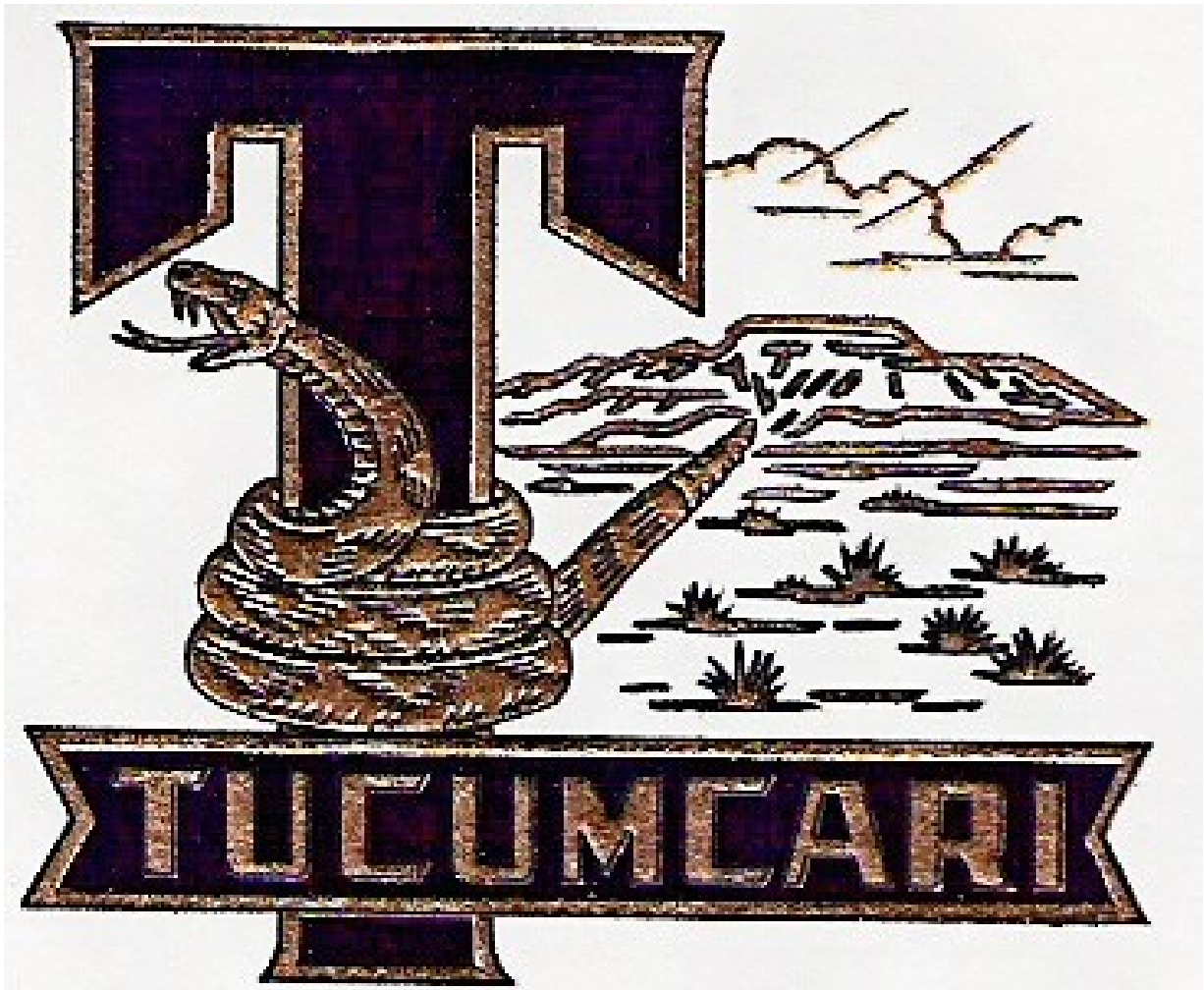


STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
ANNUAL FINANCIAL REPORT
JUNE 30, 2015



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INTRODUCTORY SECTION

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
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TUCUMCARI PUBLIC SCHOOLS
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TUCUMCARI PUBLIC SCHOOLS
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STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2015

<u>Name</u>		<u>Title</u>
	<u>School Board</u>	
Carlos Romero		President
Heather Gonzales		Vice-President
Corrine Hayes		Secretary
Leif Gray		Member
Chris Burch		Member
	<u>District Officials</u>	
Aaron McKinney		Superintendent
Dave Johnson		Assist. Superintendent
Leola Patterson		Business Manager

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FINANCIAL SECTION



Manning Accounting and Consulting Services, LLC

INDEPENDENT AUDITOR'S REPORT

Timothy Keller, New Mexico State Auditor
The Office of Management and Budget
And the Board of Education of
Tucumcari Public Schools
Tucumcari, 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 fund and major special revenue funds of Tucumcari Public Schools, (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's nonmajor governmental funds, fiduciary 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 Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to 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 the District as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparisons for the general fund and the 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 and fiduciary funds of the District as of June 30, 2015, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project fund, debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information. Management has provided the required GASB 68 schedules which are presented as Schedules VI through VIII.

Other Information

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparison. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Circular A-133, Audit of States, Local Governments, and Non-Profit Organization*, the introductory section, and the other schedules, Schedules I through V, required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and Schedule IX, Schedule of Vendors, 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 02, 2015 on our consideration of the District'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.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC
Kirtland, New Mexico
November 02, 2015

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BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2015

Exhibit A-1

	Governmental Activities
ASSETS	
<i>Current Assets</i>	
Cash and cash equivalents	\$ 4,265,971
Receivables (net of allowance for uncollectibles)	818,459
Inventory	36,016
<i>Total current assets</i>	<u>5,120,446</u>
<i>Noncurrent assets</i>	
Capital assets (net of accumulated depreciation)	
Land and land improvements	868,607
Buildings and building improvements	57,786,214
Furniture, fixtures and equipment	3,715,596
Vehicles	1,738,975
Construction in progress	-
Less: accumulated depreciation	<u>(29,854,933)</u>
<i>Total noncurrent assets</i>	<u>34,254,459</u>
DEFERRED OUTFLOWS OF RESOURCES	
Subsequent employer contributions - pensions	<u>774,571</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 40,149,476</u>
LIABILITIES	
<i>Current liabilities</i>	
Accounts payable	\$ 91,772
Accrued payroll liabilities	222,614
Accrued interest payable	47,225
Current maturities of:	
Bonds payable	455,000
Compensated absences	40,888
<i>Total current liabilities</i>	<u>857,499</u>
<i>Noncurrent liabilities:</i>	
Bonds payable	5,020,000
Compensated absences	-
Net pension liability	<u>11,726,409</u>
<i>Total noncurrent liabilities</i>	<u>16,746,409</u>
DEFERRED INFLOWS OF RESOURCES	
Change in pension experience and proportion	<u>1,528,603</u>
NET POSITION	
Net investment in capital assets	16,236,303
Restricted for:	
Debt service	928,632
Capital projects	1,857,209
Other purposes - special revenue	333,896
Unrestricted	<u>1,660,925</u>
<i>Total net position</i>	<u>21,016,965</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 40,149,476</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Exhibit A-2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government					
Governmental activities:					
Instruction	\$ 6,273,142	\$ 58,162	\$ 1,194,317	\$ -	\$ (5,020,663)
Support services:					
Students	853,479	-	196,018	-	(657,461)
Instruction	217,657	-	5,685	-	(211,972)
General administration	523,943	-	-	-	(523,943)
School administration	539,675	-	-	-	(539,675)
Other	43,921	-	-	-	(43,921)
Central services	301,655	35,853	-	-	(265,802)
Operation & maintenance of plant	1,160,529	9,600	-	80	(1,150,849)
Student transportation	197,954	-	441,443	-	243,489
Food services operation	654,663	22,407	653,797	-	21,541
Community services	-	-	-	-	-
Interest on long-term debt	117,815	-	-	-	(117,815)
Facilities materials, supplies, & other services	1,259,006	-	-	187,742	(1,071,264)
Depreciation - unallocated	-	-	-	-	-
Total Primary Government	<u>\$ 12,143,439</u>	<u>\$ 126,022</u>	<u>\$ 2,491,260</u>	<u>\$ 187,822</u>	<u>(9,338,335)</u>

General Revenues:

Property taxes:	
Levied for general purposes	48,896
Levied for debt service	830,975
Levied for capital projects	229,190
State Equalization Guarantee	8,447,207
Unrestricted investment earnings	4,353
Loss on disposal of fixed assets	(153,711)
Miscellaneous	116,864
Total general revenues	<u>9,523,774</u>
Change in net position	<u>185,439</u>
Net position - beginning of year	<u>33,514,266</u>
Restatement - change in accounting principle	<u>(12,682,740)</u>
Net position - beginning of year, restated	<u>20,831,526</u>
Net position - end of year	<u>\$ 21,016,965</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

Exhibit B-1

	General Fund			Title I - IASA 24101
	Operational 11000	Student Transportation 13000	Instructional Materials 14000	
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 1,363,353	\$ -	\$ 20,650	\$ -
Accounts receivable				
Taxes	5,127	-	-	-
Due from other governments	-	-	-	238,468
Interfund receivables	517,687	-	-	-
Inventory	-	33,882	-	-
<i>Total assets</i>	<u>1,886,167</u>	<u>33,882</u>	<u>20,650</u>	<u>238,468</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	29,748	2,671	-	-
Accrued payroll liabilities	221,670	-	-	-
Interfund payables	-	-	-	238,468
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>251,418</u>	<u>2,671</u>	<u>-</u>	<u>238,468</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	3,232	-	-	-
Unavailable revenues - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>3,232</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	33,882	-	-
Restricted for:				
Transportation	-	-	-	-
Instructional materials	-	-	20,650	-
Grant mandates	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	1,631,517	(2,671)	-	-
<i>Total fund balances</i>	<u>1,631,517</u>	<u>31,211</u>	<u>20,650</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1,886,167</u>	<u>\$ 33,882</u>	<u>\$ 20,650</u>	<u>\$ 238,468</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

