

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2016**



## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
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**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT**  
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**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT**  
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**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT**  
**OFFICIAL ROSTER**  
**JUNE 30, 2016**

<u><b>Name</b></u>	<u><b>Board of Education</b></u>	<u><b>Title</b></u>
Leroy Lopez		President
Julietta Garcia		Secretary
Mary Trujillo Mascarenas		Member
Norman Esquivel		Member
	<u><b>Administrative</b></u> <u><b>Officials</b></u>	
Darlene Ulibarri		Superintendent
Elizabeth Romero		Business Manager





**FINANCIAL SECTION**





## **INDEPENDENT AUDITORS' REPORT**

Tim Keller  
New Mexico State Auditor  
The Office of Management and Budget  
To the Board of Education  
Penasco Independent School District  
Penasco, New Mexico

### **Report on 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 funds and major special revenue funds of Penasco Independent School District, New Mexico, as of and for the year ended June 30, 2016, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's 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, 2016, 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 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 these financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is the express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Penasco Independent School District, New Mexico, as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the general funds 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, nonmajor enterprise and internal service fund of Penasco Independent School District, New Mexico as of June 30, 2016, and the respective changes in financial position and cash flow, where applicable thereof and the respective budgetary comparisons for the major capital project funds, debt service fund, permanent funds and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

Management has omitted *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America requires 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 Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code Federal regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. The additional schedules listed as "Other Supplemental Information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Schedule of Vendors over \$60,000 (excluding GRT) 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 14, 2016 on our consideration of Penasco Independent School District, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Albuquerque, New Mexico  
November 14, 2016



**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

Exhibit A-1  
(Page 1 of 2)

		<u><b>Governmental Activities</b></u>
<b>ASSETS</b>		
Cash and cash equivalents	\$	2,143,536
Receivables (net of allowance for uncollectibles)		272,671
Inventory		13,047
Prepaid assets		-
Capital assets (net of accumulated depreciation):		
Land and land improvements		3,566,422
Buildings and building improvements		24,471,662
Furniture, fixtures and equipment		1,130,536
Construction in Progress		-
Less: accumulated depreciation		<u>(18,429,249)</u>
Total assets		<u>13,168,625</u>
<b>Deferred Outflows of Resources</b>		
Related to pension		682,698

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

Exhibit A-1  
(Page 2 of 2)

		<u><b>Governmental Activities</b></u>
<b>LIABILITIES</b>		
Accounts payable	\$	4,855
Accrued expenses		884
Accrued interest		13,496
Noncurrent liabilities:		
Due within one year - compensated absences		55,501
Due in more than one year - pension liability		7,259,720
Due within one year - bonds payable		100,000
Due in more than one year - bonds payable		<u>1,685,000</u>
Total liabilities		9,119,456
<b>Deferred Inflows of Resources</b>		
Related to pension		579,530
<b>NET POSITION</b>		
Net investment in capital assets		8,887,249
Restricted for:		
Debt service		193,816
Capital projects		846,079
Special revenue funds		101,955
Unrestricted		<u>(5,876,762)</u>
Total net position		<u>4,152,337</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>
<b>Primary Government</b>		<b>Charges for Service</b>
Governmental activities:		
Instruction	\$ 2,907,722	\$ 67,519
Support services:		
Students	869,253	-
Instruction	133,452	-
General Administration	302,711	-
School Administration	364,899	-
Other Support Services	5,009	-
Central Services	309,460	-
Operation & Maintenance of Plant	1,086,225	-
Student Transportation	330,282	-
Food Services Operation	276,975	3,568
Community Services	5,670	-
Interest on long-term debt	(346,719)	-
Capital outlay:		
Depreciation - unallocated	-	-
Total Primary Government	\$ 6,244,939	\$ 71,087

The accompanying notes are an integral part of these financial statements

<u>Program Revenues</u>		<u>Net</u>
<u>Operating</u>	<u>Capital</u>	<u>(Expenses)</u>
<u>Grants and</u>	<u>Grants and</u>	<u>Revenues and</u>
<u>Contributions</u>	<u>Contributions</u>	<u>Changes in</u>
		<u>Net Position</u>
\$ 817,373	\$ -	\$ (2,022,830)
61,990	-	(807,263)
5,891	-	(127,561)
-	-	(302,711)
108,265	-	(256,634)
-	-	(5,009)
-	-	(309,460)
105,264	61,333	(919,628)
268,109	-	(62,173)
253,313	-	(20,094)
-	-	(5,670)
-	-	346,719
-	-	-
<u>\$ 1,620,205</u>	<u>\$ 61,333</u>	<u>(4,492,314)</u>

**General Revenues:**

Property taxes:	
Levied for general purposes	\$ 11,179
Levied for debt service	95,026
Levied for capital projects	90,002
State Equalization Guarantee	4,068,893
Loss on asset disposal	-
Miscellaneous	40,174
	<u>4,305,274</u>
Total general revenues	<u>4,305,274</u>
Change in net assets	(187,040)
Net position - beginning	4,339,377
Restatement	-
Net position - beginning - restated	<u>4,339,377</u>
Net position - ending	<u>\$ 4,152,337</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	<u>General Fund</u>				
	Operational 11000	Transportation 13000	Instructional Materials 14000	Title I IASA 24101	Entitlement IDEA-B 24106
<b>ASSETS</b>					
<i>Current Assets</i>					
Cash and temporary investments	993,845	\$ 29,103	\$ 14,680	\$ 16	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	103,385	48,112
Other receivables	-	-	-	-	-
Interfund receivables	277,705	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>1,271,550</u>	<u>29,103</u>	<u>14,680</u>	<u>103,401</u>	<u>48,112</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<i>Current Liabilities:</i>					
Accounts payable	4,855	-	-	-	-
Accrued liabilities	-	-	-	124	(61)
Interfund payables	-	-	-	103,277	48,173
Deferred revenue - property taxes	-	-	-	-	-
Deferred revenue - other	-	-	-	-	-
<i>Total liabilities</i>	<u>4,855</u>	<u>-</u>	<u>-</u>	<u>103,401</u>	<u>48,112</u>
<i>Fund balances</i>					
Fund Balance:					
Nonspendable	-	-	-	-	-
Restricted	-	29,103	14,680	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	1,266,695	-	-	-	-
<i>Total fund balance</i>	<u>1,266,695</u>	<u>29,103</u>	<u>14,680</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 1,271,550</u>	<u>\$ 29,103</u>	<u>\$ 14,680</u>	<u>\$ 103,401</u>	<u>\$ 48,112</u>

The accompanying notes are an integral part of these financial statements

Teacher / Principal Training & Recruiting 24154	Bond Building 31100	Capital Improvements SB-9 31700	Debt Service 41000	Other Governmental Funds	Total Primary Government
\$ -	\$ 351,772	\$ 427,147	\$ 159,255	\$ 167,718	\$ 2,143,536
-	-	-	5,748	-	5,748
21,962	-	3,023	-	90,441	266,923
-	-	-	-	-	-
-	-	-	-	-	277,705
-	-	-	-	13,047	13,047
<u>21,962</u>	<u>351,772</u>	<u>430,170</u>	<u>165,003</u>	<u>271,206</u>	<u>2,706,959</u>
-	-	-	-	-	4,855
784	-	-	-	37	884
21,178	-	-	-	105,077	277,705
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,114</u>	<u>283,444</u>
-	-	-	-	13,047	13,047
-	351,772	430,170	165,003	178,748	1,169,476
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(25,703)	1,240,992
<u>-</u>	<u>351,772</u>	<u>430,170</u>	<u>165,003</u>	<u>166,092</u>	<u>2,423,515</u>
<u>\$ 21,962</u>	<u>\$ 351,772</u>	<u>\$ 430,170</u>	<u>\$ 165,003</u>	<u>\$ 271,206</u>	<u>\$ 2,706,959</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**GOVERNMENTAL FUNDS**

Exhibit B-1  
2)

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2016**

	Governmental Funds
Amounts reported for governmental activities in the statement of net assets are different because:	
Fund balances - total governmental funds	\$ 2,423,515
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,739,371
Deferred Outflow of Resources	682,698
Deferred Inflow of Resources	(579,530)
Pension Liability	(7,259,720)
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities	-
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest	(13,496)
Accrued compensated absences	(55,501)
General obligation bonds	-
	(1,785,000)
Net Position-total Governmental Activities	\$ 4,152,337

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund				
	Operational 11000	Transportation 13000	Instructional Materials 14000	Title I IASA 24101	Entitlement IDEA-B 24106
<i>Revenues:</i>					
Taxes	\$ 11,179	\$ -	\$ -	\$ -	\$ -
State grants	4,096,156	268,114	23,877	-	-
Federal grants	64,585	-	-	167,545	108,265
Charges for services	9,322	-	-	-	-
Miscellaneous	1,767	-	-	-	-
<i>Total revenues</i>	<u>4,183,009</u>	<u>268,114</u>	<u>23,877</u>	<u>167,545</u>	<u>108,265</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	1,899,143	-	26,574	139,146	101,613
Support Services					
Students	604,694	-	-	-	6,652
Instruction	13,194	-	-	-	-
General Administration	254,517	-	-	6,776	-
School Administration	300,827	-	-	21,623	-
Central Services	275,501	-	-	-	-
Operation & Maintenance of Plant	852,893	-	-	-	-
Student Transportation	9,107	244,386	-	-	-
Other Support Services	5,009	-	-	-	-
Food Services Operations	4,164	-	-	-	-
Community Service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>4,219,049</u>	<u>244,386</u>	<u>26,574</u>	<u>167,545</u>	<u>108,265</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(36,040)</u>	<u>23,728</u>	<u>(2,697)</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
County bond proceeds	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(36,040)</u>	<u>23,728</u>	<u>(2,697)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>1,302,735</u>	<u>5,375</u>	<u>17,377</u>	<u>-</u>	<u>-</u>
<i>Restatement</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year - restated</i>	<u>1,302,735</u>	<u>5,375</u>	<u>17,377</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 1,266,695</u>	<u>\$ 29,103</u>	<u>\$ 14,680</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements



Teacher / Principal Training & Recruiting 24154	Bond Building 31100	Capital Improvements SB-9 31700	Debt Service 41000	Other Governmental Funds	Total Primary Government
\$ -	\$ -	\$ 90,002	\$ 175,686	\$ -	\$ 276,867
-	71,034	61,333	-	258,037	4,778,551
40,760	-	-	-	574,631	955,786
-	-	-	-	77,859	87,181
-	474	37,547	-	386	40,174
<u>40,760</u>	<u>71,508</u>	<u>188,882</u>	<u>175,686</u>	<u>910,913</u>	<u>6,138,559</u>
38,746	-	-	-	403,493	2,608,715
-	-	-	-	147,539	758,885
-	-	-	-	103,278	116,472
2,014	-	887	1,770	2,788	268,752
-	-	-	-	-	322,450
-	-	-	-	-	275,501
-	-	-	-	-	852,893
-	-	-	-	25,850	279,343
-	-	-	-	-	5,009
-	-	-	-	238,850	243,014
-	-	-	-	5,670	5,670
-	676,088	60,280	-	-	736,368
-	-	-	95,000	-	95,000
-	-	-	82,759	-	82,759
<u>40,760</u>	<u>676,088</u>	<u>61,167</u>	<u>179,529</u>	<u>927,468</u>	<u>6,650,831</u>
-	(604,580)	127,715	(3,843)	(16,555)	(512,272)
-	-	-	-	-	-
-	415,005	-	-	-	415,005
-	415,005	-	-	-	415,005
-	(189,575)	127,715	(3,843)	(16,555)	(97,267)
-	541,347	302,455	168,846	182,647	2,520,782
-	-	-	-	-	-
-	541,347	302,455	168,846	182,647	2,520,782
<u>\$ -</u>	<u>\$ 351,772</u>	<u>\$ 430,170</u>	<u>\$ 165,003</u>	<u>\$ 166,092</u>	<u>2,423,515</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Exhibit B-2  
(Page 2 of 2)

	Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ (97,267)
<p>Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays for the period.</p>	
Depreciation expense	(848,986)
Capital Outlays	661,935
Change in property tax deferral	27,878
<p>The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:</p>	
Decrease in accrued interest payable	14,473
Decrease in accrued compensated absences	2,127
Principal payments on bonds	95,000
Change in pension liability and expense	32,895
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:</p>	
Change in Property taxes	(75,095)
Change in Net Position-total Governmental Activities	\$ (187,040)

