <u>\$ 593,055</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, 2015

	Capital Improvements SB-9 <u>Fund #31700</u>	Debt Service <u>Fund #41000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assets				
Cash and cash equivalents	\$ 303,808	\$ 161,693	\$ 161,659	\$ 2,276,549
Receivables:				
Property taxes	24,044	57,928	-	85,973
Grant	-	-	155,809	293,518
Due from other governments	1,477	3,564	-	5,288
Due from other funds	-	-	-	290,974
Food inventory	<u>-</u>	<u>-</u>	<u>19,993</u>	<u>19,993</u>
Total assets	<u><u>\$ 329,329</u></u>	<u><u>\$ 223,185</u></u>	<u><u>\$ 337,461</u></u>	<u><u>\$ 2,972,295</u></u>
 Liabilities, deferred inflows, and fund balance				
Liabilities:				
Accounts payable	\$ 4,373	\$ -	\$ 652	\$ 78,923
Due to other funds	-	-	153,265	290,974
Deposits held for others	<u>-</u>	<u>-</u>	<u>-</u>	<u>60</u>
Total liabilities	<u>4,373</u>	<u>-</u>	<u>153,917</u>	<u>369,957</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	896	896
Delinquent property taxes	<u>22,501</u>	<u>54,339</u>	<u>-</u>	<u>80,659</u>
Total deferred inflows of resources	<u>22,501</u>	<u>54,339</u>	<u>896</u>	<u>81,555</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	19,993	19,993
Restricted for:				
Special revenue funds	-	-	98,518	98,518
Capital projects funds	302,455	-	64,137	907,939
Debt service	-	168,846	-	168,846
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,325,487</u>
Total fund balance	<u>302,455</u>	<u>168,846</u>	<u>182,648</u>	<u>2,520,783</u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 329,329</u></u>	<u><u>\$ 223,185</u></u>	<u><u>\$ 337,461</u></u>	<u><u>\$ 2,972,295</u></u>

(2 of 2)

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2015

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

Fund balances - total governmental funds	\$	2,520,783
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		28,506,685
Accumulated depreciation		(17,580,263)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		80,659
Deferred inflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Contributions to pension subsequent to the measurement date		442,814
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		(1,880,000)
Accrued interest payable		(27,969)
Accrued vacation payable		(57,628)
Bond premiums		(27,878)
Net pension liability		(6,788,670)
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Difference between expected and actual experience		(101,124)
Net difference between projected and actual investment earnings on plan investments		(617,103)
Change in proportionate share of pension liability		<u>(130,929)</u>
Net position of governmental activities	\$	<u><u>4,339,377</u></u>

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, 2015

	General <u>Fund</u>	Gear Up <u>Fund #25205</u>	Workforce Readiness <u>Fund #27179</u>	Bond Building <u>Fund #31100</u>
Revenues:				
Taxes:				
Property	\$ 11,251	\$ -	\$ -	\$ -
Intergovernmental - federal grants	55,536	223,039	-	-
Intergovernmental - state grants	4,577,794	-	99,041	-
Contributions - private grants	18,223	-	-	-
Charges for services	1,450	-	-	-
Investment and interest income	786	-	-	569
Miscellaneous	<u>18,235</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>4,683,275</u>	<u>223,039</u>	<u>99,041</u>	<u>569</u>
Expenditures:				
Current:				
Instruction	1,963,571	103,693	63,013	-
Support services:				
Students	561,923	16,534	20,407	-
Instruction	12,132	95,685	-	-
General Administration	229,487	39	-	-
School Administration	270,973	-	-	-
Central Services	295,523	-	-	-
Operation & Maintenance of Plant	916,459	-	-	412,256
Student transportation	298,271	-	-	-
Other Support services	12,517	-	-	-
Food services operations	1,627	-	-	-
Community services	-	7,088	-	-
Capital outlay	-	-	15,621	141,049
Debt service:				
Principal retirement	-	-	-	-
Bond interest paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,562,483</u>	<u>223,039</u>	<u>99,041</u>	<u>553,305</u>
<i>Excess (deficiency) of revenues over expenditures</i>	120,792	-	-	(552,736)
Other financing sources:				
County revenue bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>410,277</u>
<i>Net change in fund balance</i>	120,792	-	-	(142,459)
Fund balance at beginning of the year	<u>1,204,695</u>	<u>-</u>	<u>-</u>	<u>683,806</u>
Fund balance at end of the year	<u>\$ 1,325,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 541,347</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, 2015

	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:				
Taxes:				
Property	\$ 81,234	\$ 180,564	\$ -	\$ 273,049
Intergovernmental - federal grants	-	-	671,307	949,882
Intergovernmental - state grants	293,455	-	374,894	5,345,184
Contributions - private grants	-	-	2,156	20,379
Charges for services	-	-	62,002	63,452
Investment and interest income	-	-	-	1,355
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,235</u>
Total revenues	<u>374,689</u>	<u>180,564</u>	<u>1,110,359</u>	<u>6,671,536</u>
Expenditures:				
Current:				
Instruction	-	-	547,505	2,677,782
Support services:				
Students	-	-	223,981	822,845
Instruction	-	-	8,616	116,433
General Administration	845	1,829	22,221	254,421
School Administration	-	-	38,367	309,340
Central Services	-	-	-	295,523
Operation & Maintenance of Plant	89,210	-	-	1,417,925
Student transportation	-	-	98,434	396,705
Other Support services	-	-	-	12,517
Food services operations	-	-	256,118	257,745
Community services	-	-	12,007	19,095
Capital outlay	265,548	-	-	422,218
Debt service:				
Principal retirement	-	95,000	-	95,000
Bond interest paid	<u>-</u>	<u>86,321</u>	<u>-</u>	<u>86,321</u>
Total expenditures	<u>355,603</u>	<u>183,150</u>	<u>1,207,249</u>	<u>7,183,870</u>
<i>Excess (deficiency) of revenues over expenditures</i>	19,086	(2,586)	(96,890)	(512,334)
Other financing sources and financing uses:				
County revenue bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>410,277</u>
<i>Net change in fund balance</i>	19,086	(2,586)	(96,890)	(102,057)
Fund balance at beginning of the year	<u>283,369</u>	<u>171,432</u>	<u>279,538</u>	<u>2,622,840</u>
Fund balance at end of the year	<u>\$ 302,455</u>	<u>\$ 168,846</u>	<u>\$ 182,648</u>	<u>\$ 2,520,783</u>

(2 of 2)

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

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2015

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

Net change in fund balance - total governmental funds	\$	(102,057)
<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		422,218
Depreciation		(814,171)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Deferred property taxes at:		
June 30, 2014		(75,094)
June 30, 2015		80,659
<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		95,000
Bond premium amortization		1,992
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences at:		
June 30, 2014		42,740
June 30, 2015		(57,628)
Accrued interest at:		
June 30, 2014		29,147
June 30, 2015		(27,969)
Deferred contributions to pension plan		442,814
Pension expense		<u>(424,586)</u>
Change in net position of governmental activities	\$	<u>(386,935)</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 11,118	\$ 11,118	\$ 11,484	\$ 366
Intergovernmental - federal grants	53,805	55,924	55,536	(388)
Intergovernmental - state grants	4,531,487	4,566,956	4,577,794	10,838
Contributions - private grants	1,000	1,000	18,223	17,223
Charges for services	1,000	1,000	1,450	450
Investment and interest income	600	600	786	186
Miscellaneous	-	-	18,550	18,550
Total revenues	4,599,010	4,636,598	4,683,823	47,225
Expenditures:				
Current:				
Instruction	1,972,033	2,439,824	1,970,698	469,126
Support services:				
Students	709,270	712,325	604,427	107,898
Instruction	25,578	14,803	12,132	2,671
General Administration	263,581	323,764	230,654	93,110
School Administration	305,219	337,282	271,123	66,159
Central Services	289,776	315,411	295,523	19,888
Operation & Maintenance of Plant	1,551,487	1,178,499	937,234	241,265
Student transportation	271,081	313,361	281,420	31,941
Other Support services	13,205	18,805	9,608	9,197
Food Services Operations	-	2,737	136	2,601
Total expenditures	5,401,230	5,656,811	4,612,955	1,043,856
<i>Excess (deficiency) of revenues over expenditures</i>	(802,220)	(1,020,213)	70,868	1,091,081
Other financing uses:				
Transfers out	-	-	(1,136)	(1,136)
<i>Net change in fund balance</i>	(802,220)	(1,020,213)	69,732	1,089,945
<i>Beginning cash balance budgeted</i>	802,220	1,020,213	-	(1,020,213)
Fund balance at beginning of the year	-	-	1,204,695	1,204,695
Fund balance at end of the year	\$ -	\$ -	1,274,427	\$ 1,274,427
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			153	
Change in due from other governments			(105)	
Change in payables			51,292	
Change in deferred property taxes			(280)	
Fund balance at end of the year (GAAP basis)			\$ 1,325,487	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 220,000	\$ 224,638	\$ 215,983	\$ (8,655)
Expenditures:				
Current:				
Instruction	101,321	104,702	103,693	1,009
Support services:				
Students	35,310	16,773	16,534	239
Instruction	75,987	95,741	95,685	56
General Administration	-	40	39	1
Community Services Operations	7,382	7,382	7,088	294
Total expenditures	220,000	224,638	223,039	1,599
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(7,056)	(7,056)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(7,056)	\$ (7,056)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			7,056	
Fund balance at end of the year (GAAP basis)			\$ -	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

WORKFORCE READINESS FUND - NO. 27179
**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**
 Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 99,130	\$ 40,897	\$ (58,233)
Expenditures:				
Current:				
Instruction	-	63,018	63,013	5
Support services:				
Students	-	20,412	20,407	5
Capital outlay:				
Equipment	-	15,700	15,621	79
Total expenditures	-	99,130	99,041	89
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(58,144)	(58,144)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(58,144)	\$ (58,144)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			58,144	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015

ASSETS

Pooled cash and investments	<u>\$ 100,285</u>
-----------------------------	-------------------

LIABILITIES

Deposits held for others	<u>\$ 100,285</u>
--------------------------	-------------------

THIS PAGE INTENTIONALLY LEFT BLANK

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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	26
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	26
1. Major Funds	26
D. Assets, Liabilities, and Net Position or Equity	27
II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
A. Budgetary Information	31
B. Budgetary Violations	32
C. Deficit Fund Equity	32
III. DETAILED NOTES ON ALL FUNDS	
A. Cash and Temporary Investments	32
B. Receivables	33
C. Inter-Fund Receivables and Payables	34
D. Inter-Fund Transfers	34
E. Capital Assets	35
F. Long-Term Debt	36
IV. OTHER INFORMATION	37

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Penasco Independent School District No. 4 (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.