Exhibit B-1

	IDEA-B Entitlement 24106	Bond Building 31100	Capital Improvements SB-9 31700	Debt Service 41000
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ 1,508,897	\$ 238,322	\$ 819,281
Accounts receivable				
Taxes	-	-	29,778	109,351
Due from other governments	129,612	-	130,985	-
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>129,612</u>	<u>1,508,897</u>	<u>399,085</u>	<u>928,632</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	-	35,723	15,050	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	129,612	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>129,612</u>	<u>35,723</u>	<u>15,050</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	20,182	74,558
Unavailable revenues - other	-	-	130,985	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>151,167</u>	<u>74,558</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Transportation	-	-	-	-
Instructional materials	-	-	-	-
Grant mandates	-	1,473,174	232,868	-
Capital projects	-	-	-	-
Debt service	-	-	-	854,074
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>1,473,174</u>	<u>232,868</u>	<u>854,074</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 129,612</u>	<u>\$ 1,508,897</u>	<u>\$ 399,085</u>	<u>\$ 928,632</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	Other Governmental Funds	Total Primary Government
	<u> </u>	<u> </u>
ASSETS		
<i>Current assets:</i>		
Cash and temporary investments	\$ 315,468	\$ 4,265,971
Accounts receivable		
Taxes	-	144,256
Due from other governments	175,138	674,203
Interfund receivables	-	517,687
Inventory	2,134	36,016
<i>Total assets</i>	<u>492,740</u>	<u>5,638,133</u>
LIABILITIES		
<i>Current liabilities:</i>		
Accounts payable	8,580	91,772
Accrued payroll liabilities	944	222,614
Interfund payables	149,607	517,687
Unearned revenue	-	-
<i>Total liabilities</i>	<u>159,131</u>	<u>832,073</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues - property taxes	-	97,972
Unavailable revenues - other	29,841	160,826
<i>Total deferred inflows of resources</i>	<u>29,841</u>	<u>258,798</u>
FUND BALANCES		
Nonspendable	2,134	36,016
Restricted for:		
Transportation	-	-
Instructional materials	-	20,650
Grant mandates	301,634	2,007,676
Capital projects	-	-
Debt service	-	854,074
Assigned	-	-
Unassigned	-	1,628,846
<i>Total fund balances</i>	<u>303,768</u>	<u>4,547,262</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 492,740</u>	<u>\$ 5,638,133</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Exhibit B-2

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Fund balances - total governmental funds	\$ 4,547,262
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	34,254,459
Contributions to the pension plan are expensed in the governmental funds but are deferred outflows for government-wide statements	
Contributions to the pension plan are expensed in the governmental funds but are deferred outflows for government-wide statements	774,571
Revenues 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:	
Delinquent property taxes	97,972
Uncollected grant revenue	160,826
Bond issuance costs, including original issue discounts and premiums are not financial resources and therefore are not reported in the funds	
Accrued interest	(47,225)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued compensated absences	(40,888)
General obligation bonds	(5,475,000)
Net pension liability	(11,726,409)
Changes in pension actuarial experience, investment experience, and change in proportion are not recorded in the governmental funds but are recorded as deferred inflows for the government-wide statements	(1,528,603)
	<hr/>
Net position - total governmental activities	<u>\$ 21,016,965</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund			
	Operational 11000	Transportation 13000	Instructional Materials 14000	Title I - IASA 24101
<i>Revenues:</i>				
Property taxes	\$ 46,600	\$ -	\$ -	\$ -
State grants	8,447,207	441,442	65,948	-
Federal grants	-	-	-	529,663
Miscellaneous	116,864	1,527	-	-
Charges for services	84,851	-	-	-
Investment Income	4,353	-	-	-
<i>Total revenues</i>	<u>8,699,875</u>	<u>442,969</u>	<u>65,948</u>	<u>529,663</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	4,941,437	-	57,856	432,512
Support services				
Students	544,968	-	-	-
Instruction	211,020	-	-	2,899
General administration	390,045	-	-	94,252
School administration	540,419	-	-	-
Central services	274,913	-	-	-
Operation & maintenance of plant	1,155,655	-	-	-
Student transportation	-	458,222	-	-
Other support services	43,921	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>8,102,378</u>	<u>458,222</u>	<u>57,856</u>	<u>529,663</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>597,497</u>	<u>(15,253)</u>	<u>8,092</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	(7,000)	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(7,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>590,497</u>	<u>(15,253)</u>	<u>8,092</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>1,041,020</u>	<u>46,464</u>	<u>12,558</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 1,631,517</u>	<u>\$ 31,211</u>	<u>\$ 20,650</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	IDEA-B Entitlement 24106	Bond Building 31100	Capital Improvements SB-9 31700	Debt Service 41000
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ 213,487	\$ 772,108
State grants	-	-	40,023	-
Federal grants	299,128	-	-	-
Miscellaneous	-	-	150	-
Charges for services	-	-	-	-
Investment Income	-	-	-	-
<i>Total revenues</i>	<u>299,128</u>	<u>-</u>	<u>253,660</u>	<u>772,108</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	150,512	-	-	-
Support services				
Students	137,194	-	-	-
Instruction	-	-	-	-
General administration	10,881	-	2,123	7,674
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community service	-	-	-	-
Capital outlay	-	21,964	266,366	-
Debt service				
Principal	-	-	-	585,000
Interest	-	-	-	117,815
Bond issuance costs	-	35,723	-	-
<i>Total expenditures</i>	<u>298,587</u>	<u>57,687</u>	<u>268,489</u>	<u>710,489</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>541</u>	<u>(57,687)</u>	<u>(14,829)</u>	<u>61,619</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	1,500,000	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>541</u>	<u>1,442,313</u>	<u>(14,829)</u>	<u>61,619</u>
<i>Fund balances - beginning of year</i>	<u>(541)</u>	<u>30,861</u>	<u>247,697</u>	<u>792,455</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 1,473,174</u>	<u>\$ 232,868</u>	<u>\$ 854,074</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Other Governmental Funds	Total Primary Government
<i>Revenues:</i>		
Property taxes	\$ -	\$ 1,032,195
State grants	304,876	9,299,496
Federal grants	936,255	1,765,046
Miscellaneous	3,600	122,141
Charges for services	41,171	126,022
Investment Income	-	4,353
<i>Total revenues</i>	1,285,902	12,349,253
<i>Expenditures:</i>		
<i>Current:</i>		
Instruction	319,332	5,901,649
Support services		
Students	119,766	801,928
Instruction	5,266	219,185
General administration	22,047	527,022
School administration	3,495	543,914
Central services	28,600	303,513
Operation & maintenance of plant	-	1,155,655
Student transportation	108,334	566,556
Other support services	-	43,921
Food services operations	636,514	636,514
Community service	-	-
Capital outlay	16,664	304,994
Debt service		
Principal	-	585,000
Interest	-	117,815
Bond issuance costs	-	35,723
<i>Total expenditures</i>	1,260,018	11,743,389
<i>Excess (deficiency) of revenues over (under) expenditures</i>	25,884	605,864
<i>Other financing sources (uses):</i>		
Operating transfers	7,000	-
Proceeds from bond issues	-	1,500,000
<i>Total other financing sources (uses)</i>	7,000	1,500,000
<i>Net changes in fund balances</i>	32,884	2,105,864
<i>Fund balances - beginning of year</i>	270,884	2,441,398
<i>Fund balances - end of year</i>	\$ 303,768	\$ 4,547,262

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

STATE OF NEW MEXICO

Exhibit B-4

TUCUMCARI PUBLIC SCHOOLS

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, 2015

	Governmental Funds
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds	\$ 2,105,864
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.	
Depreciation expense	(1,412,294)
Capital Outlays	259,623
Loss on disposal of capital assets	(153,711)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	
Change in deferred revenue related to the property taxes receivable	76,866
Change in deferred revenue related to the grant revenue	160,826
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:	
Decrease in accrued interest payable	3,732
Increase in accrued compensated absences	(3,182)
Principal payments on bonds	585,000
Proceeds from bond sale	(1,500,000)
Pension contributions - current year	774,571
Pension expense	(711,856)
	<hr/>
Change in net position - total governmental activities	<u>\$ 185,439</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
OPERATIONAL FUND (11000)
FOR THE YEAR ENDING JUNE 30, 2015

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 42,911	\$ 42,911	\$ 46,390	\$ 3,479
State grants	8,438,292	8,448,533	8,447,207	(1,326)
Federal grants	-	-	-	-
Miscellaneous	-	-	116,864	116,864
Charges for services	84,602	84,602	88,968	4,366
Interest	5,000	5,000	6,083	1,083
<i>Total revenues</i>	<u>8,570,805</u>	<u>8,581,046</u>	<u>8,705,512</u>	<u>124,466</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	5,771,642	5,861,083	4,849,134	1,011,949
Support services				
Students	578,426	662,413	549,813	112,600
Instruction	206,647	231,341	209,923	21,418
General administration	443,173	492,490	390,664	101,826
School administration	542,667	564,976	540,419	24,557
Central services	305,224	295,186	274,913	20,273
Operation & maintenance of plant	1,298,946	1,497,356	1,164,188	333,168
Student transportation	-	-	-	-
Other support services	48,383	64,383	44,063	20,320
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>9,195,108</u>	<u>9,669,228</u>	<u>8,023,117</u>	<u>1,646,111</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(624,303)</u>	<u>(1,088,182)</u>	<u>682,395</u>	<u>1,770,577</u>
<i>Other financing sources (uses):</i>				
Designated cash	624,303	1,088,182	-	(1,088,182)
Operating transfers	-	-	(7,000)	(7,000)
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>624,303</u>	<u>1,088,182</u>	<u>(7,000)</u>	<u>(1,095,182)</u>
<i>Net changes in fund balances</i>	-	-	675,395	675,395
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,205,645</u>	<u>1,205,645</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,881,040</u>	<u>\$ 1,881,040</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 675,395	
Adjustments to revenues			(5,637)	
Adjustments to expenditures			(79,261)	
Net change in fund balance (GAAP basis)			<u>\$ 590,497</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
STUDENT TRANSPORTATION SPECIAL REVENUE FUND (13000)
FOR THE YEAR ENDING JUNE 30, 2015

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	423,755	441,442	441,442	-
Federal grants	-	-	-	-
Miscellaneous	-	1,527	1,527	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>423,755</u>	<u>442,969</u>	<u>442,969</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	423,755	442,969	442,969	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>423,755</u>	<u>442,969</u>	<u>442,969</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>	-	-	-	-
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			(15,253)	
Net change in fund balance (GAAP basis)			<u>\$ (15,253)</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND (14000)
FOR THE YEAR ENDING JUNE 30, 2015

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	48,693	65,882	65,948	66
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>48,693</u>	<u>65,882</u>	<u>65,948</u>	<u>66</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	48,693	78,440	57,856	20,584
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>48,693</u>	<u>78,440</u>	<u>57,856</u>	<u>20,584</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(12,558)</u>	<u>8,092</u>	<u>20,650</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	12,558	-	(12,558)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>12,558</u>	<u>-</u>	<u>(12,558)</u>
<i>Net changes in fund balances</i>	-	-	8,092	8,092
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>12,558</u>	<u>12,558</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,650</u>	<u>\$ 20,650</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 8,092	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 8,092</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TITLE I - IASA SPECIAL REVENUE FUND (24101)
FOR THE YEAR ENDING JUNE 30, 2015