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-1

## PENASCO INDEPENDENT SCHOOL DISTRICT No. 4

## GENERAL FUND (11000)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ 123,251	\$ 134,839	\$ 11,361	\$ (123,478)
State grants	2,618,525	6,654,385	4,096,403	(2,557,982)
Federal grants	176,781	393,013	64,585	(328,428)
Miscellaneous	-	500	11,089	10,589
Interest	-	-	-	-
<i>Total revenues</i>	<u>2,918,557</u>	<u>7,182,737</u>	<u>4,183,438</u>	<u>(2,999,299)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,865,975	2,943,295	1,910,955	1,032,340
Support Services				
Students	302,700	1,018,418	603,599	414,819
Instruction	33,472	33,468	13,194	20,274
General Administration	364,026	549,831	254,208	295,623
School Administration	269,291	447,271	300,282	146,989
Central Services	376,156	442,022	275,501	166,521
Operation & Maintenance of Plant	808,340	1,933,454	850,030	1,083,424
Student Transportation	32,776	52,592	9,064	43,528
Other Support Services	12,130	9,463	5,009	4,454
Food Services Operations	43,189	50,232	4,164	46,068
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,108,055</u>	<u>7,480,046</u>	<u>4,226,006</u>	<u>3,254,040</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,189,498)</u>	<u>(297,309)</u>	<u>(42,568)</u>	<u>254,741</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,189,498	297,309	-	(297,309)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,189,498</u>	<u>297,309</u>	<u>-</u>	<u>(297,309)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(42,568)</u>	<u>(42,568)</u>
<i>Fund balances - beginning of year</i>	-	-	1,314,118	1,314,118
<i>Fund balance restatement</i>	-	-	-	-
<i>Fund balances - beginning of year - restated</i>			1,314,118	
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,271,550</u>	<u>\$ 1,271,550</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(429)	
Adjustments to expenditures			6,957	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (36,040)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-2

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
TRANSPORTATION FUND (13000)STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	448,045	763,095	275,993	(487,102)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>448,045</u>	<u>763,095</u>	<u>275,993</u>	<u>(487,102)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	448,045	630,724	254,764	375,960
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>448,045</u>	<u>630,724</u>	<u>254,764</u>	<u>375,960</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>132,371</u>	<u>21,229</u>	<u>(111,142)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	(132,371)	-	132,371
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(132,371)</u>	<u>-</u>	<u>132,371</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>21,229</u>	<u>21,229</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>7,874</u>	<u>7,874</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,103</u>	<u>\$ 29,103</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(7,879)	
Adjustments to expenditures			10,378	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 23,728</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-3

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
INSTRUCTIONAL MATERIALS FUND (14000)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	41,592	23,877	(17,715)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>41,592</u>	<u>23,877</u>	<u>(17,715)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	90,221	26,574	63,647
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>90,221</u>	<u>26,574</u>	<u>63,647</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(48,629)</u>	<u>(2,697)</u>	<u>45,932</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	48,629	-	(48,629)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>48,629</u>	<u>-</u>	<u>(48,629)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,697)</u>	<u>(2,697)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>17,377</u>	<u>17,377</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,680</u>	<u>\$ 14,680</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (2,697)</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**

Exhibit C-4

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 TITLE I - IASA SPECIAL REVENUE FUND (24101)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	123,055	195,608	96,315	(99,293)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>123,055</u>	<u>195,608</u>	<u>96,315</u>	<u>(99,293)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	92,757	143,765	139,146	4,619
Support Services				
Students	-	-	-	-
Instruction	2,000	2,000	-	2,000
General Administration	8,364	8,364	6,776	1,588
School Administration	19,934	24,000	21,623	2,377
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>123,055</u>	<u>178,129</u>	<u>167,545</u>	<u>10,584</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>17,479</u>	<u>(71,230)</u>	<u>(88,709)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	(17,479)	-	17,479
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(17,479)</u>	<u>-</u>	<u>17,479</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(71,230)</u>	<u>(71,230)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(32,031)</u>	<u>(32,031)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (103,261)</u>	<u>\$ (103,261)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			71,230	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**

Exhibit C-5

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 ENTITLEMENT IDEA-B SPECIAL REVENUE FUND (24106)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	53,023	146,231	89,840	(56,391)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>53,023</u>	<u>146,231</u>	<u>89,840</u>	<u>(56,391)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	7,237	163,368	101,613	61,755
Support Services				
Students	33,425	48,150	6,652	41,498
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	6,628	6,628	-	6,628
Central Services	5,733	5,733	-	5,733
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>53,023</u>	<u>223,879</u>	<u>108,265</u>	<u>115,614</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(77,648)</u>	<u>(18,425)</u>	<u>59,223</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	77,648	-	(77,648)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>77,648</u>	<u>-</u>	<u>(77,648)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(18,425)</u>	<u>(18,425)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(29,748)</u>	<u>(29,748)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,173)</u>	<u>\$ (48,173)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			18,425	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Exhibit C-6

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
TEACHER/PRICIPLE TRAINING SPECIAL REVENUE FUND (24154)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	13,113	61,824	25,072	(36,752)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>13,113</u>	<u>61,824</u>	<u>25,072</u>	<u>(36,752)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	10,613	94,702	39,016	55,686
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,000	3,014	2,014	1,000
School Administration	1,500	1,500	-	1,500
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>13,113</u>	<u>99,216</u>	<u>41,030</u>	<u>58,186</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(37,392)</u>	<u>(15,958)</u>	<u>21,434</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	37,392	-	(37,392)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>37,392</u>	<u>-</u>	<u>(37,392)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(15,958)</u>	<u>(15,958)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,220)</u>	<u>(5,220)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,178)</u>	<u>\$ (21,178)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			15,688	
Adjustments to expenditures			270	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
AGENCY FUNDS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2016

Exhibit D-1

	<u>Agency Funds</u>
<b>ASSETS</b>	
<i>Current Assets</i>	
Cash	<u>\$ 98,399</u>
<i>Total assets</i>	<u><u>98,399</u></u>
 <b>LIABILITIES</b>	
<i>Current Liabilities</i>	
Deposits held in trust for others	<u>98,399</u>
<i>Total liabilities</i>	<u><u>\$ 98,399</u></u>

The accompanying notes are an integral part of these financial statements.



**STATE OF NEW MEXICO**  
PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

**NOTE 1. Summary of Significant Accounting Policies**

Penasco Independent Schools (the "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 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.

This 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 Public School's management that is responsible for the financial statements. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting financial reporting principles.

During the year ended June 30, 2016, the District adopted GASB Statements No. 72, *Fair Value Measurement and Application*, No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, No. 79, *Certain External Investment Pools and Pool Participants*, and a portion of No 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*. GASB Statements Nos. 72, 76, and 79, as well as the implemented portion of Statement No. 73, are required to be implemented for the fiscal year ending June 30, 2016.

GASB Statement No. 72 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. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.

GASB Statement No. 73 establishes accounting and financial reporting standards for defined benefit pensions and defined contribution pensions that are not provided to employees of state and local government employers and are not within the scope of Statement 68. A portion of this pronouncement is effective for June 30, 2016 year end and a portion is effective for June 30, 2017 year end. Effective for June 30, 2016 are the amendments for Statement No.s 67 and 68 and assets accumulated for pensions not administered as trusts. The amendments of this pronouncement clarifies application of certain provisions of GASB 67 and 68 with regards to the following issues: (1) Information that is required to be presented as notes to the 10-year schedules of RSI about investment-related factors that significantly affect trends in reported amounts; (2) Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions; and (3) Timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation.

In addition, effective for June 30, 2016 year ends, the requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that, for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

The objective of GASB Statement No. 76 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 nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool for measuring all of its investments at amortized cost for financial reporting purposes. Professional judgement is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide for qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

GASB Statement No. 82 objective is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 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*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and; (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements

**A. *Financial Reporting Entity***

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. Blended component unites, although legally separate entities, are in substance part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

The basis, but not the only criterion for including a potential component unit within the reporting entity, is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criteria used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Given the criteria, there are no component units to the primary government recognized.

*B. Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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*.

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

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

*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*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the period for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*, amend GASB No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, to incorporate deferred outflows of resources and deferred inflows of resources in the financial reporting model.

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**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*Deferred outflows of resources* – a consumption of net assets by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets.

*Deferred inflows of resources* – an acquisition of net assets by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

*Net position* – the residual of the net effects of assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

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

Property taxes, franchise taxes, licenses, 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. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Ad valorem taxes (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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

C. *Measurement focus, basis of accounting, and financial statement presentation (continued)*

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

The *General Fund* is the primary operating fund of the District, and accounts for all financial resources, except those required to be accounted for in other funds.

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.



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**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB #34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which may include funds that were not required to be presented as major but were at the discretion of management:

The *Teacherage Fund* accounts for revenues and expenditures associated with district owned multi-bedroom housing units rented to District employed teachers or other employees. Funding authorized by NMAC 6.20.2 of the New Mexico Department of Education. This fund is considered by PED to be a sub-fund of the General Fund.

The *Transportation Fund* accounts for State Equalization – Transportation funds authorized by Section 22-8-26, NMSA, 1978 designated for the costs of transporting school-age children who are students within the District. This fund is considered by PED to be a sub-fund of the General Fund.

The *Instructional Materials Fund* accounts for Funding designated for instructional materials purchases as authorized by Sections 22-15-1 through 22-15-14, NMSA, 1978 for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. This is considered by PED to be a sub-fund of the General Fund.

**C. Measurement focus, basis of accounting, and financial statement presentation (continued)**

The *Title I Federal Stimulus Fund* is used to provide supplemental education opportunity for academically disadvantaged children. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965. As amended, Public Law 103-383.

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

The *Teacher/Principle Training Fund* is used to provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principle quality and increasing the number of highly qualified teachers in the classroom and highly qualified principles and assistant principals in schools. Authorization is granted through the Elementary and Secondary Education Act of 1965, as amended, Title II, Part A, Public Law 107-110.

The *Bond Building Capital Projects Fund* is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

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**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

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

The *Debt Service Fund* is used to account for the accumulation of resources for the payment of General Long-Term Debt principal and interest.

Additionally, the government reports the following fund types:

The fiduciary funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The fiduciary funds are for student activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

*D. Assets, Liabilities and Net Position or Equity*

**Cash and Temporary Investments:** The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

**Restricted Assets:** The Debt Service Fund is used to report resources set aside as restricted to make up potential future deficiencies in the revenue bond current debt service account.

**Receivables and Payables:** Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in Rio Arriba County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the Rio Arriba County Treasurer in July and August 2015 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2016.

Certain Special Revenue funds are administered on a reimbursement method of funding, other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

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**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

**Prepaid Items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**Inventory:** The District accounts for its inventories under the consumption method, reporting inventories purchased as an asset. The recognition of the expenditures is deferred until the period in which the inventories are actually consumed. Inventory in the Cafeteria Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

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

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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. Information Technology Equipment, including software, is being capitalized and included in furniture and equipment in accordance with NMAC 2.20.1.9 C (5). Capital expenditures made by the NM Public Schools Facilities Authority are appropriately included in the District's capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The District expenses the cost of library books when purchased because their estimated useful life is less than one year.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2016.

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

Buildings/building improvements	20-40 years
Furniture and equipment	3-7 years

**Deferred Revenues:** There are two types of deferred revenue. Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for deferred revenue (commonly referred to as unearned revenue). The other type of deferred revenue is "unavailable revenue." Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be off-set by a corresponding liability for deferred revenue.

**Compensated Absences:** It is the District's policy to permit employees to accumulate 120 days of earned but unused vacation. Upon termination, the employee can be paid or unused and earned annual leave not to exceed 120 days.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the district-wide statement of net position.

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**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

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

**Long-term Obligations:** In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. For bonds issued after the fiscal year ended June 30, 2004, bond premiums and discounts, as well as issuance costs, will be 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 discount. Bond issuance costs will be reported as deferred charges and amortized over the term of the related debt.

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

**Net Position or Fund Equity:** Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The detail of the District's fund balances is presented in Note 15.