During fiscal year 2015, Penasco Independent School District No. 4 adopted the following GASB Statements:

- 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.
- 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.
- 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.

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

- GASB 72, *Fair Value Measurement and Application*, This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement will be effective for the year ended June 30, 2016.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

A. Reporting Entity (cont'd)

- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, this Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. This Statement will be effective for the year ended June 30, 2016.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. This Statement will be effective for the year ended June 30, 2017.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, this Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement will be effective for the year ended June 30, 2018.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement will be effective for the year ended June 30, 2016.

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 No. 4’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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectable amounts, in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The government reports the following major governmental funds:

➤ General Fund

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

➤ Gear Up Special Revenue Fund (Fund No. 25205) Minimum Balance: None

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.

➤ Workforce Readiness (Fund No. 27179) Minimum Balance: None

Help students discover the wide range of career options available to them, chart the most efficient paths for students to achieve those goals and work directly with business and industry partners to ensure that their experience results in the most necessary skills, credentials and technical knowledge to be a success in the students' next step as they enter postsecondary or workforce engagement. Authorization: House Bill 2 of the regular 2013 Legislative Session

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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

- Bond Building Capital Projects Fund (Fund No. 31100) Minimum Balance: None
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 (Fund No. 31700) Minimum Balance: None
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 (Fund No. 41000) Minimum Balance: None
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.

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

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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

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 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 District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectible amounts has not been recorded.

3. *Inventories*

USDA Commodities are recorded at estimated costs and other inventories are recorded at cost, which approximates market. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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

5. *Compensated absences*

It is the District's policy to permit employees to accumulate 120 days of earned but unused vacation, which will be paid to employees upon retirement 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.

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. *Pensions*

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

8. *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, 2015.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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, 2015.

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.

9. *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.

10. *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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

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

11. *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.

12. *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 \$4,271,392 in state equalization guarantee distributions during the year ended June 30, 2015.

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 \$277,820 in transportation distributions during the year ended June 30, 2015.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

A. Budgetary Information (cont'd)

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, 2015 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	\$ 5,401,230	\$ 5,656,811
Special Revenue Fund	1,112,817	1,834,548
Capital Projects Fund	1,550,338	1,643,590
Debt Service Fund	336,863	336,863
Totals	\$ 8,401,248	\$ 9,471,812

B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2015.

C. Deficit Fund Equity

The District did not have any deficit fund balances as of June 30, 2015.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

Cash and equivalents are comprised of the following balances:

	<u>Balance</u>
Financial institution:	
Centinel Bank	\$ 2,940,974
Less agency cash	(100,285)
Less net reconciling items	(567,037)
State agencies:	
New Mexico State Treasurer	2,897
Total cash and equivalents	\$ 2,276,549

At June 30, 2015, the carrying amount of the District's deposits was \$2,376,834 and the bank balance was \$2,943,871 with the difference consisting of outstanding checks. Of this balance \$250,000 was covered by federal depository insurance and \$1,477,897 was covered by collateral held in joint safekeeping by a third party.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

A. Cash and Temporary Investments (cont'd)

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, 2015, \$1,465,974 of the District's bank balance of \$2,943,871 was exposed to custodial risk as follows:

	<u>Centinel Bank</u>	<u>NM State Treasurer</u>	<u>Total</u>
Uninsured and uncollateralized	\$ 1,465,974	\$ -	\$ 1,465,974
Uninsured and collateral held by pledging bank's trust dept not in the District's name	1,475,000	2,897	1,477,897
Total uninsured	2,690,974	2,897	2,943,871
Insured (FDIC)	250,000	-	250,000
Total deposits	\$ 2,940,974	\$ 2,897	\$ 2,943,871
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ 1,345,487	\$ 1,449	\$ 1,346,936
Pledged security	1,475,000	2,897	1,477,897
Over collateralization	\$ 129,513	\$ 1,448	\$ 130,961

The collateral pledged is listed on Page 117 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 Fund	\$ 4,001	\$ -	\$ 247	\$ 290,974
Gear Up	-	79,565	-	-
Workforce Readiness	-	58,144	-	-
Bond Building	-	-	-	-
Capital Improvements SB-9	24,044	-	1,477	-
Debt Service	57,928	-	3,564	-
Other Governmental Funds	-	155,809	-	-
Total	\$ 85,973	\$ 293,518	\$ 5,288	\$ 290,974

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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		
General Fund	\$ -	\$ -
Other Governmental Funds	-	896
Delinquent property taxes		
General Fund	3,819	-
Capital Improvements SB-9	22,501	-
Debt Service	54,339	-
Other Governmental Funds	-	-
Total deferred/unearned revenue for governmental funds	<u>\$ 80,659</u>	<u>\$ 896</u>

C. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2015 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 290,974	\$ -
Gear Up	-	79,565
Workforce Readiness	-	58,144
Other Governmental Funds	-	153,265
Total	<u>\$ 290,974</u>	<u>\$ 290,974</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.

D. Inter-Fund Transfers

The inter-fund transfers during the year ended June 30, 2015 were:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 1,136
Other Governmental Funds	1,136	-
Total	<u>\$ 1,136</u>	<u>\$ 1,136</u>

The transfers were to clear funds that are no longer being used and were approved by the New Mexico Department of Education.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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

E. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending</u>
	<u>Balance</u>				<u>Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,531,311	\$ -	\$ -	\$ (1,000)	\$ 1,530,311
Capital assets being depreciated:					
Land improvements	1,799,756	-	-	12,928	1,812,684
Buildings and improvements	23,937,529	95,625	-	-	24,033,154
Furniture, fixtures, and equipment	<u>831,192</u>	<u>326,593</u>	<u>(15,321)</u>	<u>(11,928)</u>	<u>1,130,536</u>
Total capital assets being depreciated	<u>26,568,477</u>	<u>422,218</u>	<u>(15,321)</u>	<u>1,000</u>	<u>26,976,374</u>
Less accumulated depreciation for:					
Land improvements	(578,936)	(73,465)	-	(11,928)	(664,329)
Buildings and improvements	(15,588,473)	(681,720)	-	-	(16,270,193)
Furniture, fixtures, and equipment	<u>(614,004)</u>	<u>(58,986)</u>	<u>15,321</u>	<u>11,928</u>	<u>(645,741)</u>
Total accumulated depreciation	<u>(16,781,413)</u>	<u>(814,171)</u>	<u>15,321</u>	<u>-</u>	<u>(17,580,263)</u>
Total capital assets being depreciated, net	<u>9,787,064</u>	<u>(391,953)</u>	<u>-</u>	<u>1,000</u>	<u>9,396,111</u>
Total capital assets, net	<u>\$ 11,318,375</u>	<u>\$ (391,953)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,926,422</u>

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

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 329,230
Support Services - Students	101,861
Support Services - Instruction	16,256
Support Services - General Administration	31,495
Support Services - School Administration	38,293
Central Services	36,583
Operations & Maintenance of Plant	175,526
Student Transportation	49,108
Other Support Services	1,549
Food Services	31,906
Community Services	<u>2,364</u>
Total Depreciation Expense	<u>\$ 814,171</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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

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, 2015 are as follows:

<u>General Obligations Bonds</u>	<u>Original</u>	<u>Interest Rates</u>	<u>Balance</u>	<u>Amount Due</u>				
Series	2009	\$	2,230,000	3.75% to 5.15%	\$	1,880,000	\$	95,000

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

	<u>Balance</u>
Bonds payable	\$ 1,880,000
Less: current maturities	(95,000)
Unamortized:	
Bond premiums	<u>27,878</u>
Total non-current liabilities	<u>\$ 1,812,878</u>

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

<u>General Obligation Bonds</u>			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2016	\$ 95,000	\$ 82,759	\$ 177,759
2017	100,000	78,978	178,978
2018	105,000	74,877	179,877
2019	110,000	70,578	180,578
2020	120,000	65,977	185,977
2021 - 2025	680,000	245,135	925,135
2026 - 2030	<u>670,000</u>	<u>69,816</u>	<u>739,816</u>
Total	<u>\$ 1,880,000</u>	<u>\$ 688,120</u>	<u>\$ 2,568,120</u>

Changes in long term debt – During the year ended June 30, 2015 the following changes occurred in liabilities reported in the general obligation bonds account group:

	<u>Beginning</u>		<u>Additions</u>		<u>Retirements</u>	<u>Ending</u>	<u>Amount Due</u>
	<u>Balance</u>					<u>Balance</u>	<u>Within One Year</u>
Compensated absences:							
Compensated vacation	\$ 42,740	\$	40,981	\$	26,093	\$ 57,628	\$ 57,628
Bonds payable	<u>1,975,000</u>		-		<u>95,000</u>	<u>1,880,000</u>	<u>95,000</u>
	<u>\$ 2,017,740</u>	<u>\$</u>	<u>40,981</u>	<u>\$</u>	<u>121,093</u>	<u>\$ 1,937,628</u>	<u>\$ 152,628</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, 2015

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, 2015.

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, Sections 1 through 52, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the New Mexico Educational Employees' Retirement Plan (Plan), which is a cost-sharing multiple-employer defined benefit retirement plan. 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 www.nmerb.org, www.saonm.org, or by writing to:

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

Membership in the Plan is a condition of employment. Employees of public schools, universities, regional cooperatives, special schools and state agencies providing educational programs, who are employed at more than 25% of a full-time equivalency, are required to be members of the Plan. There were 140,008 active, retired, and inactive members in fiscal year 2014; there were 135,603 active, retired, and inactive members in fiscal year 2013.

Benefits Provided - 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. Benefits are based on three components: Final Average Salary (FAS), years of both earned and allowed service credits, and a 2.35% factor. The gross annual benefit is determined by multiplying the three components together. FAS is the higher of annual earnings for the previous 20 calendar quarters prior to retirement or the highest average annual earnings for any 20 consecutive calendar quarters.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

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

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

The member, upon retirement, has three options as to how to receive the benefit.

Option A – If the member elects the Option A, there is no reduction to the monthly benefit other than any “Rule of 75” deductions or any community property or child support reductions. There will be no continuing benefit to a beneficiary or estate upon the retiree's death, except the balance, if any, of member contributions. Those contributions are usually exhausted in the first three to four years of retirement.