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	499,511	582,408	435,861	(146,547)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>499,511</u>	<u>582,408</u>	<u>435,861</u>	<u>(146,547)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	413,504	473,326	432,512	40,814
Support services				
Students	-	-	-	-
Instruction	2,150	12,547	2,899	9,648
General administration	83,857	96,535	94,252	2,283
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>499,511</u>	<u>582,408</u>	<u>529,663</u>	<u>52,745</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(93,802)</u>	<u>(93,802)</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>	-	-	(93,802)	(93,802)
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(144,666)</u>	<u>(144,666)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (238,468)</u>	<u>\$ (238,468)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ (93,802)	
Adjustments to revenues			93,802	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
IDEA-B ENTITLEMENT SPECIAL REVENUE FUND (24106)
FOR THE YEAR ENDING JUNE 30, 2015

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	268,394	345,952	254,242	(91,710)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>268,394</u>	<u>345,952</u>	<u>254,242</u>	<u>(91,710)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	106,625	163,714	151,155	12,559
Support services				
Students	143,856	168,903	137,194	31,709
Instruction	-	-	-	-
General administration	10,457	13,335	10,881	2,454
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	7,456	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>268,394</u>	<u>345,952</u>	<u>299,230</u>	<u>46,722</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(44,988)</u>	<u>(44,988)</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>	-	-	(44,988)	(44,988)
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(84,624)</u>	<u>(84,624)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (129,612)</u>	<u>\$ (129,612)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ (44,988)	
Adjustments to revenues			44,886	
Adjustments to expenditures			643	
Net change in fund balance (GAAP basis)			<u>\$ 541</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2015

Exhibit D-1

	<u>Agency Funds</u>
ASSETS	
<i>Current Assets</i>	
Cash	\$ 137,600
<i>Total assets</i>	<u>137,600</u>
 LIABILITIES	
<i>Current Liabilities</i>	
Accounts payable	
Deposits held in trust for others	<u>137,600</u>
<i>Total liabilities</i>	<u>\$ 137,600</u>

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

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**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 Summary of Significant Accounting Policies

The Tucumcari Public School Board was created under the provision of Chapter 22 Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District. 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 the District'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. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their government-wide financial statements, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

During the year ended June 30, 2015, Tucumcari Public Schools adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Statements No. 68 and 71 require cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan.

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. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. Blended component units, 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.

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. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. There are no other primary governments with which the District has a significant relationship.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 Summary of Significant Accounting Policies (Continued)

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 is 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*.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities.

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.

Deferred outflows of resources – a consumption of net position by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets; therefore, it is not recognized as an outflow of resources (expense) until then.

Deferred inflows of resources – an acquisition of net position by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities; therefore, it is not recognized as an inflow of resources (revenue) until that time.

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

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

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.

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 of the general government, except those required to be accounted for in other funds. The General Fund includes the Operational, Transportation, and Instructional Materials Funds.

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

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.

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

Under the requirements of GASB Statement No. 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:

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 Summary of Significant Accounting Policies (Continued)

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

The *Operational Fund* (11000) accounts for the primary revenues and expenditures of the District, including, but not limited to, student instruction, student support, instructional support, general administration, school administration, central services, and operations and maintenance of plant. Revenues come from district tax levy, state equalization, and other local, state, and federal sources. This fund is considered by PED to be a sub-fund of the General Fund.

The *Student Transportation Fund* (13000) accounts for state equalization 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* (14000) 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.

The *Title I IASA Fund* (24101) accounts for the major objectives of the Title I programs which are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. 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 *IDEA-B Entitlement Fund* (24106) accounts 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 *Bond Building Fund* (31100) 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.

The *Capital Improvements SB-9 Fund* (31700) 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* (41000) 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:

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

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

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.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, 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.

Investments for the District are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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 collateral deposited as security or by bond.

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.

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 Quay 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 Quay County Treasurer in July and August 2015 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2015.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)

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.

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.

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, 2015.

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

Land Improvements	10-20 years
Buildings/building improvements	5-100 years
Furniture and equipment	5-25 years
Vehicles	8-15 years

Unearned Revenues: The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues.

Deferred Inflows of Resources – Unavailable Revenues: Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Revenues not received within sixty (60) days of year-end are not considered available; therefore, a receivable is recorded for the amount due and corresponding deferred revenue is recorded as well.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)

Compensated Absences: All regular twelve month support staff employees are entitled to accumulate vacation with pay. Annual leave accumulated during the first year of employment may not be taken during their first year. Annual leave accumulated during the contract year of employment must be taken prior to June the following year. Twelve month employees with less than ten years of service with the District earn ten days annual leave per contract year. Twelve month employees with ten years or more of service with the District earn fifteen days annual leave per contract year.

Compensated sick leave is only paid to an employee upon retirement. If an employee resigns or is terminated their accumulated leave becomes void. The amount of compensated absences is not to exceed one hundred hours. An employee must have ten years of service with Tucumcari Public Schools in order to receive this compensation upon retirement.

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.

Net Pension Liability: The District records its proportionate share of the difference between the value of total pension liabilities and plan assets for the State of New Mexico's Employee Retirement Board pension plan.

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, 2014, bond premiums and discounts, 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.

Deferred Outflows of Resources – Subsequent Employer Contributions – Pensions: The government-wide financial statements report pension related expenses and liabilities for the cost-sharing plan one year in arrears, i.e. expenses and liabilities as of June 30, 2015. Contributions made by the District in the current fiscal year are thus applicable to a future reporting period where they will then be expensed. As such, they are presented in the Statement of Net Position as a deferred outflow of resources in the current period.

Deferred Inflows of Resources – Unavailable Revenues: Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Revenues not received within sixty (60) days of year-end are not considered available; therefore, a receivable is recorded for the amount due and the corresponding unavailable revenue is recorded as well.

Deferred Inflows of Resources – Change in Pension Experience and Proportion: Changes in actuarial experience, investment experience, and change in proportion for the District are applicable to a future reporting period and will be expensed over a five-year period beginning in the next fiscal year. As such, these amounts are presented in the Statement of Net Position as deferred inflows of resources in the current period.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)

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.

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.”

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.

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.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)

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

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.

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 \$8,447,207 in state equalization guarantee distributions during the year ended June 30, 2015.

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 10th of the year in which the tax bill is prepared and April 10th 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, which is within 60 days of year-end. 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.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 Summary of Significant Accounting Policies (Continued)

E. Revenues (continued)

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 as of June 30, 2015 were \$1,109,061. Amounts collected from oil and gas taxes were \$0.

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 \$441,442 in transportation distributions during the year ended June 30, 2015.

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, 2015 totaled \$65,948.

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 \$40,023 in state SB-9 matching during the year ended June 30, 2015.

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(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, 2015, the District received \$16,664 in 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.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 Summary of Significant Accounting Policies (Continued)

F. Revenues (continued)

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.

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, the level of budgetary control for districts. 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.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 Stewardship, Compliance and Accountability (Continued)

Budgetary Information - (continued)

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.

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, 2015 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, 2015.

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.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 Cash and Cash Equivalents (Continued)

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.

Deposits

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 at 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.

	Wells Fargo Bank	Citizens Bank	Quay Schools FCU	Bank of Albuquerque	Total
Total amounts of deposits	\$ 2,548,697	\$ 216,255	\$ 500,000	\$ 1,500,000	\$ 4,764,952
FDIC coverage	250,000	216,255	250,000	-	716,255
Total uninsured public funds	<u>2,298,697</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>4,048,697</u>
Collateral requirement (50% of uninsured public funds)	1,149,349	-	125,000	-	1,274,349
Pledged security	1,510,505	-	-	-	1,510,505
Total over (under) collateralized	<u>\$ 361,156</u>	<u>\$ -</u>	<u>\$ (125,000)</u>	<u>\$ -</u>	<u>\$ 236,156</u>

The funds are maintained in interest and non-interest bearing checking accounts and money market accounts at Wells Fargo Bank and Citizens Bank and an interest bearing certificate of deposit at Quay Schools Federal Credit Union. The funds in Bank of Albuquerque are in an interest bearing trust fund which is invested in U.S. Government securities. These funds were obtained at year-end through bond proceeds issued to the District by the New Mexico Finance Authority.

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).

Deposits – The risk exists when a portion of the District's deposits are not covered by depository insurance and are:

1. Uncollateralized;
2. Collateralized with securities held by the pledging financial institution; or
3. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor's (District's) name.

At June 30, 2015, \$2,298,697 of the District's bank balance at Wells Fargo Bank was exposed to custodial credit risk as it was uninsured and the collateral was held by the Bank of New York Mellon, not in the District's name. An additional \$125,000 of the District's deposits was under collateralized at June 30, 2015 by Quay Schools Federal Credit Union and \$250,000 was subject to custodial risk as well. Finally, \$1,250,000 of deposits in Bank of Albuquerque is also subject to custodial risk. Thus, a total of \$3,798,697 of the District's bank balances of \$2,597,448 was exposed to custodial credit risk at June 30, 2015.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 Cash and Cash Equivalents (Continued)

Reconciliation of Cash to the Financial Statements

The carrying amount of deposits and investments shown above are included in the District's statement of net position as follows:

Reconciliation to Statement of Net Position

Governmental Funds - Balance Sheet	
Cash and cash equivalents per Exhibit A-1	4,265,971
Statement of Fiduciary Net Position - cash per Exhibit D-1	<u>137,600</u>
Total per financial statements	4,403,571
Add outstanding checks and other reconciling items	<u>361,381</u>
Bank balance of deposits	<u><u>\$ 4,764,952</u></u>

The District utilized pooled accounts for their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts should be reclassified as due to/due from accounts in the combining balance sheets at June 30, 2015. Funds 24000 funds are federal funds and 27000 funds are non-federal funds. The following individual funds had negative cash balances as of June 30, 2015:

Fund# Special Revenue Funds:

24101	Title I IASA	\$ 238,468
24106	IDEA-B Entitlement	129,612
24108	New Mexico Autism Project	1,341
24109	IDEA-B Preschool	712
24120	IDEA-B Risk Pool	224
24154	Teacher/Principal Training & Recruiting	17,768
24160	Rural & Low-Income Schools	135
24183	USDA School Equipment Grant	12,000
27103	Dual Credit Instructional Materials	634
27107	2012 GO Bonds Student Library Fund (SB66)	215
27114	New Mexico Reads to Lead K-3 Reading Initiative	3,545
27149	PreK Initiative	20,677
27178	School Buses	<u>92,356</u>
	Total	<u><u>\$ 517,687</u></u>

Investments

As of June 30, 2015, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>
Premier U.S. Government Money Portfolio	\$1,500,000

The Premier U.S. Government Money Portfolio is 100% invested in U.S. government and its agencies' securities. The CUSIP on the investments is 00142W843 and has total net assets of \$1.45 billion.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 Cash and Cash Equivalents (Continued)

Investments (continued)

Interest Rate Risk – Investments: The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. The District’s investments were rated AAAM by Standard & Poor’s and have a weighted average days-to-maturity (WAM) of 42.80 days and a weighted average life (WAL) of 69.27 days.