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

*Net investment in capital assets:* Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Position:* Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position is restricted for "debt service or capital projects."

*Unrestricted Net Position:* All other net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

*E. Revenues*

**Reclassifications:** Certain amounts included in the financial statements have been reclassified to conform to the current year presentation.

**Interfund Transactions:** Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**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. Significant estimates affecting the District's financials include management's estimate of the useful lives of capital assets.

**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.

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**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*E. Revenues - (continued)*

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 \$4,068,893 in state equalization guarantee distributions during the year ended June 30, 2016.

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1 of each year and are payable in two equal installments, on November 10<sup>th</sup> of the year in which the tax bill is prepared and April 10<sup>th</sup> of the following year with the levies becoming delinquent 30 days (one month) thereafter. In the government-wide financial statements, the District recognizes property tax revenues in the period for which they are levied, net of estimated refunds and uncollectible amounts. The District records only the portion of the taxes considered to be 'measurable' and 'available' in the government fund financial statements. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

In the financial statements, the mill levy and ad-valorem taxes are broken out into two types: property taxes – residential and commercial and property taxes – oil and gas. Amounts collected from residential and commercial property taxes at June 30, 2016 were \$280,431.

**Transportation Distribution:** School districts in the State of New Mexico receive 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 \$268,114 in transportation distributions during the year ended June 30, 2016.

**Instructional Materials:** The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2016 totaled \$23,877.

**SB-9 State Match:** The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital

improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$61,333 in state SB-9 matching during the year ended June 30, 2016.

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**NOTE 1. Summary of Significant Accounting Policies - (Continued)**

*E. Revenues - (continued)*

**Public School Capital Outlay:** Under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program per Section 22-24-4.

The council shall approve an application for grant assistance from the fund when the council determines that:

1. A critical need exists requiring action;
2. The residents of the school districts have provided all available resources to the district to meet its capital outlay requirements;
3. The school district has used its resources in a prudent manner;
4. The District is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division; and
5. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

The council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a district has complied with the provisions of this section. The council shall list all applications in order of priority and all allocations shall be made on a priority basis.(B); core administrative functions of the public school facilities authority and for project management expenses upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2016, the District received no special capital outlay funds.

**Federal Grants:** The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the Federal Department or the flowthrough agency (usually the New Mexico Public Education Department). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food services operations, and the distributions of commodities through the New Mexico Human Services Department.

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**JUNE 30, 2016**

**NOTE 2. Stewardship, Compliance and Accountability**

*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 School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted. Public School Capital Outlay Council expenditures in the Public School Capital Outlay fund are not budgeted at the District level, so there is no budgetary comparison presented.

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 ending cash balance be appropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget at the function level. 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 School District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department (100%) a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
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.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. 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 Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
8. Legal budget control for expenditures is by function.
9. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.

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**NOTE 2. Stewardship, Compliance and Accountability - (Continued)**

*Budgetary Information (Continued)*

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a Governmental Agency from exceeding an individual line item.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2016, is presented on each funds' Statement of Revenue, Expenditures and Changes in Fund Balance – Budget (non-GAAP Budgetary Basis) and Actual.

**NOTE 3. Cash and Cash Equivalents**

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2016.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateralized as required by the statute.

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.

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 Corporation, public unit deposits are funds owned by the public unit. 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. Additionally, until December 31, 2016, all deposits in non-interest bearing transaction accounts (such as non-interest bearing checking accounts) at participating institutions are fully guaranteed, regardless of dollar amount.

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for a least one half of the amount on deposit with the institution in excess of federal deposit insurance. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.



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**NOTE 3. Cash and Cash Equivalents - (Continued)**

	Centinel Bank
Total amounts of deposits	\$ 2,692,491
FDIC coverage	250,000
Total uninsured public funds	2,441,491
Collateral requirement (50% of uninsured public funds)	\$ 1,220,746
Pledged security	1,360,345
Total under (over) collateralized	\$ (139,599)

The types of collateral allowed are limited by the section 6-10-16, NMSA 1978.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2016, none of the District’s bank balance of \$2,692,491 was exposed to custodial credit risk as the entirety of the District’s balance was held in non-interest bearing accounts and as such was covered by the FDIC.

**NOTE 4. Receivables**

Receivables as of June 30, 2016 are as follows:

	Title I	Entitlement IDEA-B	Teacher/ Principal Training	Capital Improvements SB-9
Property taxes	\$ —	\$ —	\$ —	\$ —
Intergovernmental grants	103,385	48,112	21,962	3,023
Other	—	—	—	—
Totals by fund	\$ 103,385	\$ 48,112	\$ 21,962	\$ 3,023
	Debt Service	Other Governmental	Total	
Property taxes	\$ 5,748	\$ —	\$ 5,748	
Intergovernmental grants	—	90,441	266,923	
Other	—	—	—	
Totals by fund	\$ 5,748	\$ 90,441	\$ 272,671	

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax receivables are presented net of deferred revenues in the governmental balance sheet. The District did not receive confirmation from the county treasurer, as such there is no recorded deferred revenue for property taxes.

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**NOTE 5. Interfund Receivables, Payables, and Transfers**

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. Interfund balances due to overdrawn cash balances by fund are equal to the amounts of funds with negative cash. The composition of interfund balances at June 30, 2016 is as follows:

<b>Governmental Activities:</b>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Major Funds:</b>		
Operational	\$ 277,705	\$ —
Title I - IASA	—	103,277
Entitlement IDEA-B	—	48,173
Teacher/Principal Training	—	21,178
<b>Nonmajor Funds:</b>		
Nonmajor Funds	<u>—</u>	<u>105,077</u>
 Total Governmental Activities	 <u>\$ 277,705</u>	 <u>\$ 277,705</u>

All interfund balances are expected to be repaid within one year.

**NOTE 6. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2016 follows. Land is not subject to depreciation.

	Balance June 30, 2015	Additions	Deletions	Adjustments	Balance June 30, 2016
Capital assets not being depreciated:					
Land	\$ 1,530,311	\$ —	\$ —	\$ —	\$ 1,530,311
Land improvements	1,812,684	223,427	—	—	2,036,111
Buildings and building improvements	24,033,154	438,508	—	—	24,471,662
Furniture, fixtures & equipment	<u>1,130,536</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,130,536</u>
Total assets being depreciated	<u>26,976,371</u>	<u>661,935</u>	<u>—</u>	<u>—</u>	<u>27,638,309</u>
Total assets	<u>\$ 28,506,682</u>	<u>\$ 661,935</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 29,168,620</u>
Less Accumulated Depreciation:					
Land improvements	664,329	120,929	—	—	785,258
Buildings / building improvements	16,270,193	661,513	—	—	16,931,706
Furniture, fixtures & equipment	<u>645,741</u>	<u>66,544</u>	<u>—</u>	<u>—</u>	<u>712,285</u>
Total accumulated depreciation	<u>\$ 17,580,263</u>	<u>\$ 848,986</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 18,429,249</u>
Net Capital Assets	<u>\$ 10,926,422</u>	<u>\$ (187,051)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10,739,371</u>

Depreciation expense for the year ended June 30, 2016 was charged to governmental activities as follows:

Instruction	\$ 339,594
Support Services: Instruction	110,368
Support Services: Administration	93,388
Central Services	33,959
Operations & Maintenance of Plant	186,777
Transportation	50,939
Capital Outlay	<u>33,961</u>
Total	<u>\$ 848,986</u>

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**NOTE 7. Long-term Debt**

During the year ended June 30, 2016 the following changes occurred in the liabilities reported in the government-wide statement of net position:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due within</u> <u>One Year</u>
General Obligation Bonds \$	1,880,000	\$ —	\$ 95,000	—	\$ 1,785,000	\$ 100,000
Compensated Absences	<u>57,628</u>	<u>31,507</u>	<u>33,634</u>	<u>—</u>	<u>55,501</u>	<u>55,501</u>
Total	<u>\$ 1,937,628</u>	<u>\$ 31,507</u>	<u>\$ 128,634</u>	<u>\$ —</u>	<u>\$ 1,840,501</u>	<u>\$ 155,501</u>

General Obligations Bonds

The general obligation bond is a direct obligation and pledges the full faith and credit of the District. The bond was issued with varying terms (3.75-5.15%) for \$2,230,000 (Series 2009) with varying amounts of principal maturing each year. The general obligation bond as of June 30, 2016 is for governmental activities.

The annual requirements to amortize the General Obligation Bonds as of June 30, 2016, including interest payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2017	\$ 100,000	\$ 78,977	\$ 178,977
2018	105,000	74,878	179,878
2019	110,000	70,578	180,578
2020	120,000	65,978	185,978
2021	125,000	60,828	185,828
2022-26	710,000	184,307	894,307
2027-31	<u>515,000</u>	<u>69,815</u>	<u>584,815</u>
Totals	<u>\$ 1,785,000</u>	<u>\$ 605,361</u>	<u>\$ 2,390,361</u>

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2016, compensated absences increased (\$2,127) over the prior year accrual. See Note 1 for more details.

Operating Leases – The District leases office equipment, including copy machines and postage meter machines, under short-term cancelable operating leases.

**NOTE 8. Deferred Revenue**

In accordance with the terms of the various grant agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to the subsequent years, unless such excess revenues are requested to be returned to the grantor.

**NOTE 9. Risk Management**

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA

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**NOTE 9. Risk Management – (Continued)**

based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor’s Forgery, Credit Card Forgery and Money Orders. A limit of \$100,000 applies to Money and Security, which includes a \$750 deductible.

In case the NMPSIA’s assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2016, there have been no claims that have exceeded insurance coverage.

**NOTE 10. Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures as part of the Combined Statements of certain information concerning individual funds including:

**A.** Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2016:

**Nonmajor Funds:**

IDEA-B Results Plan	\$	6,158
2012 GO Bonds		736
Pre-K Initiative		12,116
Breakfast for Elementary Students		2,768
College Counselor Initiative		3,010
Private Grant		915
Total Nonmajor Funds		<u>\$ 25,703</u>

**B.** Excess of expenditures over appropriations. There were no funds which exceeded approved budgetary authority for the year ended June 30, 2016.

**NOTE 11. Pension Plan – Educational Retirement Board**

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

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at [www.nmerb.org](http://www.nmerb.org).

*Benefits provided.* A member’s retirement benefit is determined by a formula which includes three component parts: the member’s final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member’s salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows:

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**NOTE 11. ERB Pension Plan (Continued)**

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. 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.

*Contributions.* The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2015 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2016 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$394,572 for the year ended June 30, 2016.

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**NOTE 11. ERB Pension Plan (Continued)**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the District reported a liability of \$7,259,720 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District's proportion was .08629 percent, which was an increase of .00059% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$394,572. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ —	\$ 28,721
Changes of assumptions	249,700	—
Net difference between projected and actual Earnings on pension plan investments	—	213,781
Changes in proportion and differences between the County's contributions and proportionate Share of contributions	—	337,028
County's contributions subsequent to the measurement date	<u>432,998</u>	<u>—</u>
Total	<u>\$ 682,698</u>	<u>\$ 579,530</u>

\$682,698 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>		
2017	\$	(174,240)
2018		(164,816)
2019		(91,605)
2020		100,831
2021		—

*Actuarial assumptions.* As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. 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, 2015 and 10.7% thereafter.
2. Members hired after June 30, 2014 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2014 in conjunction with the six-year experience study period ending June 30, 2013.

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**NOTE 11. ERB Pension Plan (Continued)**

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2013 to June 30, 2043
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 2015 using Scale AA (one year setback for females)

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

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**NOTE 11. ERB Pension Plan (Continued)**

*Discount rate:* A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2015 and 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 stated assumptions and the projection of cash flows, the Plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB’s defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history. Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. The following table presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

Fiscal Year	1% Decrease	Current Discount	1% Increase
<u>Ending June 30,</u>	<u>(6.75%)</u>	<u>Rate (7.75%)</u>	<u>(8.75%)</u>
District’s proportionate share of the net pension liability	\$ 9,768,438	\$ 7,259,720	\$ 5,152,136

*Pension plan fiduciary net position.* Detailed information about the ERB’s fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at [www.nmerb.org](http://www.nmerb.org).

**NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan**

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

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



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**NOTE 12. Post-Employment Benefits – State Retiree Health Care Plan (continued)**

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% 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](http://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 plans 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, 2016, 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, 2016, 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, 2016, 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, 2016, 2015 and 2014 were \$61,961, \$62,748, and \$65,551, respectively, which equal the required contributions for each year.

**NOTE 13. Contingent Liabilities**

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

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 14. Subsequent Accounting Standard Pronouncements**

In February 2015, GASB Statement No. 72 *Fair Value Measurement and Application*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The District will implement this standard during the fiscal year ended June 30, 2016. The District is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 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*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. This pronouncement will not affect the District's financial statements.

In June 2015, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The District is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 76 *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged. The District will implement this standard during the fiscal year ended June 30, 2016. The District expects the pronouncement to have a material effect on the financial statements.

In August 2015, GASB Statement No. 77 *Tax Abatement Disclosures*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The District will implement this standard during the fiscal year ended June 30, 2017. The District is still evaluating how this pronouncement will affect the financial statements.

**NOTE 15. Governmental Fund Balance**

**Fund Balance:** In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie the classifications and therefore would not report amounts in all possible fund balance classifications.

In the governmental financial statements, fund balance is classified and is displayed in five components:

*Nonspendable:* Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted:* Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed:* Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

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*Assigned:* Consist of amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned:* 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.

	General Fund			Title I IASA	Entitlement IDEA-B
	Operational 11000	Transportation 13000	Instructional Materials 14000		
<i>Fund balance:</i>				24101	24106
Nonspendable	-	-	-	-	-
Restricted:					
Instruction	-	-	14,680	-	-
Special Revenue	-	-	-	-	-
Capital Projects	-	-	-	-	-
Debt Service	-	-	-	-	-
Assigned	412,104	-	-	-	-
Unassigned	854,591	29,103	-	-	-
<i>Total fund balance</i>	<u>1,266,695</u>	<u>29,103</u>	<u>14,680</u>	-	-
		Capitol			
	Bond	Improvements	Debt	Other	Total
	Building	SB-9	Service	Governmental	Primary
<i>Fund balance:</i>	31700	31700	41000	Funds	Government
Nonspendable	-	-	-	13,047	13,047
Restricted					
Instruction	-	-	-	-	14,680
Special Revenue	-	-	-	71,974	71,974
Capital Projects	351,772	430,170	-	64,137	846,079
Debt Service	-	-	165,003	-	165,003
Assigned	-	-	-	-	412,104
Unassigned	-	-	-	16,934	900,628
<i>Total fund balance</i>	<u>351,772</u>	<u>430,170</u>	<u>165,003</u>	<u>166,092</u>	<u>\$ 2,423,515</u>



**SUPPLEMENTARY INFORMATION**



**NONMAJOR GOVERNMENTAL FUNDS**





## NONMAJOR FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Special Revenue Funds include:

**Food Services (21000)** - This fund is utilized to account for Federal and Local sources of income relating to the food service programs. The Food Service Fund is segregated into two categories, one being the Federal funds and the other being Non-Federal funds. Federal funds consist of National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. Authority for the creation of this fund is NMSA 22-13-13.

**Athletics (22000)** – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

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

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

**IDEA-B Risk Pool (24120)** – Funding for students with disabilities who are parentally placed in private elementary and secondary schools (“equitable participation services”) located in the school district.

**IDEA-B Results Plan (24132)** – Funding supports school improvement through the implementation of the evidence-based practices identified in Results Driven Accountability professional development, and may be used for professional development, technology, and equipment, materials and supplies, and direct services as outlines in the approved Request for Information.

**Impact Aid Special Education (25145) and Indian Education (25147)**– To provide funding for instructions of Indian children of all grades who require special instruction in addition to basic programs. Authorization is Public Law 81-874.

**Title XIX Medicaid (25153)** – To provide school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. (P.L. 105-33)

**Child & Adult Food Program (25171)** – To provide for instruction on proper nutrition for both children and adults.

**Indian Education Formula Grant (25184)** – To account for a program funded by a Federal grant to develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to: 1) Improve academic performance, 2) Reduce school dropout rates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U.S.C. 2601-2606

**Gear Up NM State Initiatives (25205)** – Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) New Mexico is a seven-year initiative funded by the U.S. Department of Education and is a division of the New Mexico Higher Education Department.

**Elementary School Counseling (25215)** – This program provides funding to LEAs to establish or expand elementary and secondary school counseling programs, with special consideration given to applicants that can demonstrate the greatest need for counseling services, propose the most innovative and promising approaches, and to show the greatest potential for replication and dissemination.

**LANL Foundation (26113)** – To account for monies received from Los Alamos National Labs Foundation responding to the urgent needs in Northern New Mexico by assisting with small requests for community, cultural or educational projects. Authorization is the creation of the fund by PED and Authorization by the Foundation.

## NONMAJOR FUNDS

**Drawing from the Well (26147)** - To account for funds 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 (27103)** – To provide instructional materials to be used for the dual credit course approved by Higher Education Department and through a college/university for which the District has an approved agreement.

**2010 GO Bonds – Student Library Fund (SB1) (27106)** – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

**Library GO Bonds 2012 (27107)** – The Funds to be used for library books and library resources for public school libraries statewide. Senate Bill 66, Laws of 2012, 2<sup>nd</sup> Session, Chapter 54, Section 10.B(3).

**NM Reads to Lead (27114)** – Provides an aligned approach for districts and schools to ensure that children read by the end of the third grade – giving them essential skills for future career and college success. It also provides regional and district reading coaches, support for intervention and professional development for parents, teachers, reading coaches and administrators.

**Pre-K Initiative (27149)** – To provide high quality Pre-K services that align to NM Pre-K standards to underserved 4-year-olds in the District. To expand early childhood educational capacity so that all families of 4-year-olds in the district who want to enroll their child in a high quality Pre-K program can do regardless of income or ethnicity.

**Indian Education Act (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, tribes, 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 the profile Indigenous best practices.

**Breakfast for Elementary Students (27155)** - The 2005 Legislative General Appropriations Act allocated \$475,000 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation.

**NM Arts Division (27166)**- To account for the grant activity from the New Mexico Arts, a division of the Office of cultural Affairs. Special Revenue Fund established by the local school board.

**2013 School Buses (27178)** – To provide for the purchase of school buses.

**Workforce Readiness (27179)** – 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 2013 Legislative Session.

**Early College HS Star-Up (27180)** – To provide school district with funds to encourage students toward college preparation, career readiness and dropout prevention. Authorized through Senate Bill 313, the General Appropriations Act of 2014 of the regular 2014 Legislative Session.

**STEM Teacher Initiative (27181)** - The purpose of this fund is to provide a \$5,000 stipend per year to 15 highly effective STEM teachers to teach science, technology engineering or mathematics (grades 7-12) for two year to serve in hard to staff schools.

**New Mexico Grown (27183)** – Funds under this award are to be used to purchase locally grown New Mexico fresh fruits and vegetables to be made available as no charge to students. Funds have been received in appropriation through the General Appropriations Act to distribute to schools districts and charter schools.

**College Counselor Initiative (27189)** – The fund establishes a cohort of high school advisors whose role is dedicated to college and career readiness.

## NONMAJOR FUNDS

**State Directed Activities Allocation IDEA-B (27200)** – To account for money given to the District to help pay for payroll expenses certain state directed activities.

**No Hungry Kid (29102)** – To support the summer food program.

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

**Special Capital Outlay – State (31400)** – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996.

**Public School Capital Outlay – 20% (32100)** – A capital projects fund to capture the 20% of eligible federal (Forest Reserve and Impact Aid) and local revenue 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**  
**COMBINING BALANCE SHEET**  
**NONMAJOR FUNDS**  
**JUNE 30, 2016**

	Food Services 21000	Athletics 22000	Preschool IDEA-B 24109	Fresh Fruits and Vegetables 24118
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and temporary investments	\$ 36,477	\$ 10,733	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	6,160	-	4,143	108
Interfund receivables	-	-	-	-
Inventory	13,047	-	-	-
<i>Total assets</i>	<u>55,684</u>	<u>10,733</u>	<u>4,143</u>	<u>108</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued expenses	-	-	-	-
Interfund payables	-	-	4,143	108
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>4,143</u>	<u>108</u>
<i>Fund Balance:</i>				
Fund Balance:				
Nonspendable	13,047	-	-	-
Restricted	42,637	10,733	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balance</i>	<u>55,684</u>	<u>10,733</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 55,684</u>	<u>\$ 10,733</u>	<u>\$ 4,143</u>	<u>\$ 108</u>

The accompanying notes are an integral part of these financial statements.

IDEA-B "Risk Pool" 24120	IDEA-B Results Plan 24132	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153	Child & Adult Food Program 25171
\$ -	\$ -	\$ 19,731	\$ 12,153	\$ 21,581	\$ 214
-	-	-	-	-	-
-	-	-	-	4,905	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>19,731</u>	<u>12,153</u>	<u>26,486</u>	<u>214</u>
-	-	-	-	-	-
-	-	-	-	2	-
-	6,158	-	-	-	-
-	<u>6,158</u>	-	-	<u>2</u>	-
-	-	-	-	-	-
-	-	19,731	12,153	26,484	214
-	-	-	-	-	-
-	-	-	-	-	-
-	(6,158)	-	-	-	-
-	<u>(6,158)</u>	<u>19,731</u>	<u>12,153</u>	<u>26,484</u>	<u>214</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,731</u>	<u>\$ 12,153</u>	<u>\$ 26,486</u>	<u>\$ 214</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**COMBINING BALANCE SHEET**  
**NONMAJOR FUNDS**  
**JUNE 30, 2016**

	<u>Indian Ed Formula Grant 25184</u>	<u>Gear Up 25205</u>	<u>Elementary School Counseling 25215</u>	<u>LANL Foundation 26113</u>
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ 8	\$ 7	\$ 641
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	2,131	70,354	-	-
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>2,131</u>	<u>70,362</u>	<u>7</u>	<u>641</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued expenses	-	10	7	-
Interfund payables	2,131	70,352	-	-
<i>Total liabilities</i>	<u>2,131</u>	<u>70,362</u>	<u>7</u>	<u>-</u>
<i>Fund Balance:</i>				
Fund Balance:				
Nonspendable	-	-	-	-
Restricted	-	-	-	641
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>641</u>
<i>Total liabilities and fund balance</i>	<u>\$ 2,131</u>	<u>\$ 70,362</u>	<u>\$ 7</u>	<u>\$ 641</u>

The accompanying notes are an integral part of these financial statements.

Drawing From The Well 26147	Dual Credit Instructional Materials 27103	2010 GO Bonds - Student Library Fund (SB1) 27106	2012 GO Bonds - Student Library Fund (SB66) 27107	NM Reads to Lead K-3 Reading Initiative 27114	Pre-K Initiative 27149
\$ -	\$ -	\$ -	\$ -	\$ 17	\$ 1
-	-	-	-	-	-
-	-	-	931	1,709	-
-	-	-	-	-	-
-	-	-	931	1,726	1
-	-	-	-	-	-
-	-	-	-	17	1
-	-	-	1,667	1,709	12,116
-	-	-	1,667	1,726	12,117
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(736)	-	(12,116)
-	-	-	(736)	-	(12,116)
\$ -	\$ -	\$ -	\$ 931	\$ 1,726	\$ 1

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**COMBINING BALANCE SHEET**  
**NONMAJOR FUNDS**  
**JUNE 30, 2016**

	Indian Education Act 27150	Breakfast for Elementary Students 27155	Kindergarten Three Plus 27166	2013 School Busses 27178
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ -	\$ 11	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>-</u>	<u>11</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued expenses	-	-	-	-
Interfund payables	-	2,768	-	-
<i>Total liabilities</i>	<u>-</u>	<u>2,768</u>	<u>-</u>	<u>-</u>
<i>Fund Balance:</i>				
Fund Balance:				
Nonspendable	-	-	-	-
Restricted	-	-	11	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(2,768)	-	-
<i>Total fund balance</i>	<u>-</u>	<u>(2,768)</u>	<u>11</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.