Option B – If the member elects Option B, the monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member and upon the retiree's death, the same benefit is paid to the beneficiary for his or her lifetime. The named beneficiary may not be changed after the effective date of retirement since the amount of the option is calculated by using both the age of the member and the beneficiary. If the beneficiary predeceases the member, the member's benefit will be adjusted by returning it to the Option A Benefit amount. The IRS prohibits selection of Option B for a non-spouse beneficiary more than ten years younger than the member.

Option C – If the member elects Option C, the monthly benefit is reduced to provide for a 50% survivor's benefit. The benefit is payable during the life of the member and upon the retiree's death, one half of the member's benefit is paid to the beneficiary for his or her lifetime. Here again, the named beneficiary may not be changed after the effective date of retirement. If the beneficiary predeceases the member, the member's benefit is adjusted by returning it to the Option A Benefit amount.

Under the provisions of Options B and C coverage, the beneficiary must be a person, and only one beneficiary may be named. The term beneficiary means a person having an insurable interest in the life of the member.

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: 10.7% of their gross salary in fiscal year 2015.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Employer Contributions – In fiscal year 2015, the District was required to contribute 13.9% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 13.9% of the gross covered salary for employees whose annual salary is more than \$20,000. 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, 2015, 2014, and 2013, were \$442,814, \$431,339, and \$364,904, respectively, which equal the amount of the required contributions for each fiscal year.

Employers

The Educational Retirement Act designates employers as Local Administrative Units, directly responsible for payment of compensation for the employment of members or participants of this Plan. There were 213 contributing employers in fiscal year 2014; there were 212 contributing employers in fiscal year 2013.

Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Expense Related to Pensions

At June 30, 2015, the District reported a liability of \$6,788,670 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.11898 percent, which was a decrease of 0.00281 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$424,586.

Pension Expense Calculation

Add:	Net pension liability - end of the year	\$ 6,788,670
Deduct:	Net pension liability - beginning of the year	(7,644,579)
Deduct:	Deferred outflows of resources during the year	-
Add:	First year of amortization of deferred outflows of resources	-
Add:	Deferred inflows of resources during the year	849,156
Deduct:	First year of amortization of deferred inflows of resources	-
Add:	Layerd amortization of prior year(s) deferred outflows of resources	-
Deduct:	Layerd amortization of prior year(s) deferred inflows of resources	-
	Reductions to ending net pension liability due contributions paid	431,339
	Total Pension Expense	\$ 424,586

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 101,124
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	617,103
Changes in proportion and differences between District contributions and proportionate share of contributions	-	130,929
District contributions subsequent to the measurement date	442,814	-
Total	\$ 442,814	\$ 849,156

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Deferred outflows of resources related to pensions in the amount of \$442,814 resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending		
<u>June 30,</u>		
2016	\$	234,856
2017		234,856
2018		225,187
2019		154,257
2020		-
Thereafter		-
Total	\$	<u>849,156</u>

Actuarial Assumptions

A single discount rate of 7.75% was used to measure the total pension liability as of June 30, 2014. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the assumptions described below and the projection of cash flows, pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. The long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

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

Asset Class	2014	2013
	Long-Term Expected <u>Real Rate of Return</u>	Long-Term Expected <u>Real Rate of Return</u>
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

Rate of Return

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following:

- 1) Rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.),
- 2) Application of key economic projections (inflation, real growth, dividends, etc.), and
- 3) Structural themes (supply and demand imbalances, capital flows, etc.).

These items are developed for each major asset class.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate Assumption

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

		1% Decrease 6.75%		Current Single Rate Assumption 7.75%		1% Increase 8.75%
ERB (All Employers)						
2014	\$	7,763,304,829	\$	5,705,730,813	\$	3,987,098,791
2013	\$	8,286,923,513	\$	6,276,852,149	\$	4,599,162,126
Penasco Independent Schools						
2014	\$	9,236,770	\$	6,788,670	\$	4,743,700
2013	\$	10,092,644	\$	7,644,578	\$	5,601,320

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. OTHER INFORMATION (cont'd)

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

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, 2014, 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, 2015, 2014 and 2013 were \$62,748, \$65,551, and \$66,194, respectively, which equal the required contributions for each year.

D. Contingent Liabilities

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

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

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. Restatement

There was a restatement of the District's basic financial statements of \$7,213,240, net pension liability, for the implementation of GASB68 which requires the recognition of the District's portion of the cost-sharing pension liability.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

IV. OTHER INFORMATION (cont'd)

G. 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%
2015	<u>410,277</u>	52.29%	76.93%
Total	<u>\$ 775,913</u>		

H. Subsequent Events

Subsequent events were evaluated through November 2, 2015 which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2015

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

	<u>2015</u>
District's proportion of the net pension liability	0.118980%
District's proportionate share of the net pension liability	\$ 6,788,670
District's covered-employee payroll	\$ 3,279,423
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	207.01%
Plan fiduciary net position as a percentage of the total pension liability	66.54%

* These schedules are intended to present 10 years of trending history. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contribution	\$ 431,339
Contributions in relation to the contractually required	<u>(431,339)</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 3,279,423
Contribution as a percentage of covered-employee payroll	13.15%

* These schedules are intended to present 10 years of trending history. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2015

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

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

- 1) Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.75% to 4.25%
 - b. Lower payroll growth from 3.75% to 3.50%
 - c. Minor changes to demographic assumptions
 - d. Population growth per year from 0.75% to 0.50%

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

See also the Note IV (B) *Actuarial Assumptions* of the financial statement note disclosure on the Pension Plan.

THIS PAGE INTENTIONALL LEFT BLANK

GENERAL FUNDS
YEAR ENDED JUNE 30, 2015

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 FUNDS
Combining Balance Sheet
June 30, 2015

	General Funds			Total General Funds
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
Assets				
Cash and cash equivalents	\$ 1,023,204	\$ 15,753	\$ 17,377	\$ 1,056,334
Receivables:				
Property taxes	4,001	-	-	4,001
Due from other governments	247	-	-	247
Due from other funds	290,974	-	-	290,974
Total assets	\$ 1,318,426	\$ 15,753	\$ 17,377	\$ 1,351,556
 Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ 11,812	\$ 10,378	\$ -	\$ 22,190
Deposits held for others	60	-	-	60
Total liabilities	11,872	10,378	-	22,250
Deferred inflows of resources:				
Delinquent property taxes	3,819	-	-	3,819
Fund balance:				
Unassigned	1,302,735	5,375	17,377	1,325,487
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,318,426	\$ 15,753	\$ 17,377	\$ 1,351,556

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

GENERAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2015**

	General Funds			Total General Fund
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
Revenues:				
Taxes:				
Property	\$ 11,251	\$ -	\$ -	\$ 11,251
Intergovernmental - federal grants	55,536	-	-	55,536
Intergovernmental - state grants	4,277,357	277,820	22,617	4,577,794
Contributions - private grants	18,223	-	-	18,223
Charges for services	1,450	-	-	1,450
Investment and interest income	786	-	-	786
Miscellaneous	<u>18,235</u>	<u>-</u>	<u>-</u>	<u>18,235</u>
Total revenue	<u>4,382,838</u>	<u>277,820</u>	<u>22,617</u>	<u>4,683,275</u>
Expenditures:				
Current:				
Instruction	1,963,571	-	-	1,963,571
Support services:				
Students	561,923	-	-	561,923
Instruction	12,132	-	-	12,132
General Administration	229,487	-	-	229,487
School Administration	270,973	-	-	270,973
Central Services	295,523	-	-	295,523
Operation & Maintenance of Plant	916,459	-	-	916,459
Student transportation	17,074	274,724	6,473	298,271
Other Support services	12,517	-	-	12,517
Food services operations	<u>1,627</u>	<u>-</u>	<u>-</u>	<u>1,627</u>
Total expenditures	<u>4,281,286</u>	<u>274,724</u>	<u>6,473</u>	<u>4,562,483</u>
<i>Excess of revenues over expenditures</i>	101,552	3,096	16,144	120,792
Fund balance at beginning of the year	<u>1,201,183</u>	<u>2,279</u>	<u>1,233</u>	<u>1,204,695</u>
Fund balance at end of the year	<u>\$ 1,302,735</u>	<u>\$ 5,375</u>	<u>\$ 17,377</u>	<u>\$ 1,325,487</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

OPERATIONAL FUND - NO. 11000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 11,118	\$ 11,118	\$ 11,484	\$ 366
Intergovernmental - federal grants	53,805	55,924	55,536	(388)
Intergovernmental - state grants	4,267,419	4,271,534	4,277,357	5,823
Contributions - private grants	1,000	1,000	18,223	17,223
Charges for services	1,000	1,000	1,450	450
Investment and interest income	600	600	786	186
Miscellaneous	-	-	18,235	18,235
Total revenues	4,334,942	4,341,176	4,383,071	41,895
Expenditures:				
Current:				
Instruction	1,953,219	2,421,010	1,963,910	457,100
Support services:				
Students	709,270	712,325	604,427	107,898
Instruction	25,578	14,803	12,132	2,671
General Administration	263,581	323,764	230,654	93,110
School Administration	305,219	337,282	271,123	66,159
Central Services	289,776	315,411	295,523	19,888
Operation & Maintenance of Plant	1,551,487	1,178,499	937,234	241,265
Student transportation	24,615	34,402	17,074	17,328
Other Support services	13,205	18,805	9,608	9,197
Food Services Operations	-	2,737	136	2,601
Total expenditures	5,135,950	5,359,038	4,341,821	1,017,217
<i>Excess (deficiency) of revenues over expenditures</i>	(801,008)	(1,017,862)	41,250	1,059,112
Other financing uses:				
Transfers out	-	-	(1,136)	(1,136)
<i>Net change in fund balance</i>	(801,008)	(1,017,862)	40,114	1,057,976
<i>Beginning cash balance budgeted</i>	801,008	1,017,862	-	(1,017,862)
Fund balance at beginning of the year	-	-	1,201,183	1,201,183
Fund balance at end of the year	\$ -	\$ -	1,241,297	\$ 1,241,297
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			153	
Change in due from other governments			(105)	
Change in payables			61,670	
Change in deferred property taxes			(280)	
Fund balance at end of the year (GAAP basis)			\$ 1,302,735	