Concentration Credit Risk – Investments: For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the District. The investment in the Premier U.S. Government Money Portfolio represents 100% of the investment portfolio. Since the District only purchases investments with the highest credit rating, the additional concentration is not viewed as an additional risk by the District. The District’s policy related to concentration risk is to comply with the State Statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

NOTE 4 Receivables

Receivables as of June 30, 2015 are as follows:

	Major Funds						Total
	Operational 11000	Title I IASA 24101	IDEA-B Entitlement 24106	Capital Improve. SB-9 31700	Debt Service 41000	Other Governmental Funds	
Property taxes	\$ 5,127	\$ -	\$ -	\$ 29,778	\$ 109,351	-	\$ 144,256
Due from other governments	-	238,468	129,612	130,985	-	175,138	674,203
Total receivables	\$ 5,127	\$ 238,468	\$ 129,612	\$ 160,763	\$ 109,351	\$ 175,138	\$ 818,459

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$97,972 and governmental revenues in the amount of \$160,826 were not collected within the period of availability and have been reclassified as unavailable revenues in the governmental fund financial statements as a deferred inflows of resources.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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. The composition of interfund balances at June 30, 2015 is as follows:

Governmental Activities	Interfund Receivables	Interfund Payables
Major Funds:		
Operational (11000)	\$ 517,687	\$ -
Title I IASA (24101)	-	238,468
IDEA-B Entitlement (24106)	-	129,612
Non-major Funds:		
New Mexico Autism Project (24108)	-	1,341
IDEA-B Preschool (24109)	-	712
IDEA-B Risk Pool (24120)	-	224
Teacher/Principal Training & Recruiting (24154)	-	17,768
Rural & Low-Income Schools (24160)	-	135
USDA School Equipment Grant (24183)	-	12,000
Dual Credit Instructional Materials (27103)	-	634
2012 GO Bonds Student Library Fund (SB66) (27107)	-	215
New Mexico Reads to Lead K-3 Reading Initiative (27114)	-	3,545
PreK Initiative (27149)	-	20,677
School Buses (27178)	-	92,356
Totals	<u>\$ 517,687</u>	<u>\$ 517,687</u>

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

During the year ended June 30, 2015, the District transferred \$7,000 from the Operational Fund to the Athletics Fund.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2015 follows. Land and construction in progress is not subject to depreciation.

Capital assets used in governmental activities:	Balance June 30, 2014	Additions	Deletions	Adjustments	Balance June 30, 2015
Capital assets not being depreciated:					
Land	\$ 302,134	\$ -	\$ -	\$ -	\$ 302,134
Construction in progress	117,155	40,666	(157,821)	-	-
Total capital assets not being depreciated	<u>419,289</u>	<u>40,666</u>	<u>(157,821)</u>	<u>-</u>	<u>302,134</u>
Capital assets being depreciated:					
Land improvements	392,669	173,804	-	-	566,473
Buildings and building improvements	57,952,681	40,747	(231,064)	23,850	57,786,214
Furniture, fixtures, and equipment	3,709,959	17,633	(5,095)	(6,901)	3,715,596
Vehicles	1,632,581	144,594	(54,700)	16,500	1,738,975
Total capital assets being depreciated	<u>63,687,890</u>	<u>376,778</u>	<u>(290,859)</u>	<u>33,449</u>	<u>63,807,258</u>
Less accumulated depreciation:					
Land improvements	225,748	34,933	-	(1,571)	259,110
Buildings and building improvements	24,534,461	1,154,140	(77,353)	(2,108)	25,609,140
Furniture, fixtures, and equipment	2,290,404	141,930	(5,095)	26,499	2,453,738
Vehicles	1,356,141	81,291	(54,700)	150,213	1,532,945
Total accumulated depreciation	<u>28,406,754</u>	<u>1,412,294</u>	<u>(137,148)</u>	<u>173,033</u>	<u>29,854,933</u>
Total capital assets, net of depreciation	<u>\$ 35,700,425</u>	<u>\$ (994,850)</u>	<u>\$ (311,532)</u>	<u>\$ (139,584)</u>	<u>\$ 34,254,459</u>

Depreciation expense for the year ended June 30, 2015 was charged to governmental activities as follows:

Governmental activities:	
Instruction	\$ 480,180
Support services - students	56,492
Central services	141
Operation and maintenance of plant	14,123
Student transportation	14,123
Food services	42,369
Capital outlay	804,866
Total depreciation	<u>\$ 1,412,294</u>

Construction commitments:

At June 30, 2015, there are no outstanding construction commitments.

The District has made some adjustments to their fixed assets, moving some amounts between categories and adjusting for amounts previously recorded incorrectly. Adjustments were also made to depreciation to correct errors in previous years. The net effect is a reduction in fixed assets of \$139,584.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 Long-Term Debt

During the year ended June 30, 2015, the following changes occurred in the liabilities reported in the government- wide statement of net position:

	Balance at 06/30/14	Additions	Deletions	Balance at 06/30/15	Due Within One Year
General Obligation Bonds	\$ 4,560,000	\$ 1,500,000	\$ 585,000	\$ 5,475,000	\$ 455,000
Compensated Absences	37,706	76,098	72,916	40,888	40,888
Total	\$ 4,597,706	\$ 1,576,098	\$ 657,916	\$ 5,515,888	\$ 495,888

General Obligations Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. As of June 30, 2015, all general obligation bonds are for governmental activities.

The annual requirements to amortize the General Obligation Bonds as of June 30, 2015, including interest payments are as follows:

Fiscal Year Ending June 30,	Series 2003 General Obligation Bond		Total Debt Service
	Principal	Interest	
2016	\$ 100,000	\$ 7,886	\$ 107,886
2017	100,000	4,920	104,920
2018	110,000	1,706	111,706
Totals	\$ 310,000	\$ 14,512	\$ 324,512

Fiscal Year Ending June 30,	Series 2007 General Obligation Bond		Total Debt Service
	Principal	Interest	
2016	\$ 100,000	\$ 30,158	\$ 130,158
2017	150,000	26,176	176,176
2018	150,000	21,360	171,360
2019	190,000	15,856	205,856
2020	190,000	9,667	199,667
2021-2025	200,000	3,282	203,282
Totals	\$ 980,000	\$ 106,499	\$ 1,086,499

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 Long-Term Debt (Continued)

NMFA Loan – Series 2009 General Obligation Building			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 50,000	\$ 20,751	\$ 70,751.10
2017	50,000	19,674	69,674
2018	50,000	18,492	68,492
2019	100,000	16,547	116,547
2020	100,000	13,829	113,829
2021-2025	400,000	20,531	420,531
Totals	<u>\$ 750,000</u>	<u>\$ 109,824</u>	<u>\$ 859,824</u>

NMFA Loan – Series 2010 General Obligation Building			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 50,000	\$ 19,315	\$ 69,315.00
2017	50,000	18,308	68,308
2018	65,000	16,922	81,922
2019	75,000	15,039	90,039
2020	75,000	12,864	87,864
2021-2025	340,000	20,317	360,317
Totals	<u>\$ 655,000</u>	<u>\$ 102,765</u>	<u>\$ 757,765</u>

NMFA Loan – Series 2011 General Obligation Building			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 75,000	\$ 24,903	\$ 99,903.45
2017	-	23,685	23,685
2018	-	23,684	23,684
2019	-	23,685	23,685
2020	15,000	23,684	38,684
2021-2025	650,000	83,997	733,997
Totals	<u>\$ 740,000</u>	<u>\$ 203,638</u>	<u>\$ 943,638</u>

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 Long-Term Debt (Continued)

NMFA Loan – Series 2012 General Obligation Building			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 70,000	\$ 4,352	\$ 74,352.03
2017	55,000	3,491	58,491
2018	15,000	2,947	17,947
2019	25,000	2,572	27,572
2020	20,000	2,092	22,092
2021-2025	210,000	2,522	212,522
2026-2029	60,000	-	60,000
Totals	<u>\$ 455,000</u>	<u>\$ 17,976</u>	<u>\$ 472,976</u>

NMFA Loan – Series 2013 General Obligation Building			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ 10,000	\$ 284	\$ 10,284.16
2017	10,000	249	10,249
2018	10,000	213	10,213
2019	10,000	178	10,178
2020	10,000	142	10,142
2021-2025	35,000	222	35,222
Totals	<u>\$ 85,000</u>	<u>\$ 1,288</u>	<u>\$ 86,288</u>

NMFA Loan – Series 2015 General Obligation Building			
Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	\$ -	\$ 18,036	\$ 18,036.00
2017	145,000	30,300	175,300
2018	125,000	28,950	153,950
2019	65,000	27,756	92,756
2020	60,000	26,663	86,663
2021-2025	245,000	118,856	363,856
2026-2029	860,000	34,000	894,000
Totals	<u>\$ 1,500,000</u>	<u>\$ 284,561</u>	<u>\$ 1,784,561</u>

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 Long-Term Debt (Continued)

A summary of all existing long-term debt for the District is provided below:

	Series 2003 GO Bonds <u>4/29/2003</u>	Series 2007 GO Bonds <u>5/25/2007</u>	Series 2009 NMFA Loan <u>8/13/2009</u>
Issue Date			
Original Issue	\$750,000	\$1,250,000	\$900,000
Maturity Date	8/1/2017	8/1/2020	8/1/2022
Principal	1-Aug	1-Aug	1-Aug
Interest Rate	0.93% to 3.10%	3.08% to 3.28%	0.52% to 3.22%
Principal/Interest	1-Aug	1-Aug	1-Aug
Interest	1-Feb	1-Feb	1-Feb
	Series 2010 NMFA Loan <u>5/6/2010</u>	Series 2011 NMFA Loan <u>4/22/2011</u>	Series 2012 NMFA Loan <u>5/25/2012</u>
Issue Date			
Original Issue	\$1,635,000	\$1,055,000	\$745,000
Maturity Date	8/1/2022	8/1/2024	8/1/2025
Principal	1-Aug	1-Aug	1-Aug
Interest Rate	0.50% to 3.64%	1.53% to 4.41%	0.00% to 2.793%
Principal/Interest	1-Aug	1-Aug	1-Aug
Interest	1-Feb	1-Feb	1-Feb
	Series 2013 NMFA Loan <u>8/23/2013</u>	Series 2015 NMFA Loan <u>6/26/2015</u>	
Issue Date			
Original Issue	\$200,000	\$1,500,000	
Maturity Date	8/1/2023	8/1/2028	
Principal	1-Aug	1-Aug	
Interest Rate	0.3552%	0.10% to 3.00%	
Principal/Interest	1-Aug	1-Aug	
Interest	1-Feb	1-Feb	

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

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, 2015, compensated absences increased \$3,182 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.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 Unearned 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. The District had no unearned revenue at June 30, 2015.