Workforce Readiness 27179	Early College HS Star-Up 27180	STEM Teacher Initiative 27181	NM Grown Fresh Fruit and Vegetables 27183	College Counselor Initiative 27189	State Discretionary IDEA-B 27200
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,007
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,007
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,010	-
-	-	-	-	3,010	-
-	-	-	-	-	-
-	-	-	-	-	2,007
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(3,010)	-
-	-	-	-	(3,010)	2,007
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,007

The accompanying notes are an integral part of these financial statements.



**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**COMBINING BALANCE SHEET**  
**NONMAJOR FUNDS**  
**JUNE 30, 2016**

Statement B-1  
(Page 7 of 9)

	Private Grants 29102	Special Capital Outlay - State 31400	Public School Capital Outlay - 20% 32100	Total Non-major Funds
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ 62,967	\$ 1,170	\$ 167,718
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	90,441
Interfund receivables	-	-	-	-
Inventory	-	-	-	13,047
	-	62,967	1,170	271,206
<i>Total assets</i>	-	62,967	1,170	271,206
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued expenses	-	-	-	37
Interfund payables	915	-	-	105,077
	915	-	-	105,114
<i>Total liabilities</i>	915	-	-	105,114
<i>Fund Balance:</i>				
Fund Balance:				
Nonspendable	-	-	-	13,047
Restricted	-	62,967	1,170	178,748
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(915)	-	-	(25,703)
	(915)	62,967	1,170	166,092
<i>Total fund balance</i>	(915)	62,967	1,170	166,092
<i>Total liabilities and fund balance</i>	\$ -	\$ 62,967	\$ 1,170	\$ 271,206

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2016**

	Food Services 21000	Athletics 22000	Preschool IDEA-B 24109	Fresh Fruits and Vegetables 24118
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	237,227	-	5,891	8,478
Charges for services	19,662	58,197	-	-
Miscellaneous	-	386	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>256,889</u>	<u>58,583</u>	<u>5,891</u>	<u>8,478</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	61,990	5,891	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	223,472	-	-	8,478
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>223,472</u>	<u>61,990</u>	<u>5,891</u>	<u>8,478</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>33,417</u>	<u>(3,407)</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>33,417</u>	<u>(3,407)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>22,267</u>	<u>14,140</u>	<u>-</u>	<u>-</u>
<i>Restatement</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year - restat</i>	<u>22,267</u>	<u>14,140</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 55,684</u>	<u>\$ 10,733</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

IDEA-B "Risk Pool" 24120	IDEA-B Results Plan 24132	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153	Child & Adult Food Program 25171
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	13,842	1,975	7,785	33,802	214
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>13,842</u>	<u>1,975</u>	<u>7,785</u>	<u>33,802</u>	<u>214</u>
-	20,000	-	-	397	-
-	-	-	-	55,242	-
-	-	-	-	-	-
-	-	-	-	1,613	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>57,252</u>	<u>-</u>
-	(6,158)	1,975	7,785	(23,450)	214
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>(6,158)</u>	<u>1,975</u>	<u>7,785</u>	<u>(23,450)</u>	<u>214</u>
-	-	17,756	4,368	49,934	-
-	-	-	-	-	-
-	-	17,756	4,368	49,934	-
<u>\$ -</u>	<u>\$ (6,158)</u>	<u>\$ 19,731</u>	<u>\$ 12,153</u>	<u>\$ 26,484</u>	<u>\$ 214</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2016**

	Indian Ed Formula Grant 25184	Gear Up 25205	Elementary School Counseling 25215	LANL Foundation 26113
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	3,894
Federal grants	2,133	263,284	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>2,133</u>	<u>263,284</u>	<u>-</u>	<u>3,894</u>
<i>Expenditures:</i>				
Current:				
Instruction	2,009	127,970	-	3,893
Support Services				
Students	-	27,297	-	-
Instruction	-	102,347	-	-
General Administration	124	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	5,670	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,133</u>	<u>263,284</u>	<u>-</u>	<u>3,893</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640</u>
<i>Restatement</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year - restated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 641</u>

The accompanying notes are an integral part of these financial statements.

Drawing From The Well 26147	Dual Credit Instructional Materials 27103	2010 GO Bonds - Student Library Fund (SB1) 27106	2012 GO Bonds - Student Library Fund (SB66) 27107	NM Reads to Lead K-3 Reading Initiative 27114	Pre-K Initiative 27149
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	5,236	-	195	50,000	96,287
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,236	-	195	50,000	96,287
3,893	5,236	-	-	50,000	84,146
-	-	-	-	-	-
-	-	-	931	-	-
-	-	-	-	-	1,051
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	23,206
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,893	5,236	-	931	50,000	108,403
(3,893)	-	-	(736)	-	(12,116)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(3,893)	-	-	(736)	-	(12,116)
3,893	-	-	-	-	-
-	-	-	-	-	-
3,893	-	-	-	-	-
\$ -	\$ -	\$ -	\$ (736)	\$ -	\$ (12,116)

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2016**

	Indian Education Act 27150	Breakfast for Elementary Students 27155	Kindergarten Three Plus 27166	2013 School Busses 27178
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	15,508	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>15,508</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	12,853	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	2,644	-
Other Support Services	-	-	-	-
Food Services Operations	-	6,273	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>6,273</u>	<u>15,497</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(6,273)</u>	<u>11</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>(6,273)</u>	<u>11</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>3,505</u>	<u>-</u>	<u>-</u>
<i>Restatement</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year - restated</i>	<u>-</u>	<u>3,505</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ (2,768)</u>	<u>\$ 11</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.



Workforce Readiness 27179	Early College HS Star-Up 27180	STEM Teacher Initiative 27181	NM Grown Fresh Fruit and Vegetables 27183	College Counselor Initiative 27189	State Discretionary IDEA-B 27200
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	24,300	627	61,990	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	24,300	627	61,990	-
-	-	24,300	-	-	-
-	-	-	-	65,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	627	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	24,300	627	65,000	-
-	-	-	-	(3,010)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(3,010)	-
-	-	-	-	-	2,007
-	-	-	-	-	-
-	-	-	-	-	2,007
\$ -	\$ -	\$ -	\$ -	\$ (3,010)	\$ 2,007

The accompanying notes are an integral part of these financial statements.



**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2016**

Statement B-2  
(Page 7 of 9)

	Private Grants 29102	Special Capital Outlay - State 31400	Public School Capital Outlay - 20% 32100	Total Non-major Funds
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	258,037
Federal grants	-	-	-	574,631
Charges for services	-	-	-	77,859
Miscellaneous	-	-	-	386
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>910,913</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	915	-	-	403,493
Support Services	-	-	-	-
Students	-	-	-	147,539
Instruction	-	-	-	103,278
General Administration	-	-	-	2,788
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	25,850
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	238,850
Community Service	-	-	-	5,670
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>915</u>	<u>-</u>	<u>-</u>	<u>927,468</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(915)</u>	<u>-</u>	<u>-</u>	<u>(16,555)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(915)</u>	<u>-</u>	<u>-</u>	<u>(16,555)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>62,967</u>	<u>1,170</u>	<u>182,647</u>
<i>Restatement</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year - restated</i>	<u>-</u>	<u>62,967</u>	<u>1,170</u>	<u>182,647</u>
<i>Fund balances - end of year</i>	<u>\$ (915)</u>	<u>\$ 62,967</u>	<u>\$ 1,170</u>	<u>\$ 166,092</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Statement B-3

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 FOOD SERVICES SPECIAL REVENUE FUND (21000)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	242,294	240,501	(1,793)
Miscellaneous	132,942	132,942	3,568	(129,374)
Interest	-	-	-	-
<i>Total revenues</i>	<u>132,942</u>	<u>375,236</u>	<u>244,069</u>	<u>(131,167)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	132,942	318,573	200,432	118,141
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>132,942</u>	<u>318,573</u>	<u>200,432</u>	<u>118,141</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>56,663</u>	<u>43,637</u>	<u>(13,026)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	(56,663)	-	56,663
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(56,663)</u>	<u>-</u>	<u>56,663</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>43,637</u>	<u>43,637</u>
<i>Fund balances - beginning of year</i>	-	-	(7,160)	(7,160)
<i>Restatement</i>	-	-	-	-
<i>Fund balances - beginning of year - restatement</i>	<u>-</u>	<u>-</u>	<u>(7,160)</u>	<u>(7,160)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,477</u>	<u>\$ 36,477</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			12,820	
Adjustments to expenditures			(23,040)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 33,417</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-4

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 ATHLETICS SPECIAL REVENUE FUND (22000)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	11,000	63,000	58,583	(4,417)
Interest	-	-	-	-
<i>Total revenues</i>	<u>11,000</u>	<u>63,000</u>	<u>58,583</u>	<u>(4,417)</u>
<i>Expenditures:</i>				
Current:				
Instruction	14,473	80,614	61,990	18,624
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>14,473</u>	<u>80,614</u>	<u>61,990</u>	<u>18,624</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,473)</u>	<u>(17,614)</u>	<u>(3,407)</u>	<u>14,207</u>
<i>Other financing sources (uses):</i>				
Designated cash	3,473	17,614	-	(17,614)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,473</u>	<u>17,614</u>	<u>-</u>	<u>(17,614)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,407)</u>	<u>(3,407)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>14,140</u>	<u>14,140</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,733</u>	<u>\$ 10,733</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (3,407)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-5

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 PRESCHOOL IDEA-B SPECIAL REVENUE FUND (24109)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	5,891	2,697	(3,194)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,891</u>	<u>2,697</u>	<u>(3,194)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	11,401	5,891	5,510
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>11,401</u>	<u>5,891</u>	<u>5,510</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(5,510)</u>	<u>(3,194)</u>	<u>2,316</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	5,510	-	(5,510)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>5,510</u>	<u>-</u>	<u>(5,510)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,194)</u>	<u>(3,194)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,194)</u>	<u>\$ (3,194)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			3,194	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-6

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND (24118)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	9,178	7,744	(1,434)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>9,178</u>	<u>7,744</u>	<u>(1,434)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	16,815	8,478	8,337
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>16,815</u>	<u>8,478</u>	<u>8,337</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(7,637)</u>	<u>(734)</u>	<u>6,903</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	7,637	-	(7,637)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>7,637</u>	<u>-</u>	<u>(7,637)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(734)</u>	<u>(734)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>626</u>	<u>626</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (108)</u>	<u>\$ (108)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			734	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-7

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 IDEA-B "RISK POOL" SPECIAL REVENUE FUND (24120)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	73	82	9
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>73</u>	<u>82</u>	<u>9</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	133	-	133
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>133</u>	<u>-</u>	<u>133</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(60)</u>	<u>82</u>	<u>142</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	60	-	(60)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>60</u>	<u>-</u>	<u>(60)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>82</u>	<u>82</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(82)</u>	<u>(82)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(82)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-8

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 IDEA-B RESULTS PLAN SPECIAL REVENUE FUND (24132)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	20,000	13,842	(6,158)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>20,000</u>	<u>13,842</u>	<u>(6,158)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	20,000	20,000	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,158)</u>	<u>(6,158)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(6,158)</u>	<u>(6,158)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,158)</u>	<u>\$ (6,158)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (6,158)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-9

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND (25145)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	17,955	1,975	(15,980)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>17,955</u>	<u>1,975</u>	<u>(15,980)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	17,955	-	17,955
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>17,955</u>	<u>-</u>	<u>17,955</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,975</u>	<u>1,975</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,975</u>	<u>1,975</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>17,756</u>	<u>17,756</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,731</u>	<u>\$ 19,731</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 1,975</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-10

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
IMPACT AID INDIAN EDUCATION SPECIAL REVENUE FUND (24147)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	77,350	7,785	(69,565)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>77,350</u>	<u>7,785</u>	<u>(69,565)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	26,121	-	26,121
Support Services				
Students	-	4,885	-	4,885
Instruction	-	21,914	-	21,914
General Administration	-	-	-	-
School Administration	-	24,430	-	24,430
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>77,350</u>	<u>-</u>	<u>77,350</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>7,785</u>	<u>7,785</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>7,785</u>	<u>7,785</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,368</u>	<u>4,368</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,153</u>	<u>\$ 12,153</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 7,785</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-11