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 246,466	\$ 277,820	\$ 277,820	\$ -
Expenditures:				
Current:				
Support services:				
Student transportation	<u>246,466</u>	<u>278,959</u>	<u>264,346</u>	<u>14,613</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	(1,139)	13,474	14,613
<i>Beginning cash balance budgeted</i>	-	1,139	-	(1,139)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>2,279</u>	<u>2,279</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	15,753	<u>\$ 15,753</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(10,378)</u>	
Fund balance at end of the year (GAAP basis)			<u><u>\$ 5,375</u></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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 17,602	\$ 17,602	\$ 22,617	\$ 5,015
Miscellaneous	-	-	315	315
Total revenues	17,602	17,602	22,932	5,330
Expenditures:				
Current:				
Instruction	18,814	18,814	6,788	12,026
<i>Excess (deficiency) of revenues over expenditures</i>	(1,212)	(1,212)	16,144	17,356
<i>Beginning cash balance budgeted</i>	1,212	1,212	-	(1,212)
Fund balance at beginning of the year	-	-	1,233	1,233
Fund balance at end of the year	\$ -	\$ -	17,377	\$ 17,377
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 17,377	

MAJOR CAPITAL PROJECTS FUNDS
AND
MAJOR DEBT SERVICE FUND

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

BOND BUILDING FUND - NO. 31100
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**
 Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Investment and interest income	\$ 600	\$ 600	\$ 569	\$ (31)
Expenditures:				
Current:				
Support services:				
Operation & Maintenance of Plant	225,000	515,000	420,300	94,700
Capital outlay:				
Land and improvements	50,000	50,000	-	50,000
Construction in progress	<u>899,170</u>	<u>609,170</u>	<u>110,011</u>	<u>499,159</u>
Total expenditures	<u>1,174,170</u>	<u>1,174,170</u>	<u>530,311</u>	<u>643,859</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(1,173,570)	(1,173,570)	(529,742)	643,828
Other financing sources:				
County revenue bonds	<u>1,114,935</u>	<u>1,114,935</u>	<u>410,277</u>	<u>(704,658)</u>
<i>Net change in fund balance</i>	(58,635)	(58,635)	(119,465)	(60,830)
<i>Beginning cash balance budgeted</i>	58,635	58,635	-	(58,635)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>683,806</u>	<u>683,806</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>564,341</u>	<u>\$ 564,341</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(22,994)</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 541,347</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

CAPITAL IMPROVEMENTS SB-9 FUND - NO. 31700

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 97,103	\$ 97,103	\$ 83,826	\$ (13,277)
Intergovernmental - state grants	-	62,810	293,455	230,645
Total revenues	97,103	159,913	377,281	217,368
Expenditures:				
Current:				
Support services:				
General Administration	972	972	845	127
Operation & Maintenance of Plant	225,000	172,442	116,588	55,854
Capital outlay:				
Equipment	91,000	265,564	265,548	16
Construction in progress	59,196	30,442	-	30,442
Total expenditures	376,168	469,420	382,981	86,439
<i>Excess (deficiency) of revenues over expenditures</i>	(279,065)	(309,507)	(5,700)	303,807
<i>Beginning cash balance budgeted</i>	279,065	309,507	-	(309,507)
Fund balance at beginning of the year	-	-	283,369	283,369
Fund balance at end of the year	\$ -	\$ -	277,669	\$ 277,669
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			3,754	
Change in due from other governments			(502)	
Change in payables			27,378	
Change in deferred property taxes			(5,844)	
Fund balance at end of the year (GAAP basis)			\$ 302,455	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

DEBT SERVICE FUND - NO. 41000
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 181,321	\$ 181,321	\$ 183,018	\$ 1,697
Expenditures:				
Current:				
Support services:				
General Administration	1,814	1,829	1,829	-
Debt service:				
Principal retirement	95,000	95,000	95,000	-
Bond interest paid	86,321	86,322	86,321	1
Reserves	<u>153,728</u>	<u>153,712</u>	<u>-</u>	<u>153,712</u>
Total expenditures	<u>336,863</u>	<u>336,863</u>	<u>183,150</u>	<u>153,713</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(155,542)	(155,542)	(132)	155,410
<i>Beginning cash balance budgeted</i>	155,542	155,542	-	(155,542)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>171,432</u>	<u>171,432</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>171,300</u>	<u>\$ 171,300</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(3,013)	
Change in deferred property taxes			<u>559</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 168,846</u>	

NONMAJOR GOVERNMENTAL FUNDS

THIS PAGE INTENTIONALLY LEFT BLANK

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

Nonmajor Special Revenue Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

- **FOOD SERVICES (Fund No. 21000)** Minimum Balance: None
This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

- **ATHLETICS (Fund No. 22000)** Minimum Balance: None
This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

- **TITLE I (Fund No. 24101)** Minimum Balance: None
To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

- **ENTITLEMENT IDEA-B (Fund No. 24106)** Minimum Balance: None
Program provides grants to states that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

- **PRESCHOOL IDEA-B (Fund No. 24109)** Minimum Balance: None
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)** Minimum Balance: None
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.

- **IDEA-B "RISK POOL" (Fund No. 24120)** Minimum Balance: None
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 II TEACHER QUALITY (Fund No. 24154)** Minimum Balance: None
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.

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

Nonmajor Special Revenue Funds (cont'd)

- **IMPACT AID SPECIAL/INDIAN EDUCATION (Fund 25145 & 25147)** Minimum Balance: None
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)** Minimum Balance: None
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)** Minimum Balance: None
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)** Minimum Balance: None
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)** Minimum Balance: None
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)** Minimum Balance: None
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)** Minimum Balance: None
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)** Minimum Balance: None
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.

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

Nonmajor Special Revenue Funds (cont'd)

- Minimum Balance: None

➤ 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
- Minimum Balance: None

➤ 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).
- Minimum Balance: None

➤ 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.
- Minimum Balance: None

➤ PRE-K INITIATIVE (Fund No. 27149)

The pre-k program shall address the total development needs of preschool children, including physical, cognitive, social and emotional needs, and shall include health care, nutrition, safety and multicultural sensitivity.
- Minimum Balance: None

➤ 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.
- Minimum Balance: None

➤ BREAKFAST FOR ELEMENTARY STUDENTS (Fund No. 27155)

To provide elementary students with the nutrition necessary to facilitate learning.
- Minimum Balance: None

➤ 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.
- Minimum Balance: None

➤ 2013 SCHOOL BUSES (Fund No. 27178)

To provide for the purchase of school buses.
- Minimum Balance: None

➤ EARLY COLLEGE HS STAR-UP (Fund No. 27180)

To provide school district with funds to encourage student towards college preparation, career readiness and dropout prevention. Authorized through Senate Bill 313, the General Appropriations Act of 2014 of the regular 2014 Legislative Session.

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

Nonmajor Special Revenue Funds (cont'd)

- STEM TEACHER INITIATIVE (Fund No. 27181) Minimum Balance: None
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) Minimum Balance: None
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) Minimum Balance: None
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.

- CHILD AND ADULT CARE FOOD PROGRAM (Fund No. 28201) Minimum Balance: None
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) Minimum Balance: None
To support the summer food program.

Nonmajor Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

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.

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

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

Special Revenue Funds

	<u>Food Service</u> <u>Fund #21000</u>	<u>Athletics</u> <u>Fund #22000</u>	<u>Title I</u> <u>Fund #24101</u>	<u>Entitlement</u> <u>IDEA-B</u> <u>Fund #24106</u>	<u>Preschool</u> <u>IDEA-B</u> <u>Fund #24109</u>
Assets					
Cash and cash equivalents	\$ -	\$ 14,141	\$ -	\$ -	\$ -
Receivables:					
Grant	9,434	-	32,155	29,748	950
Food inventory	<u>19,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 29,427</u>	<u>\$ 14,141</u>	<u>\$ 32,155</u>	<u>\$ 29,748</u>	<u>\$ 950</u>
 Liabilities and fund balance					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>7,160</u>	<u>-</u>	<u>32,155</u>	<u>29,748</u>	<u>950</u>
Total liabilities	<u>7,160</u>	<u>-</u>	<u>32,155</u>	<u>29,748</u>	<u>950</u>
Deferred inflows of resources:					
Advances of federal, state, and local grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:					
Non-spendable:					
Inventories	19,993	-	-	-	-
Restricted for:					
Special revenue funds	2,274	14,141	-	-	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>22,267</u>	<u>14,141</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 29,427</u>	<u>\$ 14,141</u>	<u>\$ 32,155</u>	<u>\$ 29,748</u>	<u>\$ 950</u>

(cont'd; 1 of 9)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds			
	Fresh Fruits and Vegetables Fund #24118	IDEA-B "Risk Pool" Fund #24120	Title II Teacher Quality Fund #24154	Impact Aid Special Education Fund #25145
Assets				
Cash and cash equivalents	\$ 626	\$ -	\$ -	\$ 17,756
Receivables:				
Grant	-	82	6,274	-
Food inventory	-	-	-	-
Total assets	\$ 626	\$ 82	\$ 6,274	\$ 17,756
 Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 270	\$ -
Due to other funds	-	82	6,004	-
Total liabilities	-	82	6,274	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	626	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	17,756
Capital projects funds	-	-	-	-
Total fund balance	-	-	-	17,756
Total liabilities, deferred inflows of resources, and fund balance	\$ 626	\$ 82	\$ 6,274	\$ 17,756

(cont'd; 2 of 9)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds			
	Impact Aid Indian Education Fund #25147	Title XIX Medicaid Fund #25153	Child & Adult Food Program Fund #25171	Indian Ed Formula Grant Fund #25184
Assets				
Cash and cash equivalents	\$ 4,368	\$ 50,316	\$ 214	\$ -
Receivables:				
Grant	-	-	-	1,995
Food inventory	-	-	-	-
Total assets	\$ 4,368	\$ 50,316	\$ 214	\$ 1,995
 Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ 382	\$ -	\$ -
Due to other funds	-	-	-	1,995
Total liabilities	-	382	-	1,995
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	214	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	4,368	49,934	-	-
Capital projects funds	-	-	-	-
Total fund balance	4,368	49,934	-	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 4,368	\$ 50,316	\$ 214	\$ 1,995

(cont'd; 3 of 9)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds			
	Elementary School Counseling Fund #25215	LANL Foundation Fund #26113	Drawing from the Well Fund #26147	Dual Credit Instructional Materials Fund #27103
Assets				
Cash and cash equivalents	\$ 56	\$ 640	\$ 3,893	\$ -
Receivables:				
Grant	-	-	-	-
Food inventory	-	-	-	-
Total assets	\$ 56	\$ 640	\$ 3,893	\$ -
 Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	56	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	640	3,893	-
Capital projects funds	-	-	-	-
Total fund balance	-	640	3,893	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 56	\$ 640	\$ 3,893	\$ -

(cont'd; 4 of 9)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	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>	Pre-K Initiative <u>Fund #27149</u>
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Grant	-	9,352	13,666	10,102
Food inventory	-	-	-	-
Total assets	\$ -	\$ 9,352	\$ 13,666	\$ 10,102
 Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	9,352	13,666	10,102
Total liabilities	-	9,352	13,666	10,102
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
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	\$ -	\$ 9,352	\$ 13,666	\$ 10,102