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 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 \$10,000 deductible to each building and \$750 for contents. 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, 2015, 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, 2015:

Teacher/Principal Training & Recruiting (24154)	(\$17,768)
2012 GO Bonds Student Library Fund (SB66) (27107)	(\$ 215)

B. Excess of expenditures over appropriations. The Pre-K Initiative Fund did not have a budget for the year ended June 30, 2015, and the District over expended the fund in total in the amount of \$71,287, \$59,309 in the Instruction function and \$15,978 in the Student Transportation function. See page 107 for further information.

C. Cash appropriations in excess of available cash balance. The following fund reported final budgeted cash appropriations in excess of actual cash balance available:

Fund	Designated Cash	Available Cash	Cash Appropriation in Excess of Cash Balance
Capital Improvements SB-9 (31700)	\$ 250,224	\$ 145,109	\$ 105,115

See page 126 for further information.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 General Information on the 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.

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:

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.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 General Information on the Pension Plan – Educational Retirement Board (Continued)

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 Tukumcari Public Schools 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, 2014 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, 2015 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 Tukumcari Public Schools were \$774,571 for the year ended June 30, 2015.

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, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the Tukumcari Public Schools' reported a liability of \$11,726,409 for its proportionate share of the net pension liability. The Tukumcari Public Schools' 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, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the Tukumcari Public Schools' proportion was 0.20552%, which was a decrease of 0.00618% from its proportion measured as June 30, 2013.

For the year ended June 30, 2015, the Tukumcari Public Schools recognized pension expense of \$711,856. At June 30, 2015, the Tukumcari Public Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net (Inflows) Outflows</u>
Differences between expected and actuarial experience	\$ -	\$ (174,682)	\$ (174,682)
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	(1,065,981)	(1,065,981)
Changes in proportion and differences between Tukumcari Public School's contributions and proportionate share of contributions	-	(287,940)	(287,940)
Tukumcari Public Schools contributions subsequent to the measurement date	<u>774,571</u>	<u>-</u>	<u>774,571</u>
Total	<u>\$ 774,571</u>	<u>\$ (1,528,603)</u>	<u>\$ (754,032)</u>

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 General Information on the Pension Plan – Educational Retirement Board (Continued)

Deferred outflows of resources of related to pensions resulting from Tucumcari Public Schools’ contributions subsequent to the measurement date of June 30, 2014 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:

Year ended June 30,	
2016	\$ 427,129
2017	427,129
2018	407,854
2019	266,491
2020	-
Thereafter	-
Total	<u><u>\$ 1,528,603</u></u>

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, 2013. 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, 2014. Specifically, the liabilities measured as of June 30, 2014 incorporate the following assumptions:

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

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine 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, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 General Information on the Pension Plan – Educational Retirement Board (Continued)

Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)
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The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30- year return assumptions are summarized in the following table:

Asset Class	2014 Long-Term Expected Real Rate of Return	2013 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%

Discount rate: A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. 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.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 11 General Information on the Pension Plan – Educational Retirement Board (Continued)

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Tucumcari Public Schools' proportionate share of the net pension liability	<u>\$ 15,955,134</u>	<u>\$ 11,726,411</u>	<u>\$ 8,194,250</u>

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.

Payables to the pension plan. Tucumcari Public Schools has no outstanding liability to the pension plan at June 30, 2015 as all amounts owed were paid by year-end.

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

Plan Description. Tucumcari Public Schools 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.

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.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 Post-Employment Benefits – State Retiree Health Care Plan (Continued)

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, 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, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2015, June 30, 2014, and June 30, 2013 are \$111,432, \$113,297, and \$43,881, 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 District 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.

NOTE 15 Subsequent Accounting Standard Pronouncements

In January 2013, GASB Statement No. 69, *Government Combinations and Disposals of Government Operation*, was issued. Effective Date: The provisions of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. Earlier application is encouraged. The provisions of this Statement generally are required to be applied prospectively. The District is still evaluating how this standard will affect the District.

In February 2015, GASB Statement No. 71, *Fair Value Measurement and Application*, was issued. Effective Date: The provisions of this Statement provide guidance for determining a fair value measurement for financial reporting purposes to enhance comparability of financial statements among governments in financial reporting periods beginning after June 15, 2015. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15 **Subsequent Accounting Standard Pronouncements (Continued)**

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 established requirements for defined benefit pensions that are not within the scope of Statement No. 68 in financial reporting periods beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

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 postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for fiscal years beginning after June 15, 2016. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

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 addressing accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

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 identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP) which supersedes Statement No. 55 and is effective for fiscal years beginning after June 15, 2015 and should be applied retroactively. Early application is permitted. The District is still evaluating how this standard will affect the District.

In August 2015, GASB Statement No. 77, *Tax Abatement Disclosures*, was issued. Effective Date: The provisions of this Statement require governments that enter into tax abatement agreements to disclose relevant information about those agreements and is effective for fiscal years beginning after December 15, 2015. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

NOTE 15 **Restatement – Change in Accounting Principle and Prior Period Adjustment**

During the year ended June 30, 2015, there was a restatement in the District's financial statements due to the implementation of GASB 68 and GASB 71 resulting in a reduction in net position in the amount of \$12,543,156. This amount was derived from the District's proportionate share of the beginning net pension liability of \$13,288,097 less the 2014 contributions to the pension plan in the amount of \$744,941.

During review of the District's capital assets, it was determined that some items had been duplicated, some items had been recorded in incorrect amounts, and some items had been depreciated incorrectly. These items were corrected which resulted in a net reduction of capital assets of \$139,584.

The combination of these two items resulted in a total restatement of \$12,682,740.

NOTE 16 **Subsequent Events**

A review of subsequent events through November 02, 2015 which is the date the financial statements were available to be issued, indicated nothing of audit significance.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 315,468	\$ -	\$ -	\$ 315,468
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	175,138	-	-	175,138
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	2,134	-	-	2,134
	<u>492,740</u>	<u>-</u>	<u>-</u>	<u>492,740</u>
<i>Total assets</i>	<u>492,740</u>	<u>-</u>	<u>-</u>	<u>492,740</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	8,580	-	-	8,580
Accrued payroll liabilities	944	-	-	944
Interfund payables	149,607	-	-	149,607
Unearned revenue	-	-	-	-
	<u>159,131</u>	<u>-</u>	<u>-</u>	<u>159,131</u>
<i>Total liabilities</i>	<u>159,131</u>	<u>-</u>	<u>-</u>	<u>159,131</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	29,841	-	-	29,841
	<u>29,841</u>	<u>-</u>	<u>-</u>	<u>29,841</u>
<i>Total deferred inflows of resources</i>	<u>29,841</u>	<u>-</u>	<u>-</u>	<u>29,841</u>
FUND BALANCES				
Nonspendable	2,134	-	-	2,134
Restricted for:				
Grant mandates	301,634	-	-	301,634
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<u>303,768</u>	<u>-</u>	<u>-</u>	<u>303,768</u>
<i>Total fund balances</i>	<u>303,768</u>	<u>-</u>	<u>-</u>	<u>303,768</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 492,740</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 492,740</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Statement A-2

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	288,212	16,664	-	304,876
Federal grants	936,255	-	-	936,255
Miscellaneous	3,600	-	-	3,600
Charges for services	41,171	-	-	41,171
Investment Income	-	-	-	-
<i>Total revenues</i>	<u>1,269,238</u>	<u>16,664</u>	<u>-</u>	<u>1,285,902</u>
<i>Expenditures:</i>				
Current:				
Instruction	319,332	-	-	319,332
Support services				
Students	119,766	-	-	119,766
Instruction	5,266	-	-	5,266
General administration	22,047	-	-	22,047
School administration	3,495	-	-	3,495
Central services	28,600	-	-	28,600
Operation & maintenance of plant	-	-	-	-
Student transportation	108,334	-	-	108,334
Other support services	-	-	-	-
Food services operations	636,514	-	-	636,514
Community service	-	-	-	-
Capital outlay	-	(19,059)	-	(19,059)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	35,723	-	35,723
<i>Total expenditures</i>	<u>1,243,354</u>	<u>16,664</u>	<u>-</u>	<u>1,260,018</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>25,884</u>	<u>-</u>	<u>-</u>	<u>25,884</u>
<i>Other financing sources (uses):</i>				
Operating transfers	7,000	-	-	7,000
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>7,000</u>
<i>Net changes in fund balances</i>	<u>32,884</u>	<u>-</u>	<u>-</u>	<u>32,884</u>
<i>Fund balances - beginning of year</i>	<u>270,884</u>	<u>-</u>	<u>-</u>	<u>270,884</u>
<i>Fund balances - end of year</i>	<u>\$ 303,768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,768</u>

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

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SPECIAL REVENUE FUNDS

SPECIAL REVENUE 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.

New Mexico Autism Project (24108) – To provide funds for research based programs for Autism provided through the New Mexico Public Education Department.

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.

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.

Teacher/Principal Training & Recruiting (24154) – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students.

Rural & Low-Income Schools (24160) – To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act, Title VI, Part B.

USDA School Equipment Grant (24183) – To provide financial support for the purchase of kitchen equipment funded by the National School Lunch Program (NSLP).

Maternal/child Health (25110) – To improve the health of mothers and children consistent with the applicable health status goals and national health objectives established by the Secretary of the U.S. Department of Health and Human Services.

Title XIX Medicaid 3/21 Years (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)

Tucumcari Band-Aides (26206) – To account for funds received in support of the music program at Tucumcari High School.

Dual Credit Instructional Materials (27103) – To purchase college textbooks for students who dual enroll in college credited courses while still attending high school.

2012 GO Bonds Student Library Fund (SB66) (27107) – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute.

New Mexico Reads to Lead K-3 Reading Initiative (27114) – To account for funds provided by the New Mexico Public Education Department to support legislative initiative to improve reading in grades K-3.

PreK Initiative (27149) – The Pre-K Initiative program provides high-quality early childhood services (in accordance with the NM Pre-K standards) to four year old children in need. Authorized through 32A-23-1 NMSA 1978.

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.

School Buses (27171) – Funds are used to account for the replacement of school buses throughout the state.

NM Grown Fresh Fruits and Vegetables (27183) – To account for funds provided by New Mexico Public Education Department to purchase New Mexico locally grown fresh fruits and vegetables for school meal programs.

NMFLEX (28194) – Funds used to support rural communities in preserving access to primary and emergency health care services.