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 TITLE XIX MEDICAID 3 / 21 YEARS SPECIAL REVENUE FUND (25153)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	15,000	28,897	13,897
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>15,000</u>	<u>28,897</u>	<u>13,897</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	1,233	397	836
Support Services				
Students	-	59,083	55,624	3,459
Instruction	-	-	-	-
General Administration	-	4,618	1,613	3,005
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>64,934</u>	<u>57,634</u>	<u>7,300</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(49,934)</u>	<u>(28,737)</u>	<u>21,197</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	49,934	-	(49,934)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>49,934</u>	<u>-</u>	<u>(49,934)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(28,737)</u>	<u>(28,737)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>50,318</u>	<u>50,318</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,581</u>	<u>\$ 21,581</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			4,905	
Adjustments to expenditures			<u>382</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (23,450)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 CHILD AND ADULT FOOD PROGRAM (25171)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>214</u>	<u>214</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214</u>	<u>\$ 214</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			214	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 214</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-13

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 INDIAN ED FORMULA GRANT SPECIAL REVENUE FUND (25184)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	17,331	22,143	1,997	(20,146)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>17,331</u>	<u>22,143</u>	<u>1,997</u>	<u>(20,146)</u>
<i>Expenditures:</i>				
Current:				
Instruction	267	4,782	2,009	2,773
Support Services				
Students	17,064	17,064	-	17,064
Instruction	-	-	-	-
General Administration	-	297	124	173
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>17,331</u>	<u>22,143</u>	<u>2,133</u>	<u>20,010</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(136)</u>	<u>(136)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(136)</u>	<u>(136)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,995)</u>	<u>(1,995)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,131)</u>	<u>\$ (2,131)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			136	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-14

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 GEAR UP NM SPECIAL REVENUE FUND (25205)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	220,000	491,134	272,495	(218,639)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>220,000</u>	<u>491,134</u>	<u>272,495</u>	<u>(218,639)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	106,503	193,345	127,970	65,375
Support Services				
Students	113,497	48,718	27,297	21,421
Instruction	-	118,084	102,347	15,737
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	5,719	5,670	49
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>220,000</u>	<u>365,866</u>	<u>263,284</u>	<u>102,582</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>125,268</u>	<u>9,211</u>	<u>(116,057)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	(125,268)	-	125,268
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(125,268)</u>	<u>-</u>	<u>125,268</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>9,211</u>	<u>9,211</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(79,555)</u>	<u>(79,555)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (70,344)</u>	<u>\$ (70,344)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(9,211)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 ELEMENTARY SCHOOL COUNSELING SPECIAL REVENUE FUND (25215)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 7</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-16

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 LANL FOUNDATION SPECIAL REVENUE FUND (26113)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	3,893	3,893	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,893</u>	<u>3,893</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(3,893)</u>	<u>(3,893)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	3,893	-	(3,893)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>3,893</u>	<u>-</u>	<u>(3,893)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,893)</u>	<u>(3,893)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,534</u>	<u>4,534</u>
<i>Restatement</i>				
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 641</u>	<u>\$ 641</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			3,894	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 1</u>	

The accompanying notes are an integral part of these financial statements

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
DRAWING FROM THE WELL SPECIAL REVENUE FUND (26147)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-17

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			<u>(3,893)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (3,893)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-18

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 DUAL CREDIT INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND (27103)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	6,223	5,236	(987)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>6,223</u>	<u>5,236</u>	<u>(987)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	6,223	5,236	987
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>6,223</u>	<u>5,236</u>	<u>987</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 2010 GO BONDS - STUDENT LIBRARY FUND (SB1)(27106)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-20

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 2012 GO BONDS - STUDENT LIBRARY FUND (SB66) SPECIAL REVENUE FUND (27107)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	288	11,102	8,616	(2,486)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>288</u>	<u>11,102</u>	<u>8,616</u>	<u>(2,486)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	288	11,102	931	10,171
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>288</u>	<u>11,102</u>	<u>931</u>	<u>10,171</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>7,685</u>	<u>7,685</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>7,685</u>	<u>7,685</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(9,352)</u>	<u>(9,352)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,667)</u>	<u>\$ (1,667)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(8,421)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (736)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-21

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 NM READS TO LEAD K-3 READING INITIATIVE SPECIAL REVENUE FUND (27114)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	50,000	100,000	61,957	(38,043)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>50,000</u>	<u>100,000</u>	<u>61,957</u>	<u>(38,043)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	50,000	62,761	50,000	12,761
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>50,000</u>	<u>62,761</u>	<u>50,000</u>	<u>12,761</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>37,239</u>	<u>11,957</u>	<u>(25,282)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	(37,239)	-	37,239
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(37,239)</u>	<u>-</u>	<u>37,239</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>11,957</u>	<u>11,957</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(13,649)</u>	<u>(13,649)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,692)</u>	<u>\$ (1,692)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(11,957)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-22

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 PRE-K INITIATIVE SPECIAL REVENUE FUND (25215)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	111,186	106,389	(4,797)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>111,186</u>	<u>106,389</u>	<u>(4,797)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	84,950	84,146	804
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	1,192	1,051	141
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	25,044	23,206	1,838
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>111,186</u>	<u>108,403</u>	<u>2,783</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,014)</u>	<u>(2,014)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,014)</u>	<u>(2,014)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(10,101)</u>	<u>(10,101)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,115)</u>	<u>\$ (12,115)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(10,102)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (12,116)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-23

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 INDIAN EDUCATION ACT SPECIAL REVENUE FUND (27150)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	25,000	4,990	(20,010)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>25,000</u>	<u>4,990</u>	<u>(20,010)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	25,000	-	25,000
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>4,990</u>	<u>4,990</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>4,990</u>	<u>4,990</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,990)</u>	<u>(4,990)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(4,990)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-24

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND (27155)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	6,256	2,874	(3,382)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>6,256</u>	<u>2,874</u>	<u>(3,382)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	6,256	5,642	614
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>6,256</u>	<u>5,642</u>	<u>614</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,768)</u>	<u>(2,768)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,768)</u>	<u>(2,768)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,768)</u>	<u>\$ (2,768)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(2,874)	
Adjustments to expenditures			(631)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (6,273)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-25

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 KINDERGARTEN THREE PLUS SPECIAL REVENUE FUND (27166)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	29,312	82,594	41,673	(40,921)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>29,312</u>	<u>82,594</u>	<u>41,673</u>	<u>(40,921)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	22,245	38,583	12,853	25,730
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	3,561	6,742	-	6,742
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	3,506	4,975	2,644	2,331
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>29,312</u>	<u>50,300</u>	<u>15,497</u>	<u>34,803</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>32,294</u>	<u>26,176</u>	<u>(6,118)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	(32,294)	-	32,294
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(32,294)</u>	<u>-</u>	<u>32,294</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>26,176</u>	<u>26,176</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(26,165)</u>	<u>(26,165)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 11</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(26,165)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 11</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 2013 SCHOOL BUSES SPECIAL REVENUE FUND (26178)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-27

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 WORKFORCE READINESS SPECIAL REVENUE FUND (27179)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	58,144	58,144
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>58,144</u>	<u>58,144</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>58,144</u>	<u>58,144</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>58,144</u>	<u>58,144</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(58,144)</u>	<u>(58,144)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(58,144)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-28

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 EARLY COLLEGE HS STAR-UP SPECIAL REVENUE FUND (27180)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	9,981	9,981
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>9,981</u>	<u>9,981</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>9,981</u>	<u>9,981</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>9,981</u>	<u>9,981</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(9,981)</u>	<u>(9,981)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(9,981)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-29

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
STEM TEACHER INITIATIVE SPECIAL REVENUE FUND (27181)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	36,450	24,300	(12,150)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>36,450</u>	<u>24,300</u>	<u>(12,150)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	26,450	24,300	2,150
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>26,450</u>	<u>24,300</u>	<u>2,150</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	(10,000)	-	10,000
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-30

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 NM GROWN FRESH FRUIT AND VEGETABLES SPECIAL REVENUE FUND (27183)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	3,667	627	(3,040)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>3,667</u>	<u>627</u>	<u>(3,040)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	3,667	627	3,040
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,667</u>	<u>627</u>	<u>3,040</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-31

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 COLLEGE COUNSELOR INITIATIVE SPECIAL REVENUE FUND (27189)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	65,000	61,990	(3,010)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>65,000</u>	<u>61,990</u>	<u>(3,010)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	65,000	65,000	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,010)</u>	<u>(3,010)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,010)</u>	<u>(3,010)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,010)</u>	<u>\$ (3,010)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (3,010)</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-32

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
STATE DISCRETIONARY IDEA-B SPECIAL REVENUE FUND (27200)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,007</u>	<u>2,007</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,007</u>	<u>\$ 2,007</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-33

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 NO HUNGRY KIDS SPECIAL REVENUE FUND (29102)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(915)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (915)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-34

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 BOND BUILDING CAPITAL PROJECT FUND (31100)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	71,034	71,034
Federal grants	-	-	-	-
Miscellaneous	-	700	474	(226)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>700</u>	<u>71,508</u>	<u>70,808</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	1,389,523	727,796	661,727
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,389,523</u>	<u>727,796</u>	<u>661,727</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(1,388,823)</u>	<u>(656,288)</u>	<u>732,535</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	541,347	-	(541,347)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	847,476	415,005	(432,471)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,388,823</u>	<u>415,005</u>	<u>(973,818)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(241,283)</u>	<u>(241,283)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>593,055</u>	<u>593,055</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,772</u>	<u>\$ 351,772</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			51,708	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (189,575)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-35

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECT FUND (31400)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>62,967</u>	<u>62,967</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,967</u>	<u>\$ 62,967</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-36

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
 CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND (31700)  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ 514,211	\$ 614,629	\$ 88,522	\$ (526,107)
State grants	-	68,584	62,810	(5,774)
Federal grants	-	-	-	-
Miscellaneous	-	-	37,547	37,547
Interest	-	-	-	-
<i>Total revenues</i>	<u>514,211</u>	<u>683,213</u>	<u>188,879</u>	<u>(494,334)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	52,000	53,005	887	52,118
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	1,181,760	1,881,376	64,653	1,816,723
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,233,760</u>	<u>1,934,381</u>	<u>65,540</u>	<u>1,868,841</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(719,549)</u>	<u>(1,251,168)</u>	<u>123,339</u>	<u>1,374,507</u>
<i>Other financing sources (uses):</i>				
Designated cash	719,549	1,251,168	-	(1,251,168)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>719,549</u>	<u>1,251,168</u>	<u>-</u>	<u>(1,251,168)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>123,339</u>	<u>123,339</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>303,808</u>	<u>303,808</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 427,147</u>	<u>\$ 427,147</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			3	
Adjustments to expenditures			4,373	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 127,715</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-37

PENASCO INDEPENDENT SCHOOL DISTRICT No. 4  
PUBLIC SCHOOL CAPITAL OUTLAY - 20% CAPITAL PROJECT FUND (32100)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,170</u>	<u>1,170</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,170</u>	<u>\$ 1,170</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No.4**  
**DEBT SERVICE FUND (41000)**

Statement B-38

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDING JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ 473,138	\$ 650,897	\$ 177,091	\$ (473,806)
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>473,138</u>	<u>650,897</u>	<u>177,091</u>	<u>(473,806)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	435,703	163,193	1,770	161,423
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt Service - Principal	465,000	465,000	95,000	370,000
Debt Service - Interest	8,138	185,897	82,758	103,139
<i>Total expenditures</i>	<u>908,841</u>	<u>814,090</u>	<u>179,528</u>	<u>634,562</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(435,703)</u>	<u>(163,193)</u>	<u>(2,437)</u>	<u>160,756</u>
<i>Other financing sources (uses):</i>				
Designated cash	435,703	163,193	-	(163,193)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>435,703</u>	<u>163,193</u>	<u>-</u>	<u>(163,193)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,437)</u>	<u>(2,437)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>161,692</u>	<u>161,692</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,255</u>	<u>\$ 159,255</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(1,405)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (3,842)</u>	

The accompanying notes are an integral part of these financial statements





**OTHER SUPPLEMENTAL INFORMATION**



**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Schedule I

Activity	Balance June 30, 2015	Additions	Adjustments	Deletions	Balance June 30, 2016
Elementary School	\$ 43,234	\$ 21,018	\$ -	\$ 23,985	\$ 40,267
Junior High School	55,389	17,091	-	16,990	55,490
Primeros Pasos Pre-K	1,662	2,000	-	1,020	2,642
Total All Schools	<u>\$ 100,285</u>	<u>\$ 40,109</u>	<u>\$ -</u>	<u>\$ 41,995</u>	<u>\$ 98,399</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**OF ERB**  
**Educational Retirement Board (ERB) Plan**  
**Last 10 Fiscal Years\***  
**JUNE 30, 2016**

Schedule II

	2016	2015
Proportion of the net pension liability	0.11208%	0.11898%
Proportionate share of the net pension liability	7,169,686	6,788,670
Covered-employee payroll	2,948,595	3,279,423
Proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	243%	207%
Plan fiduciary net position as a percentage of the total pension liability	63.97%	66.54%

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

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS**  
**Educational Retirement Board (ERB) Plan**

Last 10 Fiscal Years\*\*

Contractually required contribution	442,848	431,339
Contributions in relation to the contractually required contribution	442,848	431,339
Contribution deficiency (excess)	-	-
County's covered-employee payroll	2,948,595	3,279,423
Contributions as a percentage of covered-employee payroll	15.02%	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.