(cont'd; 5 of 9)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds			
	Indian Education Act Fund #27150	Breakfast for Elementary Students Fund #27155	Kindergarten 3- Plus Fund #27166	2013 School Buses Fund #27178
Assets				
Cash and cash equivalents	\$ -	\$ 3,505	\$ -	\$ -
Receivables:				
Grant	4,990	-	26,165	-
Food inventory	-	-	-	-
Total assets	\$ 4,990	\$ 3,505	\$ 26,165	\$ -
 Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	4,990	-	26,165	-
Total liabilities	4,990	-	26,165	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
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	\$ 4,990	\$ 3,505	\$ 26,165	\$ -

(cont'd; 6 of 9)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Funds			
	Early College HS Start-Up Fund #27180	STEM Teacher Initiative Fund #27181	New Mexico Grown Fund #27183	State Discretionary IDEA-B Fund #27200
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,007
Receivables:				
Grant	9,981	-	-	-
Food inventory	-	-	-	-
Total assets	\$ 9,981	\$ -	\$ -	\$ 2,007
 Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	9,981	-	-	-
Total liabilities	9,981	-	-	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	2,007
Capital projects funds	-	-	-	-
Total fund balance	-	-	-	2,007
Total liabilities, deferred inflows of resources, and fund balance	\$ 9,981	\$ -	\$ -	\$ 2,007

(cont'd; 7 of 9)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	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			
Cash and cash equivalents	\$ -	\$ -	\$ 97,522
Receivables:			
Grant	-	915	155,809
Food inventory	-	-	19,993
Total assets	\$ -	\$ 915	\$ 273,324
 Liabilities and fund balance			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 652
Due to other funds	-	915	153,265
Total liabilities	-	915	153,917
 Deferred inflows of resources:			
Advances of federal, state, and local grants	-	-	896
 Fund balance:			
Non-spendable:			
Inventories	-	-	19,993
Restricted for:			
Special revenue funds	-	-	98,518
Capital projects funds	-	-	-
Total fund balance	-	-	118,511
Total liabilities, deferred inflows of resources, and fund balance	\$ -	\$ 915	\$ 273,324

(cont'd; 8 of 9)

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2015

	Capital Projects Funds			
	Special Capital Outlay - State Fund #31400	Public School Capital Outlay - 20% Fund #32100	Total Non-Major Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 62,967	\$ 1,170	\$ 64,137	\$ 161,659
Receivables:				
Grant	-	-	-	155,809
Food inventory	-	-	-	19,993
Total assets	\$ 62,967	\$ 1,170	\$ 64,137	\$ 337,461
 Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 652
Due to other funds	-	-	-	153,265
Total liabilities	-	-	-	153,917
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	896
Fund balance:				
Non-spendable:				
Inventories	-	-	-	19,993
Restricted for:				
Special revenue funds	-	-	-	98,518
Capital projects funds	62,967	1,170	64,137	64,137
Total fund balance	62,967	1,170	64,137	182,648
Total liabilities, deferred inflows of resources, and fund balance	\$ 62,967	\$ 1,170	\$ 64,137	\$ 337,461

(9 of 9)

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, 2015**

	Special Revenue Funds			
	Food Service <u>Fund #21000</u>	Athletics <u>Fund #22000</u>	Title I <u>Fund #24101</u>	Entitlement IDEA-B <u>Fund #24106</u>
Revenues:				
Intergovernmental - federal grants	\$ 218,788	\$ -	\$ 107,611	\$ 105,582
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	2,156	-	-
Charges for services	<u>3,410</u>	<u>58,592</u>	<u>-</u>	<u>-</u>
Total revenues	<u>222,198</u>	<u>60,748</u>	<u>107,611</u>	<u>105,582</u>
Expenditures:				
Current:				
Instruction	-	71,388	67,753	99,355
Support services:				
Students	-	-	-	3,032
Instruction	-	-	-	-
General Administration	-	-	6,009	-
School Administration	-	-	33,849	-
Student transportation	-	-	-	3,195
Food services operations	249,364	-	-	-
Community services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>249,364</u>	<u>71,388</u>	<u>107,611</u>	<u>105,582</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(27,166)	(10,640)	-	-
Fund balance at beginning of the year	<u>49,433</u>	<u>24,781</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 22,267</u>	<u>\$ 14,141</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 1 of 9)

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, 2015**

	Special Revenue Funds			
	Preschool IDEA-B <u>Fund #24109</u>	Fresh Fruits and Vegetables <u>Fund #24118</u>	IDEA-B "Risk Pool" <u>Fund #24120</u>	Title II Teacher Quality <u>Fund #24154</u>
Revenues:				
Intergovernmental - federal grants	\$ 8,193	\$ 6,754	\$ 82	\$ 11,973
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Total revenues	8,193	6,754	82	11,973
Expenditures:				
Current:				
Instruction	8,193	-	82	11,186
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	544
School Administration	-	-	-	243
Student transportation	-	-	-	-
Food services operations	-	6,754	-	-
Community services	-	-	-	-
Total expenditures	8,193	6,754	82	11,973
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -

(cont'd; 2 of 9)

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, 2015**

	Special Revenue Funds				
	Impact Aid Special Education <u>Fund #25145</u>	Impact Aid Indian Education <u>Fund #25147</u>	Title XIX Medicaid <u>Fund #25153</u>	Child & Adult Food Program <u>Fund #25171</u>	
	Revenues:				
	Intergovernmental - federal grants	\$ 197	\$ 4,368	\$ 22,832	\$ -
Intergovernmental - state grants	-	-	-	-	
Contributions - private grants	-	-	-	-	
Charges for services	-	-	-	-	
Total revenues	197	4,368	22,832	-	
Expenditures:					
Current:					
Instruction	-	19,535	4,823	-	
Support services:					
Students	-	-	54,852	-	
Instruction	-	-	-	-	
General Administration	-	-	1,955	-	
School Administration	-	4,275	-	-	
Student transportation	-	-	-	-	
Food services operations	-	-	-	-	
Community services	-	-	-	-	
Total expenditures	-	23,810	61,630	-	
<i>Excess (deficiency) of revenues over expenditures</i>	197	(19,442)	(38,798)	-	
Fund balance at beginning of the year	17,559	23,810	88,732	-	
Fund balance at end of the year	\$ 17,756	\$ 4,368	\$ 49,934	\$ -	

(cont'd; 3 of 9)

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, 2015**

	Special Revenue Funds			
	Indian Ed Formula Grant <u>Fund #25184</u>	Elementary School Counseling <u>Fund #25215</u>	LANL Foundation <u>Fund #26113</u>	Drawing from the Well <u>Fund #26147</u>
Revenues:				
Intergovernmental - federal grants	\$ 4,395	\$ 180,532	\$ -	\$ -
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Total revenues	4,395	180,532	-	-
Expenditures:				
Current:				
Instruction	4,397	13,239	270	769
Support services:				
Students	-	144,950	-	-
Instruction	-	-	-	-
General Administration	-	10,321	-	-
School Administration	-	-	-	-
Student transportation	-	15	-	-
Food services operations	-	-	-	-
Community services	-	12,007	-	-
Total expenditures	4,397	180,532	270	769
<i>Excess (deficiency) of revenues over expenditures</i>	(2)	-	(270)	(769)
Fund balance at beginning of the year	2	-	910	4,662
Fund balance at end of the year	\$ -	\$ -	\$ 640	\$ 3,893

(cont'd; 4 of 9)

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, 2015**

	Special Revenue Funds			
	Dual Credit Instructional Materials <u>Fund #27103</u>	Libraries GO Bond 2010 <u>Fund #27106</u>	Libraries GO Bond 2012 <u>Fund #27107</u>	Reads to Lead <u>Fund #27114</u>
Revenues:				
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state grants	6,697	-	8,616	49,999
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Total revenues	6,697	-	8,616	49,999
Expenditures:				
Current:				
Instruction	6,697	-	-	47,201
Support services:				
Students	-	-	-	-
Instruction	-	-	8,616	-
General Administration	-	-	-	2,798
School Administration	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Total expenditures	6,697	-	8,616	49,999
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -

(cont'd; 5 of 9)

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, 2015**

Special Revenue Funds

	Pre-K Initiative Fund #27149	Indian Education Act Fund #27150	Breakfast for Elementary Students Fund #27155	Kindergarten 3-Plus Fund #27166	2013 School Buses Fund #27178
Revenues:					
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state grants	60,000	21,157	-	39,480	91,498
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Total revenues	<u>60,000</u>	<u>21,157</u>	<u>-</u>	<u>39,480</u>	<u>91,498</u>
Expenditures:					
Current:					
Instruction	59,406	21,157	-	35,754	-
Support services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	594	-	-	-	-
School Administration	-	-	-	-	-
Student transportation	-	-	-	3,726	91,498
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Total expenditures	<u>60,000</u>	<u>21,157</u>	<u>-</u>	<u>39,480</u>	<u>91,498</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>3,505</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,505</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 6 of 9)

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, 2015**

	Special Revenue Funds			
	Early College HS Start-Up <u>Fund #27180</u>	STEM Teacher Initiative <u>Fund #27181</u>	New Mexico Grown <u>Fund #27183</u>	State Discretionary IDEA-B <u>Fund #27200</u>
Revenues:				
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state grants	73,153	24,294	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Total revenues	73,153	24,294	-	-
Expenditures:				
Current:				
Instruction	52,006	24,294	-	-
Support services:				
Students	21,147	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Total expenditures	73,153	24,294	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	2,007
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ 2,007

(cont'd; 7 of 9)

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, 2015**

	Special Revenue Funds		Total Nonmajor Special Revenue Funds
	Child and Adult Care Food Program Fund #28201	No Kid Hungry Fund #29102	
Revenues:			
Intergovernmental - federal grants	\$ -	\$ -	\$ 671,307
Intergovernmental - state grants	-	-	374,894
Contributions - private grants	-	-	2,156
Charges for services	-	-	<u>62,002</u>
Total revenues	<u>-</u>	<u>-</u>	<u>1,110,359</u>
Expenditures:			
Current:			
Instruction	-	-	547,505
Support services:			
Students	-	-	223,981
Instruction	-	-	8,616
General Administration	-	-	22,221
School Administration	-	-	38,367
Student transportation	-	-	98,434
Food services operations	-	-	256,118
Community services	-	-	<u>12,007</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>1,207,249</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(96,890)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>215,401</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,511</u>

(cont'd; 8 of 9)