Wind Farm Projects (29134) – Funds received by the district as a Payment in Lieu of Taxes from wind farms within Quay County.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Food Services 21000	Athletics 22000	New Mexico Autism Project 24108	IDEA-B Preschool 24109
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 170,130	\$ 5,575	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	11,858	-	1,341	712
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	2,134	-	-	-
<i>Total assets</i>	<u>184,122</u>	<u>5,575</u>	<u>1,341</u>	<u>712</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	8,580	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	-	1,341	712
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>8,580</u>	<u>-</u>	<u>1,341</u>	<u>712</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	11,858	-	-	-
<i>Total deferred inflows of resources</i>	<u>11,858</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	2,134	-	-	-
Restricted for:				
Grant mandates	161,550	5,575	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>163,684</u>	<u>5,575</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 184,122</u>	<u>\$ 5,575</u>	<u>\$ 1,341</u>	<u>\$ 712</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	IDEA-B Risk Pool 24120	Teacher/Principal Training & Recruiting 24154	Rural & Low-Income Schools 24160	USDA School Equipment Grant 24183
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	224	17,768	135	12,000
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>224</u>	<u>17,768</u>	<u>135</u>	<u>12,000</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	224	17,768	135	12,000
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>224</u>	<u>17,768</u>	<u>135</u>	<u>12,000</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	17,768	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>17,768</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Grant mandates	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(17,768)	-	-
<i>Total fund balances</i>	<u>-</u>	<u>(17,768)</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 224</u>	<u>\$ 17,768</u>	<u>\$ 135</u>	<u>\$ 12,000</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Maternal/child Health 25110	Title XIX Medicaid 3/21 Years 25153	Tucumcari Band-Aides 26206	Dual Credit Instructional Materials 27103
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ 92,889	\$ 1,010	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	12,423	-	634
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>105,312</u>	<u>1,010</u>	<u>634</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	944	-	-
Interfund payables	-	-	-	634
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>944</u>	<u>-</u>	<u>634</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Grant mandates	-	104,368	1,010	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>104,368</u>	<u>1,010</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 105,312</u>	<u>\$ 1,010</u>	<u>\$ 634</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	2012 GO Bonds Student Library Fund (SB66) 27107	New Mexico Reads to Lead K-3 Reading Initiative 27114	PreK Initiative 27149	Breakfast for Elementary Students 27155
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	215	3,545	20,677	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>215</u>	<u>3,545</u>	<u>20,677</u>	<u>-</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	215	3,545	20,677	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>215</u>	<u>3,545</u>	<u>20,677</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	215	-	-	-
<i>Total deferred inflows of resources</i>	<u>215</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Grant mandates	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	(215)	-	-	-
<i>Total fund balances</i>	<u>(215)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 215</u>	<u>\$ 3,545</u>	<u>\$ 20,677</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	School Buses 27178	NM Grown Fresh Fruits and Vegetables 27183	NMFLEX 28194	Wind Farm Projects 29134
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ -	\$ 35,064	\$ 10,800
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	92,356	-	1,250	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>92,356</u>	<u>-</u>	<u>36,314</u>	<u>10,800</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	92,356	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>92,356</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Grant mandates	-	-	36,314	10,800
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>36,314</u>	<u>10,800</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 92,356</u>	<u>\$ -</u>	<u>\$ 36,314</u>	<u>\$ 10,800</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	<u>Total</u>
ASSETS	
<i>Current assets:</i>	
Cash and temporary investments	\$ 315,468
Accounts receivable	-
Taxes	-
Due from other governments	175,138
Interfund receivables	-
Other	-
Inventory	<u>2,134</u>
<i>Total assets</i>	<u><u>492,740</u></u>
LIABILITIES	
<i>Current liabilities:</i>	
Accounts payable	8,580
Accrued payroll liabilities	944
Interfund payables	149,607
Unearned revenue	-
<i>Total liabilities</i>	<u><u>159,131</u></u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues - property taxes	-
Unavailable revenues - other	<u>29,841</u>
<i>Total deferred inflows of resources</i>	<u><u>29,841</u></u>
FUND BALANCES	
Nonspendable	2,134
Restricted for:	
Grant mandates	319,617
Capital projects	-
Debt service	-
Assigned	-
Unassigned	<u>(17,983)</u>
<i>Total fund balances</i>	<u><u>303,768</u></u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u><u>\$ 492,740</u></u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Statement B-2

	Food Services 21000	Athletics 22000	New Mexico Autism Project 24108	IDEA-B Preschool 24109	IDEA-B Risk Pool 24120
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	638,868	-	7,372	21,561	224
Miscellaneous	-	-	-	-	-
Charges for services	22,407	18,764	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>661,275</u>	<u>18,764</u>	<u>7,372</u>	<u>21,561</u>	<u>224</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	20,201	-	20,387	224
Support services					
Students	-	-	7,372	403	-
Instruction	-	-	-	-	-
General administration	-	-	-	771	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	622,969	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>622,969</u>	<u>20,201</u>	<u>7,372</u>	<u>21,561</u>	<u>224</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>38,306</u>	<u>(1,437)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	7,000	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>38,306</u>	<u>5,563</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>125,378</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 163,684</u>	<u>\$ 5,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Statement B-2

	Teacher/Principal Training & Recruiting 24154	Rural & Low-Income Schools 24160	USDA School Equipment Grant 24183	Maternal/Child Health 25110	Title XIX Medicaid 3/21 Years 25153
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	76,917	6,917	12,000	-	172,396
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>76,917</u>	<u>6,917</u>	<u>12,000</u>	<u>-</u>	<u>172,396</u>
<i>Expenditures:</i>					
Current:					
Instruction	74,279	6,410	-	-	23,036
Support services					
Students	-	-	-	-	94,914
Instruction	-	-	-	-	-
General administration	18,967	507	-	202	-
School administration	1,439	-	-	2,056	-
Central services	-	-	-	-	28,600
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	12,000	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>94,685</u>	<u>6,917</u>	<u>12,000</u>	<u>2,258</u>	<u>146,550</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(17,768)</u>	<u>-</u>	<u>-</u>	<u>(2,258)</u>	<u>25,846</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>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(17,768)</u>	<u>-</u>	<u>-</u>	<u>(2,258)</u>	<u>25,846</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,258</u>	<u>78,522</u>
<i>Fund balances - end of year</i>	<u>\$ (17,768)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,368</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Statement B-2

	Tucumcari Band-Aides 26206	Dual Credit Instructional Materials 27103	2012 GO Bonds Student Library Fund (SB66) 27107	New Mexico Reads to Lead K-3 Reading Initiative 27114	PreK Initiative 27149
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	4,234	5,051	97,489	71,287
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>4,234</u>	<u>5,051</u>	<u>97,489</u>	<u>71,287</u>
<i>Expenditures:</i>					
Current:					
Instruction	18,729	4,234	-	96,523	55,309
Support services					
Students	-	-	-	-	-
Instruction	-	-	5,266	-	-
General administration	-	-	-	966	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	15,978
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>18,729</u>	<u>4,234</u>	<u>5,266</u>	<u>97,489</u>	<u>71,287</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(18,729)</u>	<u>-</u>	<u>(215)</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>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(18,729)</u>	<u>-</u>	<u>(215)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>19,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 1,010</u>	<u>\$ -</u>	<u>\$ (215)</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Statement B-2

	Breakfast for Elementary Students 27155	School Buses 27178	NM Grown Fresh Fruits and Vegetables 27183	NMFLEX 28194	Wind Farm Projects 29134
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	92,356	1,545	16,250	-
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	3,600
Charges for services	-	-	-	-	-
Investment Income	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>92,356</u>	<u>1,545</u>	<u>16,250</u>	<u>3,600</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	-	-	-	-
Support services					
Students	-	-	-	17,077	-
Instruction	-	-	-	-	-
General administration	-	-	-	634	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	92,356	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	1,545	-	-
Community service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>92,356</u>	<u>1,545</u>	<u>17,711</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,461)</u>	<u>3,600</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>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,461)</u>	<u>3,600</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,775</u>	<u>7,200</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,314</u>	<u>\$ 10,800</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Total</u>
<i>Revenues:</i>	
Property taxes	\$ -
State grants	288,212
Federal grants	936,255
Miscellaneous	3,600
Charges for services	41,171
Investment Income	-
<i>Total revenues</i>	<u>1,269,238</u>
<i>Expenditures:</i>	
Current:	
Instruction	319,332
Support services	
Students	119,766
Instruction	5,266
General administration	22,047
School administration	3,495
Central services	28,600
Operation & maintenance of plant	-
Student transportation	108,334
Other support services	-
Food services operations	636,514
Community service	-
Capital outlay	-
Debt service	
Principal	-
Interest	-
<i>Total expenditures</i>	<u>1,243,354</u>
<i>Excess (deficiency) of revenues</i> <i>over (under) expenditures</i>	<u>25,884</u>
<i>Other financing sources (uses):</i>	
Operating transfers	7,000
Proceeds from bond issues	-
<i>Total other financing sources (uses)</i>	<u>7,000</u>
<i>Net changes in fund balances</i>	<u>32,884</u>
<i>Fund balances - beginning of year</i>	<u>270,884</u>
<i>Fund balances - end of year</i>	<u>\$ 303,768</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOOD SERVICES SPECIAL REVENUE FUND (21000)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-3

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	500,000	500,000	605,913	105,913
Miscellaneous	-	-	-	-
Charges for services	21,000	21,000	22,407	1,407
Interest	-	-	-	-
<i>Total revenues</i>	<u>521,000</u>	<u>521,000</u>	<u>628,320</u>	<u>107,320</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	600,886	633,931	571,122	62,809
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>600,886</u>	<u>633,931</u>	<u>571,122</u>	<u>62,809</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(79,886)</u>	<u>(112,931)</u>	<u>57,198</u>	<u>170,129</u>
<i>Other financing sources (uses):</i>				
Designated cash	79,886	112,931	-	(112,931)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>79,886</u>	<u>112,931</u>	<u>-</u>	<u>(112,931)</u>
<i>Net changes in fund balances</i>	-	-	57,198	57,198
<i>Cash or fund balances - beginning of year</i>	-	-	112,932	112,932
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,130</u>	<u>\$ 170,130</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 57,198	
Adjustments to revenues			32,955	
Adjustments to expenditures			(51,847)	
Net change in fund balance (GAAP basis)			<u>\$ 38,306</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ATHLETICS SPECIAL REVENUE FUND (22000)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-4

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	15,889	15,889	18,764	2,875
Interest	-	-	-	-
<i>Total revenues</i>	<u>15,889</u>	<u>15,889</u>	<u>18,764</u>	<u>2,875</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	15,889	25,401	20,201	5,200
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>15,889</u>	<u>25,401</u>	<u>20,201</u>	<u>5,200</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(9,512)</u>	<u>(1,437)</u>	<u>8,075</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	9,512	-	(9,512)
Operating transfers	-	-	7,000	7,000
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>9,512</u>	<u>7,000</u>	<u>(2,512)</u>
<i>Net changes in fund balances</i>	-	-	5,563	5,563
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>12</u>	<u>12</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,575</u>	<u>\$ 5,575</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 5,563	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 5,563</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NEW MEXICO AUTISM PROJECT SPECIAL REVENUE FUND (24108)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-5