**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 June 12, 2015, ERB implemented the following changes in assumption for fiscal years 2015. 1) Fiscal year 2015 valuation assumptions that changed based on this study: a) Lower wage inflation from 4.75% to 3.75%, b) Lower payroll growth from 3.75% to 3.50%, c) Minor changes to demographic assumptions, d) Population growth per year from 0.50% to 0.00%

2) Assumptions that were not changed: a) Investment return will remain at 7.75%, b) Net real return remains at 4.75%, c) Inflation will remain at 3.00%, d) COLA assumption of 2.00% per year, e) Payroll Growth remains at 3.50%

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

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**SCHEDULE OF DEPOSITS**  
**JUNE 30, 2016**

Schedule III

Bank Account Type/Name	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
<b>Centennial Bank</b>				
Checking - Accounts Payable	\$ -	\$ -	\$ -	\$ -
Checking - Payroll Account	287,619	-	287,196	423
Checking - General Account	1,012,096	81,849	45,933	1,048,012
Checking - Federal Project Account	271,269	341	178,820	92,790
Checking - District Building Account	1,018,997	-	16,686	1,002,311
Checking - Activity Account	102,510	-	4,111	98,399
Total Wells Fargo Bank	<u>2,692,491</u>	<u>81,849</u>	<u>333,129</u>	<u>2,241,935</u>
Total cash in bank	<u>\$ 2,692,491</u>	<u>\$ 81,849</u>	<u>\$ 333,129</u>	<u>\$ 2,241,935</u>
Cash per financial statements				
Cash and cash equivalents-Governmental Activities Exhibit A-1				2,143,536
Fiduciary funds - Exhibit D-1				<u>98,399</u>
Total cash and cash equivalents				<u>\$ 2,241,935</u>

**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**

Name of Depository	Description of Pledged Collateral	Cusip Number	Maturity	Fair Market Value June 30, 2016	Name and Location of Safekeeper
Centinel Bank of Taos	FHLB, 1.30%	313378PW5	4/4/2017	75,345	TIB
Centinel Bank of Taos	Clovis Sch Dist,	189414JQ9	8/1/2025	300,000	TIB
Centinel Bank of Taos	Taos Sch ED	87601UBA0	10/1/2016	120,000	TIB
Centinel Bank of Taos	Questa GO	74837KAE9	7/1/2017	210,000	TIB
Centinel Bank of Taos	Jemez Sch Dist	475868EG6	8/1/2023	210,000	TIB
Centinel Bank of Taos	Ruidoso SD #3,	781338JD1	8/1/2020	125,000	TIB
Centinel Bank of Taos	Espanola SD #5	29662RAW8	9/1/2025	270,000	TIB
Centinel Bank of Taos	Taos SD ED TE	87601UAD5	10/1/2016	50,000	TIB
				<u>1,360,345</u>	

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**CASH RECONCILIATION**  
**JUNE 30, 2016**

	Operational Account 11000	Teachergage Account 12000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000
Cash, June 30, 2015	1,036,413	-	15,753	17,377	(7,160)
Restatement	-	-	-	-	-
Add:					
2015-16 revenues	4,183,438	-	275,993	23,877	244,069
Permanent Cash Transfers	-	-	-	-	-
Loans from other funds	-	-	-	-	-
Total cash available	5,219,851	-	291,746	41,254	236,909
Less:					
2015-16 expenditures	(4,226,006)	-	(254,764)	(26,574)	(200,432)
Permanent Cash Transfers	-	-	(7,879)	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2016	<u>\$ 993,845</u>	<u>\$ -</u>	<u>\$ 29,103</u>	<u>\$ 14,680</u>	<u>\$ 36,477</u>

The accompanying notes are an integral part of these financial statements

Athletics Account 22000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000
14,140	265	72,710	4,534	(37,409)
-	-	-	-	-
58,583	235,592	313,149	-	386,777
-	-	-	-	-
-	-	-	-	-
72,723	235,857	385,859	4,534	349,368
(61,990)	(235,841)	(332,165)	(3,893)	(338,130)
-	-	-	-	(9,202)
-	-	-	-	-
<u>\$ 10,733</u>	<u>\$ 16</u>	<u>\$ 53,694</u>	<u>\$ 641</u>	<u>\$ 2,036</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**CASH RECONCILIATION**  
**JUNE 30, 2016**

	State Direct 28000	Local / State 29000	Bond Building Account 31100	Spec. Capital Outlay-State 31400	Federal Capital Outlay 31500
Cash, June 30, 2015	-	-	593,055	62,967	-
Restatement	-	-	-	-	-
Add:					
2015-16 revenues	-	-	486,513	-	-
Permanent Cash Transfers	-	-	-	-	-
Loans from other funds	-	-	-	-	-
Total cash available	-	-	1,079,568	62,967	-
Less:					
2015-16 expenditures	-	-	(727,796)	-	-
Permanent Cash Transfers	-	-	-	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,772</u>	<u>\$ 62,967</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements



Cap. Improv. SB 9 31700	Energy Efficiency 31800	Public School Capital Outlay - 20% 32100	Debt Service Fund 41000	Education Tech Debt Service Fund 43000	Total
303,808	-	1,170	161,693	-	\$ 2,239,316
-	-	-	-	-	-
188,879	-	-	177,091	-	6,573,961
-	-	-	-	-	-
-	-	-	-	-	-
492,687	-	1,170	338,784	-	8,813,277
(65,540)	-	-	(179,529)	-	(6,652,660)
-	-	-	-	-	(17,081)
-	-	-	-	-	-
<u>\$ 427,147</u>	<u>\$ -</u>	<u>\$ 1,170</u>	<u>\$ 159,255</u>	<u>\$ -</u>	<u>\$ 2,143,536</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
PENASCO INDEPENDENT SCHOOL DISTRICT NO.4  
SCHEDULE OF VENDOR INFORMATION  
JUNE 30, 2016

<i>Agency Number</i>	<i>Agency Name</i>	<i>Agency Type</i>	<i>RFB#/RFP# (If applicable)</i>	<i>Type of Procurement</i>	<i>Vendor Name</i>	<i>Did Vendor Win Contract?</i>
7065	Peñasco Independent School District	School District	SP-5-14/SP-5-15	Competitive (RFP or RFB)	Ace Asphalt	Winner
7065	Peñasco Independent School District	School District	N/A	Competitive (RFP or RFB)	CES	Winner
7065	Peñasco Independent School District	School District	N/A	Sole Source	Exerplay	Winner
7065	Peñasco Independent School District	School District	None	Competitive (RFP or RFB)	Ferrellgas	Winner
7065	Peñasco Independent School District	School District	N/A	Sole Source	IT Connect Incorporated	Winner
7065	Peñasco Independent School District	School District	1516-02	Competitive (RFP or RFB)	Paul's Building & Const. Inc.	Winner
7065	Peñasco Independent School District	School District	2015-2016 #3	Competitive (RFP or RFB)	Paul's Building & Const. Inc.	Winner
7065	Peñasco Independent School District	School District	N/A	Competitive (RFP or RFB)	Paul's Building & Const. Inc.	Winner

STATE OF NEW MEXICO  
PENASCO INDEPENDENT SCHOOL DISTRICT NO.4  
SCHEDULE OF VENDOR INFORMATION  
JUNE 30, 2016

<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Physical address of vendor (City, State)</i>	<i>Did the Vendor provide documentation of eligibility for in-state preference?</i>	<i>Did the Vendor provide documentation of eligibility for veterans' preference?</i>	<i>Brief Description of the Scope of Work</i>	<i>If the procurement is attributable to a Component Unit, Name of Component Unit</i>
\$223,426.89	\$223,426.89	Albuquerque, NM	No	No	Sealcoat District-wide and Paving at Elementary - Paving at Fine Arts Building	
		Albuquerque, NM	No	No	Multiple projects under state contract?	
\$100,930.90	\$116,666.15	Cedar Crest, NM	No	No	Purchase and Installation of Playground Equipment and Mulch	
\$149,500.00		Las Vegas, NM	NO	No	Purchase of Propane for 2015-2016 SY	
		Santa Fe, NM	No	No	Multiple projects	
\$172,321.28		Vadito, NM	Yes	No	Addition of Canopy onto Cafeteria Roof	
\$92,234.62	\$102,657.88	Vadito, NM	No	No	Remodel of Central Office Building	
\$10,391.13		Vadito, NM	No	No	Removal of old bio wheel and installation of new bio wheel	



**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**

**INDEPENDENT AUDITOR'S REPORT**

Tim Keller  
New Mexico State Auditor  
The Office of Management and Budget  
To the Board of Education  
Penasco Independent School District  
Penasco, New Mexico

We have audited, 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, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general funds and major special revenue funds, of the Penasco Independent School District, New Mexico, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Penasco Independent School District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Penasco Independent School District, presented as supplemental information, and have issued our report thereon dated November 14, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered the District'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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, which we consider to significant deficiencies as item FS 2016-001.





### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as items FS 2014-007, FS 2015-001, FS 2015-003 and FS 2016-002.

### Responses to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District'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 the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Grigo Professional Services, LLC*

Albuquerque, New Mexico  
November 14, 2016





# Griego Professional Services, LLC

Certified Public Accountants

## **REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE**

Tim Keller  
New Mexico State Auditor  
The Office of Management and Budget  
To the Board of Education  
Penasco Independent School District  
Penasco, New Mexico

### **Report on Compliance for Each Major Federal Program**

We have audited Penasco Independent School District (the District) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The District'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 major federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District'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 the requirements of Title 2 U.S. Code of federal regulations 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance 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 the District'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 the District's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the District 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, 2016.

P.O. Box 37379 • Albuquerque, NM 87176-7379  
8500 Menaul Blvd. NE, Ste. B295 • Albuquerque, NM 87112  
Phone (505) 856-2741 - Fax (505) 856-7510



## Report on Internal Control over Compliance

Management of Penasco Independent School District 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 the District'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 the Uniform Guidance, 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 the District'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Arigo Professional Services, LLC*

Albuquerque, New Mexico  
November 14, 2016



**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2016**

Schedule V

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
<i>Pass-through State of New Mexico Department of Education</i>			
Forest Reserve	11000	10.672	\$ 21,441
School Lunch Program	21000	10.555	221,125
Fresh Fruits and Vegetables	24118	10.582	8,478
<i>Subtotal - Pass-through State of New Mexico Department of Education</i>			<u>251,044</u>
<i>Pass-through State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities)	21000	10.550	16,094
<i>Subtotal - Pass-through State of New Mexico Department of Health and Human Services</i>			<u>16,094</u>
<b>Total U.S. Department of Agriculture</b>			<u>267,138</u>
<b>U.S. Department of Education</b>			
Impact Aid	11000	84.041	34,230
Impact Aid Special Education	25145	84.041	0
Impact Aid Indian Education	25147	84.041	0
Indian Ed Formula Grant	25184	84.060	2,133
<i>Subtotal - U.S. Department of Education Direct</i>			<u>36,363</u>
<i>Passthrough State of New Mexico Department of Education</i>			
Title I - IASA (1)	24101	84.010	167,545
Entitlement IDEA B	24106	84.027	108,265
Preschool IDEA-B	24109	84.173	5,891
IDEA-B Results Plan	24132	84.027	20,000
Teacher / Principal Training / Recruiting	24154	84.367A	40,760
<i>Passthrough State of New Mexico Higher Education Department</i>			
GEAR UP (1)	25205	84.334	263,284
<b>Total U.S. Department of Education</b>			<u>642,108</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 909,246</u>

(1) Denotes Major Federal Financial Assistance Program

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT No. 4**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2016**

Schedule V

**Notes to Schedule of Expenditures of Federal Awards**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Penasco Independent School District and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Subrecipients

The District did not provide any federal awards to subrecipients during the year

3. Non-Cash Federal Assistance

The District received \$16,094 in non-cash federal assistance in the form of commodities assistance.