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, 2015**

	Capital Projects Funds		Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	Special Capital Outlay - State Fund #31400	Public School Capital Outlay - 20% Fund #32100		
Revenues:				
Intergovernmental - federal grants	\$ -	\$ -	-	\$ 671,307
Intergovernmental - state grants	-	-	-	374,894
Contributions - private grants	-	-	-	2,156
Charges for services	-	-	-	62,002
Total revenues	-	-	-	1,110,359
Expenditures:				
Current:				
Instruction	-	-	-	547,505
Support services:				
Students	-	-	-	223,981
Instruction	-	-	-	8,616
General Administration	-	-	-	22,221
School Administration	-	-	-	38,367
Student transportation	-	-	-	98,434
Food services operations	-	-	-	256,118
Community services	-	-	-	12,007
Total expenditures	-	-	-	1,207,249
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	(96,890)
Fund balance at beginning of the year	62,967	1,170	64,137	279,538
Fund balance at end of the year	\$ 62,967	\$ 1,170	\$ 64,137	\$ 182,648

(9 of 9)

NONMAJOR GOVERNMENTAL FUNDS
BUDGETARY PRESENTATION

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental - federal grants	\$ 224,840	\$ 224,840	\$ 210,252	\$ (14,588)
Charges for services	<u>4,500</u>	<u>4,500</u>	<u>3,389</u>	<u>(1,111)</u>
Total revenues	229,340	229,340	213,641	(15,699)
Expenditures:				
Current:				
Food Services Operations	<u>255,557</u>	<u>262,400</u>	<u>253,861</u>	<u>8,539</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(26,217)	(33,060)	(40,220)	(7,160)
<i>Beginning cash balance budgeted</i>	26,217	33,060	-	(33,060)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>49,433</u>	<u>49,433</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>9,213</u>	<u><u>\$ 9,213</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			5,494	
Change in grant receivable			(10,233)	
Change in payables			17,529	
Change in accrued liabilities			<u>264</u>	
Fund balance at end of the year (GAAP basis)			<u><u>\$ 22,267</u></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, 2015

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Contributions - private grants	\$ -	\$ -	\$ 2,156	\$ 2,156
Charges for services	<u>45,000</u>	<u>50,383</u>	<u>58,593</u>	<u>8,210</u>
Total revenues	45,000	50,383	60,749	10,366
Expenditures:				
Current:				
Instruction	<u>66,830</u>	<u>75,956</u>	<u>72,182</u>	<u>3,774</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(21,830)	(25,573)	(11,433)	14,140
<i>Beginning cash balance budgeted</i>	21,830	25,573	-	(25,573)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>24,781</u>	<u>24,781</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>13,348</u>	<u><u>\$ 13,348</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>793</u>	
Fund balance at end of the year (GAAP basis)			<u><u>\$ 14,141</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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental - federal grants	\$ 127,169	\$ 146,107	\$ 103,561	\$ (42,546)
Expenditures:				
Current:				
Instruction	83,114	96,114	67,753	28,361
Support services:				
General Administration	6,517	7,577	6,009	1,568
School Administration	<u>37,538</u>	<u>42,416</u>	<u>33,849</u>	<u>8,567</u>
Total expenditures	<u>127,169</u>	<u>146,107</u>	<u>107,611</u>	<u>38,496</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(4,050)	(4,050)
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>	(4,050)	<u>\$ (4,050)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>4,050</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

ENTITLEMENT IDEA-B FUND - NO. 24106
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 91,131	\$ 151,584	\$ 124,958	\$ (26,626)
Expenditures:				
Current:				
Instruction	91,131	128,644	99,355	29,289
Support services:				
Students	-	16,500	3,486	13,014
Central Services	-	240	-	240
Student transportation	-	6,200	3,195	3,005
Total expenditures	<u>91,131</u>	<u>151,584</u>	<u>106,036</u>	<u>45,548</u>
<i>Excess of revenues over expenditures</i>	-	-	18,922	18,922
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>18,922</u>	<u>\$ 18,922</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(19,376)	
Change in payables			454	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 4,197	\$ 9,422	\$ 8,402	\$ (1,020)
Expenditures:				
Current:				
Instruction	4,197	9,422	8,193	1,229
<i>Excess of revenues over expenditures</i>	-	-	209	209
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	209	\$ 209
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(209)	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 8,198	\$ 6,804	\$ (1,394)
Expenditures:				
Current:				
Food Services Operations	-	8,198	6,945	1,253
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(141)	(141)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(141)	\$ (141)
RECONCILIATION TO GAAP BASIS:				
Change in payables			191	
Change in deferred revenue			(50)	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 85	\$ -	\$ (85)
Expenditures:				
Current:				
Instruction	-	85	82	3
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(82)	(82)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(82)	\$ (82)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			82	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 21,512	\$ 73,174	\$ 15,791	\$ (57,383)
Expenditures:				
Current:				
Instruction	17,000	58,885	10,916	47,969
Support services:				
General Administration	1,212	4,104	544	3,560
School Administration	3,300	10,185	243	9,942
Total expenditures	21,512	73,174	11,703	61,471
<i>Excess of revenues over expenditures</i>	-	-	4,088	4,088
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	4,088	\$ 4,088
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(3,818)	
Change in payables			(270)	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 17,559	\$ 197	\$ (17,362)
Expenditures:				
Current:				
Instruction	-	15,000	-	15,000
Support services:				
General Administration	-	2,559	-	2,559
Total expenditures	-	17,559	-	17,559
<i>Excess of revenues over expenditures</i>	-	-	197	197
Fund balance at beginning of the year	-	-	17,559	17,559
Fund balance at end of the year	\$ -	\$ -	17,756	\$ 17,756
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 17,756	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 23,810	\$ 4,368	\$ (19,442)
Expenditures:				
Current:				
Instruction	-	19,535	19,535	-
Support services:				
School Administration	-	4,275	4,275	-
Total expenditures	-	23,810	23,810	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(19,442)	(19,442)
Fund balance at beginning of the year	-	-	23,810	23,810
Fund balance at end of the year	\$ -	\$ -	4,368	\$ 4,368
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 4,368	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental - federal grants	\$ 35,000	\$ 35,000	\$ 22,832	\$ (12,168)
Expenditures:				
Current:				
Instruction	10,000	10,000	4,823	5,177
Support services:				
Students	94,632	94,632	54,852	39,780
General Administration	5,000	5,000	1,573	3,427
Total expenditures	109,632	109,632	61,248	48,384
<i>Excess (deficiency) of revenues over expenditures</i>	(74,632)	(74,632)	(38,416)	36,216
<i>Beginning cash balance budgeted</i>	74,632	74,632	-	(74,632)
Fund balance at beginning of the year	-	-	88,732	88,732
Fund balance at end of the year	\$ -	\$ -	50,316	\$ 50,316
RECONCILIATION TO GAAP BASIS:				
Change in payables			(382)	
Fund balance at end of the year (GAAP basis)			\$ 49,934	

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, 2015**

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

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 4,400	\$ 2,400	\$ (2,000)
Expenditures:				
Current:				
Instruction	-	4,400	4,397	3
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(1,997)	(1,997)
Fund balance at beginning of the year	-	-	2	2
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,995)	<u>\$ (1,995)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			1,995	
Fund balance at end of the year (GAAP basis)			<u>\$ -</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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 72,976	\$ 237,000	\$ 189,363	\$ (47,637)
Expenditures:				
Current:				
Instruction	18,719	15,238	13,239	1,999
Support services:				
Students	47,639	190,781	148,790	41,991
General Administration	3,623	11,200	10,321	879
Operation & Maintenance of Plant	-	304	-	304
Student transportation	2,995	15	15	-
Community Services Operations	-	19,462	12,007	7,455
Total expenditures	<u>72,976</u>	<u>237,000</u>	<u>184,372</u>	<u>52,628</u>
<i>Excess of revenues over expenditures</i>	-	-	4,991	4,991
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	4,991	\$ 4,991
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(8,775)	
Change in payables			3,840	
Change in deferred revenue			(56)	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Contributions - private grants	\$ -	\$ 1,658	\$ -	\$ (1,658)
Expenditures:				
Current:				
Instruction	-	1,658	1,018	640
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(1,018)	(1,018)
Fund balance at beginning of the year	-	-	910	910
Fund balance at end of the year	\$ -	\$ -	(108)	\$ (108)
RECONCILIATION TO GAAP BASIS:				
Change in payables			748	
Fund balance at end of the year (GAAP basis)			\$ 640	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Contributions - private grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	4,662	769	3,893
<i>Excess (deficiency) of revenues over expenditures</i>	-	(4,662)	(769)	3,893
<i>Beginning cash balance budgeted</i>	-	4,662	-	(4,662)
Fund balance at beginning of the year	-	-	4,662	4,662
Fund balance at end of the year	\$ -	\$ -	3,893	\$ 3,893
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 3,893	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 6,697	\$ 7,692	\$ 995
Expenditures:				
Current:				
Instruction	-	6,697	6,697	-
<i>Excess of revenues over expenditures</i>	-	-	995	995
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	995	<u>\$ 995</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(995)	
Fund balance at end of the year (GAAP basis)			<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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ 3,551	\$ 3,551
Expenditures:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	3,551	3,551
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	3,551	\$ 3,551
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(3,551)	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 9,081	\$ 9,081	\$ -	\$ (9,081)
Expenditures:				
Current:				
Support services:				
Instruction	9,081	9,081	8,616	465
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(8,616)	(8,616)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(8,616)	\$ (8,616)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			8,616	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental - state grants	\$ 50,000	\$ 50,000	\$ 60,328	\$ 10,328
Expenditures:				
Current:				
Instruction	50,000	47,201	47,201	-
Support services:				
General Administration	-	2,799	2,798	1
Total expenditures	50,000	50,000	49,999	1
<i>Excess of revenues over expenditures</i>	-	-	10,329	10,329
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	10,329	\$ 10,329
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(10,329)	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

PRE-K INITIATIVE FUND - NO. 27149
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental - state grants	\$ 60,000	\$ 60,000	\$ 49,898	\$ (10,102)
Expenditures:				
Current:				
Instruction	45,000	59,406	59,406	-
Support services:				
General Administration	-	594	594	-
Student transportation	15,000	-	-	-
Total expenditures	60,000	60,000	60,000	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(10,102)	(10,102)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(10,102)	\$ (10,102)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			10,102	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 25,000	\$ 22,943	\$ (2,057)
Expenditures:				
Current:				
Instruction	-	25,000	21,157	3,843
<i>Excess of revenues over expenditures</i>	-	-	1,786	1,786
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,786	<u>\$ 1,786</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(1,786)	
Fund balance at end of the year (GAAP basis)			<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, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	3,505	3,505
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,505	<u>\$ 3,505</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			<u>\$ 3,505</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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 24,732	\$ 45,322	\$ 43,235	\$ (2,087)
Expenditures:				
Current:				
Instruction	23,087	38,620	35,755	2,865
Support services:				
School Administration	150	-	-	-
Student transportation	1,495	6,702	3,726	2,976
Total expenditures	24,732	45,322	39,481	5,841
<i>Excess of revenues over expenditures</i>	-	-	3,754	3,754
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	3,754	\$ 3,754
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(3,754)	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

2013 SCHOOL BUSES FUND - NO. 27178
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 91,498	\$ 91,498	\$ -
Expenditures:				
Current:				
Support services:				
Student transportation	-	91,498	91,498	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

EARLY COLLEGE HS START-UP FUND - NO. 27180

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 73,235	\$ 63,172	\$ (10,063)
Expenditures:				
Current:				
Instruction	-	52,081	52,006	75
Support services:				
Students	-	21,154	21,147	7
Total expenditures	-	73,235	73,153	82
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(9,981)	(9,981)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(9,981)	\$ (9,981)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			9,981	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 24,300	\$ 48,644	\$ 24,344
Expenditures:				
Current:				
Instruction	-	24,300	24,294	6
<i>Excess of revenues over expenditures</i>	-	-	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			(24,350)	
Fund balance at end of the year (GAAP basis)			<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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ 576	\$ 576
Expenditures:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	576	576
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	576	\$ 576
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(576)	
Fund balance at end of the year (GAAP basis)			\$ -	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	2,007	2,007
Fund balance at end of the year	\$ -	\$ -	2,007	\$ 2,007
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 2,007	

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Other financing sources:				
Transfers in	-	-	1,136	1,136
<i>Net change in fund balance</i>	-	-	1,136	1,136
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,136	<u>\$ 1,136</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(1,136)	
Fund balance at end of the year (GAAP basis)			<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, 2015**

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

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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	<u>62,967</u>	<u>62,967</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	62,967	<u>\$ 62,967</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			<u>\$ 62,967</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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Contributions - private grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	1,170	1,170
Fund balance at end of the year	\$ -	\$ -	1,170	\$ 1,170
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 1,170	

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, 2015

Activity		Balance			Balance
Fund	ASSETS	<u>June 30, 2014</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2015</u>
95000	Elementary School	\$ 41,548	\$ 17,145	\$ 15,459	\$ 43,234
96000	Junior High school	53,107	17,158	14,876	55,389
97000	Primeros Pasos Pre-K	<u>1,662</u>	<u>-</u>	<u>-</u>	<u>1,662</u>
	Pooled cash and investments	<u>\$ 96,317</u>	<u>\$ 34,303</u>	<u>\$ 30,335</u>	<u>\$ 100,285</u>
	LIABILITIES				
	Deposits held for others	<u>\$ 96,317</u>	<u>\$ 34,303</u>	<u>\$ 30,335</u>	<u>\$ 100,285</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SCHEDULE OF PLEDGED COLLATERAL
June 30, 2015

	<u>Centinel Bank</u>	<u>NM State Treasurer</u>	<u>Total</u>
Cash on deposit at June 30, 2015	\$ 2,940,974	\$ 2,897	\$ 2,943,871
Less: FDIC coverage	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Uninsured funds	<u>\$ 2,690,974</u>	<u>\$ 2,897</u>	<u>\$ 2,693,871</u>
 50% collateral requirement	 \$ 1,345,487	 \$ 1,449	 \$ 1,346,936
Pledged collateral	<u>1,475,000</u>	<u>2,897</u>	<u>1,477,897</u>
 Excess (deficiency) of pledged collateral	 <u>\$ 129,513</u>	 <u>\$ 1,448</u>	 <u>\$ 130,961</u>

Pledged collateral of financial institutions consists of the following at June 30, 2015

<u>Centinel Bank:</u>	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
Taos Sch Dist Ed	10/1/2015	87601UA7	\$ 360,000
Clovis Sch Dist	8/1/2025	1894145Q9	300,000
Questa GO Ed	7/1/2017	74837KAE9	210,000
Jemez Sch Dist GO	8/1/2023	475868EG6	210,000
Ruidoso SD #3	8/1/2020	781338ID1	125,000
Espanola SD #55	9/1/2025	29662RAW8	<u>270,000</u>
			<u>\$ 1,475,000</u>

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

State of New Mexico:

Detail of the pledged collateral to the District is unavailable because the bank commingles pledged collateral for all state funds it holds. However, the State Treasurer's Office Collateral Bureau monitors the pledged collateral for all state funds.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

CASH RECONCILIATION
 Year Ended June 30, 2015

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 1,016,759	\$ 4,383,071	\$ (4,341,820)	\$ (34,806)	\$ 1,023,204	\$ -	\$ 1,023,204
Transportation	2,279	277,820	(264,346)	-	15,753	-	15,753
Instructional Materials	1,233	22,932	(6,788)	-	17,377	-	17,377
Food Services	33,060	213,641	(253,861)	7,160	-	-	-
Athletics	25,574	60,749	(72,182)	-	14,141	-	14,141
Federal Flowthrough Funds	(147)	259,517	(240,571)	(18,173)	626	-	626
Federal Direct Funds	130,317	435,142	(496,866)	4,117	72,710	-	72,710
Local Grants	6,320	-	(1,787)	-	4,533	-	4,533
State Flowthrough Funds	6,056	432,433	(473,935)	40,958	5,512	-	5,512
Bond Building	712,520	410,846	(530,311)	-	593,055	-	593,055
Special Capital Outlay - State	62,967	-	-	-	62,967	-	62,967
Capital Improvements SB-9	309,507	377,282	(382,981)	-	303,808	-	303,808
Public School Capital Outlay - 20%	1,170	-	-	-	1,170	-	1,170
Debt Service	161,825	183,018	(183,150)	-	161,693	-	161,693
Agency Funds	-	-	-	-	-	100,285	100,285
Total	\$ 2,469,440	\$ 7,056,451	\$ (7,248,598)	\$ (744)	\$ 2,276,549	\$ 100,285	\$ 2,376,834

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>		
Operational	Checking - Interest	Centinel Bank	\$ 1,171,400	Adjustments to report:	
Payroll	Checking - Interest	Centinel Bank	297,702	Agency funds	<u>\$ 100,285</u>
High School	Checking - Interest	Centinel Bank	101,838	Adjustments to cash:	
Activity	Checking - Interest	Centinel Bank	201,036	Bank Balance	\$ 2,943,871
Federal	Checking - Interest	Centinel Bank	-	Cash on hand	-
Bond Building	Checking - Interest	Centinel Bank	<u>1,168,998</u>	Outstanding deposits	-
			<u>\$ 2,940,974</u>	Outstanding checks	<u>(567,037)</u>
				Total adjustment to cash	<u>\$ 2,376,834</u>
POOL-4101	LGIP	State Treasurer	<u>\$ 2,897</u>		

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

SCHEDULE OF VENDOR INFORMATION
 (Individual Purchases in Exceeding \$60,000, Excluding Gross Receipts Tax)
Year Ended June 30, 2015

Prepared by (Agency Staff Name): Elizabeth Romero Title: Business Manager Date: November 2, 2015

<u>RFB/RFP #</u>	<u>Type of Procurement</u>	<u>Awarded To</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>	<u>Name and Physical Address of All Respondents</u>	<u>In-State / Out-of-State Vendor</u>	<u>Veteran's Preference N/A for Federal Funds</u>	<u>Scope of Work</u>
N/A	RFB	Ferrellgas	\$1.47 per gallon, \$75 per hour on repairs. FY15 expenditures \$166,397.96	N/A	Ferrellgas, 209 South Grand Ave., Las Vegas, NM 87701, Pinnacle Propane, 1348 US Highway 60, Clovis, NM 88102	Y	N	Propane
2014-014-AH	RFB	Labatt Institutional Supply Company	FY 15 expenditures \$93,274.56	\$ -	Labatt Institutional Supply Company, 221 Airport Drive NW, Albuquerque, NM 87121, Sysco-601 Comanche NE, Albuquerque, NM 87107, Shamrock-1221 South Renaissance Blvd NE, Albuquerque, NM 87120	Y	N	Food Purchases
1213-01	RFB	WWRC, Inc.	250201.15	FY 15	1716 West 7th Street, Clovis NM 88101	Y	N	Roof Replacement/Inspection

THIS PAGE INTENTIONALLY LEFT BLANK

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

THIS PAGE INTENTIONALLY LEFT BLANK

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

Tim Keller, 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, 2015, 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 2, 2015.

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.

Tim Keller, 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 and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as finding 2014-007, 2015-001, 2015-002, and 2015-003.

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 2, 2015

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

Tim Keller, 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, 2015. 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, 2015.

Tim Keller, State Auditor
The Board of Education and
The Audit Committee of Penasco Independent School District No. 4

Report on Internal Control Over Compliance

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

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

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

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

Accounting & Financial Solutions, LLC
Farmington, New Mexico
November 2, 2015

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, 2015

<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.S. Department of Agriculture:				
Direct Program:				
Forest Reserve	10.670	11000		\$ 22,177
Pass-Through Program From:				
New Mexico Department of Education:				
<u>Child Nutrition Cluster:</u>				
USDA National School Lunch Program	10.555	21000	151,776	
USDA School Breakfast Program	10.553	21000	48,222	
Total Child Nutrition Cluster				199,998
Fresh Fruits and Vegetables	10.582	24118		6,754
New Mexico Human Service Department:				
USDA Commodities Program	10.550	21000		18,790
<i>Total U.S. Department of Agriculture</i>				247,719
 U.S. Department of Education:				
Direct Programs:				
Operational	84.041	11000		19,058
Impact Aid Indian Education	84.041	25147		23,810
Indian Ed Formula Grant	84.060	25184		4,397
Gear Up	84.334	25205		223,039
Elementary School Counseling	84.215E	25215		180,532
<i>Subtotal Direct Programs</i>				450,836
Pass-Through Programs From:				
New Mexico Department of Education:				
<u>Special Education (IDEA) Cluster:</u>				
Entitlement IDEA-B	84.027	24106	105,582	
Preschool IDEA-B	84.173	24109	8,193	
IDEA-B "Risk Pool"	84.027	24120	82	
Total Special Education (IDEA) Cluster				113,857
Title I	84.010	24101		107,611
Title II Teacher Quality	84.367	24154		11,973
<i>Subtotal Pass-Through Programs</i>				233,441
<i>Total U.S. Department of Education</i>				684,277
 U.S. Department of Health and Human Services:				
Pass-Through Program From:				
New Mexico Department of Health:				
Title XIX Medicaid	93.778	25153		61,630
Total Expenditures of Federal Awards				\$ 993,626

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

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2015

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 July 2015 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 2015 cash and non-cash expenditures to ensure coverage of at least 25% (LOW risk auditee) of federally granted funds. Actual coverage is approximately 31% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$974,836 and all non-cash expenditures amounted to \$18,790.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2015 Expenditure</u>
Cash assistance:	
Title I	\$ 107,611
USDA Child Nutrition Cluster	199,998
Total	<u>\$ 307,609</u>

The District did not have any Type A federal program for the 2015.