4. Indirect Cost Rate

The District has not elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

**Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:**

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 909,246
Total expenditures funded by other sources	<u>5,326,580</u>
Total expenditures	<u><u>\$ 6,235,826</u></u>

The accompanying notes are an integral part of these financial statements.



**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Section I – Summary of Audit Results***Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors' report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weakness identified?   | No         |
| b. Significant deficiency identified not considered to be a material weaknesses? | Yes        |
| c. Control deficiency identified not considered to be a significant deficiency?  | Yes        |
| d. Noncompliance material to financial statements noted?                         | No         |

*Federal Awards:*

- | 1. Internal control over major programs:   |                 |                 |        |         |        |         |  |
|--|-----------------|-----------------|--------|---------|--------|---------|--|
| a. Material weaknesses identified?   | No              |                 |        |         |        |         |  |
| b. Significant deficiency identified not considered to be material weaknesses?   | No              |                 |        |         |        |         |  |
| c. Control deficiency identified not considered to be a significant deficiency?  | No              |                 |        |         |        |         |  |
| 2. Type of auditors' report issued on compliance for major programs  | Unmodified      |                 |        |         |        |         |  |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  | No              |                 |        |         |        |         |  |
| 4. Identification of major programs:   |                 |                 |        |         |        |         |  |
| <table style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black; padding: 2px 10px;">CFDA<br/>Number</th> <th style="text-align: center; border-bottom: 1px solid black; padding: 2px 10px;">Federal Program</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 2px 10px;">84.334</td> <td style="text-align: center; padding: 2px 10px;">GEAR UP</td> </tr> <tr> <td style="text-align: center; padding: 2px 10px;">84.010</td> <td style="text-align: center; padding: 2px 10px;">Title I</td> </tr> </tbody> </table> | CFDA<br>Number  | Federal Program | 84.334 | GEAR UP | 84.010 | Title I |  |
| CFDA<br>Number   | Federal Program |                 |        |         |        |         |  |
| 84.334   | GEAR UP         |                 |        |         |        |         |  |
| 84.010   | Title I         |                 |        |         |        |         |  |
| 5. Dollar threshold used to distinguish between type A and type B programs:  | \$750,000       |                 |        |         |        |         |  |
| 6. Auditee qualified as low-risk auditee?  | Yes             |                 |        |         |        |         |  |

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Section II – Financial Statement Findings**

**FS 2014-007 Late Payment of Invoices (Other Matter)**

*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.

*Condition:* During our testing of cash disbursements and interviews of board members and management, we were made aware of several instances in which payments were not made timely. Our testwork indicated three instance totaling \$7,863.14. This appears to be a condition which has continued subsequent to year-end. Management and governance council are aware of this issue and have designated the finance department to oversee progress.

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

*Effect:* 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 federal government guidelines.

*Auditor's Recommendation:* We recommend that a system should be implemented to insure invoices are processed within a period not to exceed thirty days from the invoice date. This includes a system which all departments submit invoices to the business office at least once weekly.

*Responsible Official's View:* 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.

*Corrective Action:* The Administrative and Finance Departments have been assigned responsibility to address late payment of invoices through communication to staff and internal control processes. The District believes this will be addressed by June 30, 2017; with the possibility of late payments early in the fiscal year due to staff turnover.

**FS 2015-001 Purchase Orders and Documentation (Other Matter)**

*Criteria:* Per District Purchasing Procedures and the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.” Additionally, all receipts should clearly indicate the individual receiving the goods or service and sign on the document that the invoice is proper to pay with the receiver’s name and date.

*Condition:* During our testing of cash disbursements and for individually significant transactions, we identified instances of a lack of control and adherence to procedures and policy:

- Three instances of the PO being put in place after the invoice date totaling \$3,950.14.

Management and governance council are aware of this issue and have designated the finance department to oversee progress. Management is attempting to resolve this issue with the new business manager as of December 2016.

*Cause:* District personnel have not followed state guidelines or internal procedures in the purchase of items. Policy clearly states that the individual must have an approved purchase order. At times, employees are inputting a purchase order and then purchasing items prior to the purchase order being approved. In other instances, purchases are occurring prior to a purchase order being initiated.

*Effect:* Internal control over expenditures and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised. Not being in compliance with these requirements places the Board at risk for fraud or misuse of public funds

*Auditor's Recommendation:* We recommend that all personnel be reminded of, or trained in, district and state policy in regards to purchasing of goods, services, or construction. All District personnel should be reminded that initiation

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

of a purchase order is not sufficient for ordering, that an approved purchase order is required per policy and state guidelines.

*Responsible Official's View:* 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.

*Corrective Action:* The Finance Departments has been assigned responsibility to address proper purchase order procedures through communication to staff and internal control processes. The District believes this will be addressed by June 30, 2017; with the possibility of late payments early in the fiscal year due to staff turnover.

**FS 2015-003— Inactive Funds – (Other Matter)**

*Criteria:* Good accounting policy indicates that funds that are no longer being used should be adjusted to \$0, closed out and no longer used.

*Condition:* During our review of the District's trial balance, we noted several funds which are carrying balances forward from year-to-year, but are no longer active funds of the District:

Child and Adult Food Program (25171)	\$	214
State Discretionary IDEA-B (27200)		2,007
Private Grant (29102)		(915)
Public School Capital Outlay – 20% (32100)		1,170
Total		\$ 2,476

The District continues to address the inactive funds with the State of New Mexico Public Education Department.

*Cause:* The District has funds on its books which are no longer active funds, but these funds have never been truly closed out.

*Effect:* The District's general ledger is full of many funds which are no longer active funds. These additional funds are creating more work for the District as procedures such as reconciliations and reports are completed.

*Auditors' Recommendations:* We recommend that the District go through the list of inactive funds and determine whether funds need to be returned to the grantor or transferred to the general fund. In cases where the fund has a deficit balance, the District needs to determine whether the balance can be received from the grantor, or if the funds need to be transferred from the general fund to cover the deficit.

*Responsible Official's Views:* The district is in the process of requesting permanent cash transfer requests. Research is still needed to determine the best course of action.

*Corrective Action:* The Finance Departments has been assigned responsibility to address inactive funds through continued communication and guidance from the Public Education Department. The District believes this will be addressed by June 30, 2018 as remaining balances due to activity in past years and must be researched.

**FS 2016-001 Deficiencies in Internal Control Structure Design, Operation, and Oversight (Significant Deficiency)**

*Criteria:* NMAC 6.20.2.11 states:

- Every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

- Each school district shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.
- An internal control structure is required to demonstrate the school district's ability to record, process, summarize and report financial data consistent with the following financial statement assertions:
  - rights and ownership
  - existence and occurrence;
  - valuation and allocations;
  - completeness; and,
  - presentation and disclosure.
- The internal control structure shall demonstrate that the school district identifies applicable laws and regulations, and that procedures are designed to provide reasonable assurance that the school district complies with those laws and regulations. Internal control procedures shall be established, implemented and documented through school district correspondence, manuals, training, and other additional methods. Appropriate internal control procedures shall be adopted by the local board within a school district to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. The internal control structure shall address all school district transactions. [02-03-93, 11-01-97, 01-15-99; 6.20.2.11 NMAC -Rn, 6 NMAC 2.2.1.11, 05-31-01]

The SAS No. 115 Appendix lists the following circumstances as possible control deficiency, significant deficiency, or material weakness, "inadequate documentation of the components of internal control." SAS 115 paragraph 19 states that ineffective oversight of the agency's financial reporting and internal control by those charged with governance should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

*Condition:* The District appears to have a comprehensive documented internal control structure which it is not following in all instances. We noted lack of following procedures with regard to travel and per diem and apparent override of controls.

*Cause:* There internal controls are mainly due to the resources that are limited at the District.

*Effect:* Because the District's internal control structure is not documented, management key controls are not in place to properly safeguard assets. Adequate controls are not in place to prevent or detect intentional misstatements of accounting information.

*Auditor's Recommendation:* The District must enforce the adopted comprehensive internal control structure. The District should ensure that all finance and educational staff follow the District's adopted internal control policies. The body charged with governance should provide effective oversight of the internal control and financial reporting processes.

*Responsible Official's View:* The Business office needs to establish training on policy and procedures for per diem and have documentation that employees received such training. The District's policy needs to be clarified regarding specificity of exemptions for per diem on travel days prior to an event. A reporting mechanism needs to be in place for policy violations by upper administration.

*Corrective Action:* The Administrative and Finance Departments have been assigned responsibility to internal controls and procedures. The District believes this will be addressed by June 30, 2017. The District has hired a new business manager as of January 2017.

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**FS 2016-002 – Per Diem and Mileage Act (Other Matter)**

*Criteria:* According to NMAC 2.42.2, where lodging and / or meals are provided or paid for by the agency, the governing body, or another entity, the public officer or employee is entitled to reimbursement only for actual expenses under 2.42.2.9 NMAC. Upon written request of a public officer or an employee, agency heads may grant written approval for a public officer or employee of that agency or local public body to be reimbursed actual expenses in lieu of the per diem rate where overnight travel is required.

According to NMAC 2.42.2.10, upon written request accompanied by a travel voucher, agency heads and governing boards of local public bodies or their authorized designees may approve a public officer's or employee's request to be advanced up to 80 percent of per diem rates and mileage cost or for the actual cost of lodging and meals pursuant to 2.42.2.8 NMAC and 2.42.2.9 NMAC and for other travel expenses that may be reimbursed under 2.42.2.12 NMAC.

*Condition:* During our testwork of the District's compliance with the per diem and mileage act, we noted instances in which individuals appear to have been provided per diem for travel days which should not have been provided. This appears to be a practice in contradiction to the District's policy. The District has developed policies which are more stringent than New Mexico Statute.

*Cause:* The District was unaware that they were not allowed to reimburse both per diem and actual. The employee that received the check for the conference did not make any attempts to return the money to the District.

*Effect:* The District is in noncompliance with District policy and is not following sound accounting practices.

*Auditor's Recommendation:* We recommend that the District change their travel and per diem policies to match the policies provided by NMAC 2.42.2.

*Responsible Official's Views:* The Business office needs to establish training on policy and procedures for per diem and have documentation that employees received such training. The District's policy needs to be clarified regarding specificity of exemptions for per diem on travel days prior to an event. A reporting mechanism needs to be in place for policy violations by upper administration.

*Corrective Action:* The Administrative and Finance Departments have been assigned responsibility to address travel and per diem policies, procedures and implementation. The District believes this will be addressed by June 30, 2017; with the possibility of late payments early in the fiscal year due to staff turnover.

**Section III – Findings – Federal Awards**

None

**Section IV – Prior Year Audit Findings**

FS 2014-007 – Late Payment of Invoices – Revised and Repeated  
FS 2015-001 – Purchase Orders and Documentation – Revised and Repeated  
FS 2015-002 – Untimely Deposits – Resolved  
FS 2015-003 – Inactive Funds – Revised and Repeated

**STATE OF NEW MEXICO**  
**PENASCO INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Section V – Other Disclosures**

Auditor Prepared Financials

Griego Professional Services, LLC assisted in the preparation of the financial statements presented in this report. The District's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements.

Exit Conference

The contents of this report were discussed on November 14, 2016. The following individuals were in attendance.

Penasco Independent School District

Marvin MacAuley, Interim Superintendent  
Elizabeth Romero, Business Manager  
Evelyn Martinez, Audit Committee Member  
Leroy Lopez, Board Member  
Mary Mascarenas, Board Member

Griego Professional Services, LLC

JJ Griego, CPA