The U.S. Department of Education is the 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 District under programs of the federal government for the year ended June 30, 2015. 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 District, it is not intended to and does not present the financial position and changes in net position of the District. All federal programs considered active during the year ended June 30, 2015, 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 District 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.

3. Reconciliation of Federal Awards to Expenditure of Federal Awards

The differences between the federal awards received (Intergovernmental sources – federal) during the year ended June 30, 2015 and the federal awards expended during the year are as follows:

Federal sources	\$ 949,882
Indirect costs from federal programs	(14,301)
Unexpended federal sources from current year	(27,397)
Prior year federal sources expended	85,442
Total expenditures of federal awards	<u>\$ 993,626</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

4. Unexpended Federal Awards

There were federal awards received during the year ended June 30, 2015 that were not expended during the year. These awards will be reported in subsequent years when they have been expended. Those amounts are as follows:

	<u>CFDA#</u>	<u>Fund#</u>	PY Federal Sources		Unexpended Awards		
			Carryover	Expended	Carryover	2015	
			<u>During 2015</u>		<u>From PY</u>	<u>Awards</u>	<u>Total</u>
Fresh Fruits and Vegetables	10.582	24118	\$ -		\$ 626	\$ -	\$ 626
Impact Aid Special Education	84.041	25145	-		17,559	197	17,756
Impact Aid Indian Education	84.041	25147	23,810		-	4,368	4,368
Title XIX Medicaid	93.778	25153	61,630		27,102	22,832	49,934
Indian Ed Formula Grant	84.060	25184	2		-	-	-
Child & Adult Food Program	10.558	25171	-		214	-	214
Elementary School Counseling	84.215E	25215	-		56	-	56
			<u>\$ 85,442</u>		<u>\$ 45,557</u>	<u>\$ 27,397</u>	<u>\$ 72,954</u>

5. Federal Awards Receivable

There are federal programs that have not received reimbursement for expenditures made within those programs. The District expects to receive all reimbursement of federal awards in the following year. The following programs reported a receivable for the expenditures that had not been reimbursed as of June 30, 2015.

<u>Program</u>	<u>CFDA#</u>	<u>Fund#</u>	
USDA Child Nutrition Cluster	10.555	21000	9,434
Title I	84.01	24101	32,155
Entitlement IDEA-B	84.027	24106	29,748
Preschool IDEA-B	84.173	24109	950
IDEA-B "Risk Pool"	84.027	24120	82
Title II Teacher Quality	84.367	24154	6,274
Indian Ed Formula Grant	84.06	25184	1,995
Gear Up	84.334	25205	79,565
			<u>\$ 160,203</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2015

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?	—	✓	—
Significant Deficiency(ies) identified?	—	✓	—
Noncompliance material to financial statements noted?	—	✓	—
FEDERAL AWARDS:			
Internal control over major programs:			
Material weakness(es) identified?	—	✓	—
Significant Deficiency(ies) identified?	—	✓	—
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?	—	✓	—
The programs treated as major programs include:			
<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>		
Title I	84.010		
USDA Child Nutrition Cluster	10.553 & 10.555		
The threshold for distinguishing types A and B programs: <u>\$300,000</u>			
Auditee qualified as low-risk auditee?	✓	—	

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2015

II. FINDINGS RELATED TO FINANCIAL STATEMENTS

2014 – 007 LATE PAYMENT OF INVOICES
Finding does not rise to the level of a significant deficiency
 (Repeat of prior year finding; updated and revised)

Condition: We tested thirty disbursements and found eight that were paid more than thirty days after the invoice date. The disbursements totaled \$31,171 and ranged from 32 days to 123 days past the invoice date averaging 75 days. The District has hired more employees and the disbursements are being processed in a more timely basis.

<u>Invoice date</u>	<u>Check number</u>	<u>Check Date</u>	<u>Amount</u>	<u>Days late</u>
4/29/2015	7600	6/30/2015	288	62
5/17/2015	7601	6/30/2015	516	44
3/9/2015	42957	4/17/2015	255	39
6/2/2014	43842	7/15/2014	165	43
7/15/2014	43959	10/3/2014	4,478	80
7/14/2014	44041	11/14/2014	5,119	123
12/22/2014	44190	1/23/2015	47	32
11/30/2014	44293	2/20/2015	4,392	82
			<u>15,260</u>	63

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: Accounts payables are processed every other week. Another review step will be added to the process so that all payments are made within 30 days.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

II. FINDINGS RELATED TO FINANCIAL STATEMENTS (cont'd)

2015 – 001 PURCHASE BEFORE PURCHASE ORDER
Other Noncompliance

Condition: Of the thirty disbursements tested, one purchase was made without the required purchase order. Purchase orders are used to control cash and to authorize the purchases in accordance with the authorized budget. The purchase was for a repair in the amount \$337. The

Criteria: Authorization for a purchase is acquired through the completion of a purchase order, which is signed by a person given authority over purchase control. The purchase order must be approved prior to the purchase or ordering of goods as per PSAB Supplement 13.

Cause: Personnel initiated and/or completed purchases prior to obtaining approval for the purchase in accordance with established policies and regulations.

Effect of condition: Any purchases made without prior authorization have the potential to cause cash deficits in the funds from which they are made or violations of the approved budget.

Recommendation: The importance of cash controls and adequate planning need to be made clear to all personnel that will be making purchases for the school. All personnel should be made aware that they do not have the authority to make purchase without the proper approvals.

Management's response: Each year, Central Office staff and Superintendent discuss this with all PISD faculty and staff. They are required to sign an acknowledgement that they received this information. To correct this, Superintendent will conduct person to person meetings with individuals that fail to follow protocol and will make them responsible for paying the vendor.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

II. FINDINGS RELATED TO FINANCIAL STATEMENTS (cont'd)

2015 – 002 UNTIMELY DEPOSITS
Other Noncompliance

Condition: Two of the thirty receipts tested were not deposited within one banking day. There were 2,083 receipts in the population of receipts

<u>Receipt Issue Date</u>	<u>Deposit Date</u>	<u>Receipt Amount</u>	<u>Total Deposit</u>
October 28, 2014	November 17, 2014	\$4.00	\$105.00
December 17, 2014	January 16, 2015	\$20.00	\$205.00

Criteria (Required for financial audits performed under Government Auditing Standards): NMAC 6.20.2.14(c) states that money received and receipted shall be deposited in the bank within 24 hours or one banking day. The District was granted an extension of time to at least weekly if the deposits are less than \$850.00, due to the distance to the Bank

Cause: Deposits at times were taking more than 24 hours to be deposited in the bank.

Effect of condition: The District is in violation of NMAC 6.20.2.14(c). Cash retained by management for extended periods of time are susceptible to misuse or fraud.

Recommendation: Receipts should be deposited within one banking day.

Management's response: Each year, Central Office staff and Superintendent discuss this with all PISD faculty and staff. They are required to sign an acknowledgement that they received this information. To correct this, Superintendent will conduct person to person meetings with individuals that fail to follow protocol. If violated again, these individuals will not be allowed to collect money.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2015

II. FINDINGS RELATED TO FINANCIAL STATEMENTS (cont'd)

2015 – 003 DORMANT FUNDS

Other Noncompliance

Condition: The District has special revenue funds and capital project funds in the general ledger that are carrying balances forward from year to year but are not being budgeted or utilized. These funds are as follows:

<u>Program</u>	<u>Fund#</u>	<u>Amount</u>
Child & Adult Food Program	25171	\$ 214
State Discretionary IDEA-B	27200	2,007
No Kid Hungry	29109	(915)
Breakfast for Elementary Students	27155	3,505
Public School Capital Outlay – 20%	32100	1,170

Criteria: Good accounting practices require the monitoring of the general ledger to ensure that available funds are being used per the terms of the grant agreements.

Cause: The District has funds on its books which the Department of Public Education is no longer approving budgets. The funds need to be either transferred to another fund, or returned to the grantor

Effect of condition: The District's general ledger has funds which are no longer active funds. These additional funds are creating more work for the District as procedures such as collecting old funds, reconciliations and reports are completed.

Recommendation: We recommend that the District go through the list of inactive funds and decide which funds need to be either transferred to another fund, or returned to the grantor

Management's response: The district is in the process of requesting permanent cash transfer requests.

III. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings required to be reported relating to federal awards.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015

I. NOT RESOLVED

2014 – 007 LATE PAYMENT OF INVOICES.
Current Status: Not Resolved. Repeated in the current year.

II. RESOLVED

2014 – 001 CONTROLS OVER CAPITAL ASSETS
Current Status: Resolved. Not repeated in the current year.

2014 – 002 IMPROPER REVENUE RECOGNITION
Current Status: Resolved. Not repeated in the current year.

2014 – 003 RECORDS RETENTION AND STORAGE
Current Status: Resolved. Not repeated in the current year.

2014 – 004 UNAUTHORIZED TEMPORARY INTER-FUND LOANS
Current Status: Resolved. Not repeated in the current year.

2014 – 005 STATE REPORTS
Current Status: Resolved. Not repeated in the current year.

2014 – 006 CONTROL OVER EMPLOYEE MASTER FILE
Current Status: Resolved. Not repeated in the current year.

2014 – 008 INACCURATE AND INCOMPLETE REPORTING OF FEDERAL EXPENDITURES
Current Status: Resolved. Not repeated in the current year.

REQUIRED DISCLOSURES

Year Ended June 30, 2015

The financial statements were prepared by the independent public accountants.

An exit conference was held November 2, 2015 during which the audit findings were discussed. The exit conference was attended by the following individuals:

PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4

Leroy A. Lopez	Member, Audit Committee
Elena Romero	Audit Committee
Evelyn Martinez	Audit Committee
Darlene Ulibarri	Superintendent
Elizabeth Romero	Business Manager; Member, Audit Committee

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
-----------------	---------