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	7,372	7,507	135
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>7,372</u>	<u>7,507</u>	<u>135</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	7,372	7,372	-
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>7,372</u>	<u>7,372</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>135</u>	<u>135</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>	-	-	135	135
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,476)</u>	<u>(1,476)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,341)</u>	<u>\$ (1,341)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 135	
Adjustments to revenues			(135)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
IDEA-B PRESCHOOL SPECIAL REVENUE FUND (24109)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-6

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	18,884	22,254	24,614	2,360
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>18,884</u>	<u>22,254</u>	<u>24,614</u>	<u>2,360</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	17,183	20,428	20,387	41
Support services				
Students	1,000	1,000	403	597
Instruction	-	-	-	-
General administration	701	826	771	55
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>18,884</u>	<u>22,254</u>	<u>21,561</u>	<u>693</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,053</u>	<u>3,053</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>	-	-	3,053	3,053
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,765)</u>	<u>(3,765)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (712)</u>	<u>\$ (712)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 3,053	
Adjustments to revenues			(3,053)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
IDEA-B "RISK POOL" SPECIAL REVENUE FUND (24120)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-7

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	224	62	(162)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>224</u>	<u>62</u>	<u>(162)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	224	224	-
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>224</u>	<u>224</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(162)</u>	<u>(162)</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>	-	-	(162)	(162)
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(62)</u>	<u>(62)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (224)</u>	<u>\$ (224)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ (162)	
Adjustments to revenues			162	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TEACHER / PRINCIPAL TRAINING & RECRUITING SPECIAL REVENUE FUND (24154)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-8

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	54,977	114,118	119,170	5,052
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>54,977</u>	<u>114,118</u>	<u>119,170</u>	<u>5,052</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	36,577	93,456	74,279	19,177
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	16,900	19,162	18,967	195
School administration	1,500	1,500	1,439	61
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>54,977</u>	<u>114,118</u>	<u>94,685</u>	<u>19,433</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>24,485</u>	<u>24,485</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>	-	-	24,485	24,485
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(42,253)</u>	<u>(42,253)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,768)</u>	<u>\$ (17,768)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 24,485	
Adjustments to revenues			(42,253)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (17,768)</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
RURAL & LOW-INCOME SCHOOLS SPECIAL REVENUE FUND (24160)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-9

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	18,851	19,772	10,664	(9,108)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>18,851</u>	<u>19,772</u>	<u>10,664</u>	<u>(9,108)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	18,152	18,766	6,410	12,356
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	699	1,006	507	499
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>18,851</u>	<u>19,772</u>	<u>6,917</u>	<u>12,855</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,747</u>	<u>3,747</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>	-	-	3,747	3,747
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,882)</u>	<u>(3,882)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (135)</u>	<u>\$ (135)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 3,747	
Adjustments to revenues			(3,747)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
USDA SCHOOL EQUIPMENT GRANT SPECIAL REVENUE FUND (24183)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-10

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	12,000	-	(12,000)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>12,000</u>	<u>-</u>	<u>(12,000)</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	-	12,000	12,000	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(12,000)</u>	<u>(12,000)</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>	-	-	(12,000)	(12,000)
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,000)</u>	<u>\$ (12,000)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ (12,000)	
Adjustments to revenues			12,000	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
MATERNAL/CHILD HEALTH SPECIAL REVENUE FUND (25110)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-11

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	5,000	-	(5,000)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	418	202	216
School administration	1,354	10,840	6,056	4,784
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>1,354</u>	<u>11,258</u>	<u>6,258</u>	<u>5,000</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,354)</u>	<u>(6,258)</u>	<u>(6,258)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,354	6,258	-	(6,258)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,354</u>	<u>6,258</u>	<u>-</u>	<u>(6,258)</u>
<i>Net changes in fund balances</i>	-	-	(6,258)	(6,258)
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,258</u>	<u>6,258</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ (6,258)	
Adjustments to revenues			-	
Adjustments to expenditures			4,000	
Net change in fund balance (GAAP basis)			<u>\$ (2,258)</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TITLE XIX MEDICAID 3/21 YEARS SPECIAL REVENUE FUND (25153)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-12

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	135,000	135,000	177,231	42,231
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>135,000</u>	<u>135,000</u>	<u>177,231</u>	<u>42,231</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	52,755	46,177	23,036	23,141
Support services				
Students	118,772	121,155	93,970	27,185
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	31,315	28,932	28,600	332
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>202,842</u>	<u>196,264</u>	<u>145,606</u>	<u>50,658</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(67,842)</u>	<u>(61,264)</u>	<u>31,625</u>	<u>92,889</u>
<i>Other financing sources (uses):</i>				
Designated cash	67,842	61,264	-	(61,264)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>67,842</u>	<u>61,264</u>	<u>-</u>	<u>(61,264)</u>
<i>Net changes in fund balances</i>	-	-	31,625	31,625
<i>Cash or fund balances - beginning of year</i>	-	-	61,264	61,264
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,889</u>	<u>\$ 92,889</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 31,625	
Adjustments to revenues			(4,835)	
Adjustments to expenditures			(944)	
Net change in fund balance (GAAP basis)			<u>\$ 25,846</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TUCUMCARI BAND-AIDES SPECIAL REVENUE FUND (26206)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-13

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	19,739	19,739	18,729	1,010
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>19,739</u>	<u>19,739</u>	<u>18,729</u>	<u>1,010</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(19,739)</u>	<u>(19,739)</u>	<u>(18,729)</u>	<u>1,010</u>
<i>Other financing sources (uses):</i>				
Designated cash	19,739	19,739	-	(19,739)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>19,739</u>	<u>19,739</u>	<u>-</u>	<u>(19,739)</u>
<i>Net changes in fund balances</i>	-	-	(18,729)	(18,729)
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>19,739</u>	<u>19,739</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,010</u>	<u>\$ 1,010</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ (18,729)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (18,729)</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
DUAL CREDIT INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND (27103)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-14

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	4,235	4,479	244
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>4,235</u>	<u>4,479</u>	<u>244</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	4,235	4,234	1
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>4,235</u>	<u>4,234</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>245</u>	<u>245</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>	-	-	245	245
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(879)</u>	<u>(879)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (634)</u>	<u>\$ (634)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 245	
Adjustments to revenues			(245)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
2012 GO BONDS STUDENT LIBRARY FUND (SB66) SPECIAL REVENUE FUND (27107)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-15

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	5,266	5,174	(92)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,266</u>	<u>5,174</u>	<u>(92)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	5,266	5,266	-
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>5,266</u>	<u>5,266</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(92)</u>	<u>(92)</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>	-	-	(92)	(92)
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(123)</u>	<u>(123)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (215)</u>	<u>\$ (215)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ (92)	
Adjustments to revenues			(123)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (215)</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NEW MEXICO READS TO LEAD K-3 READING INITIATIVE SPECIAL REVENUE FUND (27114)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-16

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	97,500	97,500	124,770	27,270
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>97,500</u>	<u>97,500</u>	<u>124,770</u>	<u>27,270</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	96,525	96,525	96,523	2
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	975	975	966	9
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>97,500</u>	<u>97,500</u>	<u>97,489</u>	<u>11</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>27,281</u>	<u>27,281</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>	-	-	27,281	27,281
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(30,826)</u>	<u>(30,826)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,545)</u>	<u>\$ (3,545)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 27,281	
Adjustments to revenues			(27,281)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
PRE K INITIATIVE SPECIAL REVENUE FUND (27149)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-17

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	65,519	65,519
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>65,519</u>	<u>65,519</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	55,309	(55,309)
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	15,978	(15,978)
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>71,287</u>	<u>(71,287)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,768)</u>	<u>(5,768)</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>	-	-	(5,768)	(5,768)
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(14,909)</u>	<u>(14,909)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,677)</u>	<u>\$ (20,677)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ (5,768)	
Adjustments to revenues			5,768	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND (27155)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-18

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	18,141	1,526	(16,615)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>18,141</u>	<u>1,526</u>	<u>(16,615)</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	-	18,141	-	18,141
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>18,141</u>	<u>-</u>	<u>18,141</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,526</u>	<u>1,526</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>	-	-	1,526	1,526
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,526)</u>	<u>(1,526)</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 1,526	
Adjustments to revenues			(1,526)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
SCHOOL BUSES SPECIAL REVENUE FUND (27178)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-19

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	92,356	-	(92,356)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>92,356</u>	<u>-</u>	<u>(92,356)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	92,356	92,356	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>92,356</u>	<u>92,356</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(92,356)</u>	<u>(92,356)</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>	-	-	(92,356)	(92,356)
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (92,356)</u>	<u>\$ (92,356)</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ (92,356)	
Adjustments to revenues			92,356	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NM GROWN FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND (27183)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-20

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	1,545	1,545	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,545</u>	<u>1,545</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	-	1,545	1,545	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,545</u>	<u>1,545</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>	-	-	-	-
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NMFLEX SPECIAL REVENUE FUND (28194)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-21

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	10,000	22,000	12,000
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>10,000</u>	<u>22,000</u>	<u>12,000</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	36,912	39,633	17,077	22,556
Instruction	-	-	-	-
General administration	1,423	1,142	634	508
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>38,335</u>	<u>40,775</u>	<u>17,711</u>	<u>23,064</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(38,335)</u>	<u>(30,775)</u>	<u>4,289</u>	<u>35,064</u>
<i>Other financing sources (uses):</i>				
Designated cash	38,335	30,775	-	(30,775)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>38,335</u>	<u>30,775</u>	<u>-</u>	<u>(30,775)</u>
<i>Net changes in fund balances</i>	-	-	4,289	4,289
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>30,775</u>	<u>30,775</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,064</u>	<u>\$ 35,064</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 4,289	
Adjustments to revenues			(5,750)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (1,461)</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
WIND FARM PROJECTS SPECIAL REVENUE FUND (29134)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-22

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	3,600	3,600	3,600	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>3,600</u>	<u>3,600</u>	<u>3,600</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	10,800	10,800	-	10,800
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>10,800</u>	<u>10,800</u>	<u>-</u>	<u>10,800</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(7,200)</u>	<u>(7,200)</u>	<u>3,600</u>	<u>10,800</u>
<i>Other financing sources (uses):</i>				
Designated cash	7,200	7,200	-	(7,200)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,200</u>	<u>7,200</u>	<u>-</u>	<u>(7,200)</u>
<i>Net changes in fund balances</i>	-	-	3,600	3,600
<i>Cash or fund balances - beginning of year</i>	-	-	7,200	7,200
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,800</u>	<u>\$ 10,800</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 3,600	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 3,600</u>	

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

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CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS

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

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2015

	Special Capital Outlay - State 31400	Total
ASSETS		
<i>Current assets:</i>		
Cash and temporary investments	\$ -	\$ -
Accounts receivable		
Taxes	-	-
Due from other governments	-	-
Interfund receivables	-	-
Other	-	-
Inventory	-	-
	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>-</u>	<u>-</u>
LIABILITIES		
<i>Current liabilities:</i>		
Accounts payable	-	-
Accrued payroll liabilities	-	-
Interfund payables	-	-
Unearned revenue	-	-
	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues - property taxes	-	-
Unavailable revenues - other	-	-
	<u>-</u>	<u>-</u>
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>
FUND BALANCES		
Nonspendable	-	-
Restricted for:		
Grant mandates	-	-
Capital projects	-	-
Debt service	-	-
Assigned	-	-
Unassigned	-	-
	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDING JUNE 30, 2015

	Special Capital Outlay - State 31400	Total
<i>Revenues:</i>		
Property taxes	\$ -	\$ -
State grants	16,664	16,664
Federal grants	-	-
Miscellaneous	-	-
Charges for services		
Investment Income	-	-
<i>Total revenues</i>	16,664	16,664
<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 service	-	-
Capital outlay	16,664	16,664
Debt service		
Principal	-	-
Interest	-	-
Bond issuance costs	-	-
<i>Total expenditures</i>	16,664	16,664
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-
<i>Other financing sources (uses):</i>		
Operating transfers	-	-
Proceeds from bond issues	-	-
<i>Total other financing sources (uses)</i>	-	-
<i>Net changes in fund balances</i>	-	-
<i>Fund balances - beginning of year</i>	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
BOND BUILDING CAPITAL PROJECT FUND (31100)
FOR THE YEAR ENDING JUNE 30, 2015

Statement C-3

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
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	15,000	1,530,861	21,964	1,508,897
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,000</u>	<u>1,530,861</u>	<u>21,964</u>	<u>1,508,897</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(15,000)</u>	<u>(1,530,861)</u>	<u>(21,964)</u>	<u>1,508,897</u>
<i>Other financing sources (uses):</i>				
Designated cash	15,000	30,861	-	(30,861)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	1,500,000	1,500,000	-
<i>Total other financing sources (uses)</i>	<u>15,000</u>	<u>1,530,861</u>	<u>1,500,000</u>	<u>(30,861)</u>
<i>Net changes in fund balances</i>	-	-	1,478,036	1,478,036
<i>Cash or fund balances - beginning of year</i>	-	-	30,861	30,861
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,508,897</u>	<u>\$ 1,508,897</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 1,478,036	
Adjustments to revenues			-	
Adjustments to expenditures			(35,723)	
Net change in fund balance (GAAP basis)			<u>\$ 1,442,313</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECT FUND (31400)
FOR THE YEAR ENDING JUNE 30, 2015

Statement C-4

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	16,664	16,664	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>16,664</u>	<u>16,664</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	-	16,664	16,664	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>16,664</u>	<u>16,664</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>	-	-	-	-
<i>Cash or fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND (31700)
FOR THE YEAR ENDING JUNE 30, 2015

Statement C-5

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 198,913	\$ 198,913	\$ 212,117	\$ 13,204
State grants	20,245	152,302	138,798	(13,504)
Federal grants	-	-	-	-
Miscellaneous	-	-	150	150
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>219,158</u>	<u>351,215</u>	<u>351,065</u>	<u>(150)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	1,989	2,124	2,123	1
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	467,413	599,335	255,729	343,606
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>469,402</u>	<u>601,459</u>	<u>257,852</u>	<u>343,607</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(250,244)</u>	<u>(250,244)</u>	<u>93,213</u>	<u>343,457</u>
<i>Other financing sources (uses):</i>				
Designated cash	250,244	250,244	-	(250,244)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>250,244</u>	<u>250,244</u>	<u>-</u>	<u>(250,244)</u>
<i>Net changes in fund balances</i>	-	-	93,213	93,213
<i>Cash or fund balances - beginning of year</i>	-	-	145,109	145,109
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,322</u>	<u>\$ 238,322</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 93,213	
Adjustments to revenues			(97,405)	
Adjustments to expenditures			(10,637)	
Net change in fund balance (GAAP basis)			<u>\$ (14,829)</u>	

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

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DEBT SERVICE FUNDS

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
DEBT SERVICE FUND (41000)
FOR THE YEAR ENDING JUNE 30, 2015

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ 702,817	\$ 702,817	\$ 766,800	\$ 63,983
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>702,817</u>	<u>702,817</u>	<u>766,800</u>	<u>63,983</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	7,028	7,675	7,674	1
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Reserve	729,723	755,293	-	755,293
Principal	585,000	585,000	585,000	-
Interest	117,818	117,818	117,815	3
<i>Total expenditures</i>	<u>1,439,569</u>	<u>1,465,786</u>	<u>710,489</u>	<u>755,297</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(736,752)</u>	<u>(762,969)</u>	<u>56,311</u>	<u>819,280</u>
<i>Other financing sources (uses):</i>				
Designated cash	736,752	762,969	-	(762,969)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>736,752</u>	<u>762,969</u>	<u>-</u>	<u>(762,969)</u>
<i>Net changes in fund balances</i>	-	-	56,311	56,311
<i>Cash or fund balances - beginning of year</i>	-	-	762,970	762,970
<i>Cash or fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 819,281</u>	<u>\$ 819,281</u>
<i>Reconciliation to GAAP basis:</i>				
Net changes in fund balance (cash basis)			\$ 56,311	
Adjustments to revenues			5,308	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 61,619</u>	

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

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OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
AGENCY FUNDS
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015

Schedule I

	Balance June 30, 2014	Additions	Deletions	Adjustments	Balance June 30, 2015
High School	\$ 65,817	\$ 150,655	\$ 145,681	\$ -	\$ 70,791
Middle School	17,633	36,811	35,410	-	19,034
Elementary	28,678	17,229	18,953	-	26,954
Memorials/Scholarships	22,220	301	1,700	-	20,821
	<u>\$ 134,348</u>	<u>\$ 204,996</u>	<u>\$ 201,744</u>	<u>\$ -</u>	<u>\$ 137,600</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF PLEDGED COLLATERAL
FOR THE YEAR ENDED JUNE 30, 2015

Schedule II

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity Date</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2015</u>
Wells Fargo	FNMA FNMS 6.000%	6/1/2036	31371MT31	\$ 8,077
	FNMA FNMS 4.000%	10/1/2041	3138AUL96	131,416
	FNMA FNMS 3.500%	12/1/2041	3138EORA9	51,556
	FNMA FNMS 3.500%	12/1/2042	3138MRBY6	382,312
	FNMA FNMS 3.000%	3/1/2043	3138W7GH1	107,707
	FNMA FNMS 3.500%	7/1/2043	3138W9A34	132,752
	FNMA FNMS 4.000%	9/1/2043	3138X3XU1	49,624
	FNMA FNRM 2.500%	6/1/2021	31397UYH6	358,612
	FNMA FNMS 3.000%	1/1/2043	31417ES77	252,619
	FNMA FNMS 3.000%	1/1/2043	31417ETA9	23,554
	FNMA FNMS 3.000%	1/1/2026	31419H3P5	12,276
				<u>\$ 1,510,505</u>
Total Wells Fargo Bank				<u>\$ 1,510,505</u>

The securities are held, not in the District's name, at:

Bank of New York Mellon
One Wall Street
Fourth Floor
New York, NY 10286

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2015

Schedule III

Bank Name/Account Type	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Other Adjustments	Book Balance
Wells Fargo Bank N.A.						
General Accounts	Checking	\$ 2,507,225	\$ -	\$ (554,099)	\$ 220,295	\$ 2,173,421
Direct Deposit	ACH	-	-	-	-	-
NMPSIA Clearing	ACH	20,651	-	(20,651)	-	-
David L/Sylvia York Scholarship Fund	Money Market	1,754	-	-	-	1,754
Rod David Memorial Fund	Money Market	3,217	-	-	-	3,217
DECA Scholarship Fund	Checking	12,700	-	-	-	12,700
AJ Moya Memorial Fund	Checking	3,150	-	-	-	3,150
Total Wells Fargo Bank		<u>\$ 2,548,697</u>	<u>\$ -</u>	<u>\$ (574,750)</u>	<u>\$ 220,295</u>	<u>\$ 2,194,242</u>
Citizens Bank						
Tucumcari High School	Checking	\$ 76,354	\$ -	\$ (5,562)	\$ -	\$ 70,792
Tucumcari Middle School	Checking	19,889	-	(855)	-	19,034
Tucumcari Elementary School	Checking	27,463	-	(509)	-	26,954
Money Market	Money Market	92,549	-	-	-	92,549
Total Bank of Albuquerque		<u>\$ 216,255</u>	<u>\$ -</u>	<u>\$ (6,926)</u>	<u>\$ -</u>	<u>\$ 209,329</u>
Quay Schools Federal Credit Union						
Certificate of Deposit	CD	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
Certificate of Deposit	CD	100,000	-	-	-	100,000
Certificate of Deposit	CD	100,000	-	-	-	100,000
Certificate of Deposit	CD	100,000	-	-	-	100,000
Total Wells Fargo Bank		<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</u>
Bank of Albuquerque						
Bond Building	Trust	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
Total		<u>\$ 4,764,952</u>	<u>\$ -</u>	<u>\$ (581,676)</u>	<u>\$ 220,295</u>	<u>\$ 4,403,571</u>
Cash per financial statements						
Cash and cash equivalents - Government Activities Exhibit A-1						4,265,971
Fiduciary funds - Exhibit D-1						137,600
						<u>\$ 4,403,571</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
CASH RECONCILIATION
JUNE 30, 2015

Schedule IV

Primary Government

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000
Cash, June 30, 2014	\$ 1,205,645	\$ -	\$ 12,558	\$ 112,932
Add:				
Current year revenues	8,705,512	442,969	65,948	628,320
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Bond proceeds	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	9,911,157	442,969	78,506	741,252
Less:				
Current year expenditures	(8,023,117)	(442,969)	(57,856)	(571,122)
Permanent cash transfers	(7,000)	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	(517,687)	-	-	-
Cash, June 30, 2015	<u>\$ 1,363,353</u>	<u>\$ -</u>	<u>\$ 20,650</u>	<u>\$ 170,130</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
CASH RECONCILIATION
JUNE 30, 2015

Schedule IV

Primary Government

	Athletics Account 22000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000
Cash, June 30, 2014	\$ 12	\$ (280,728)	\$ 67,522	\$ 19,739
Add:				
Current year revenues	18,764	852,120	177,231	-
Permanent cash transfers	7,000	-	-	-
Prior period adjustment	-	-	-	-
Bond proceeds	-	-	-	-
Loans from other funds	-	400,260	-	-
Total cash available	25,776	971,652	244,753	19,739
Less:				
Current year expenditures	(20,201)	(971,652)	(151,864)	(18,729)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2015	<u>\$ 5,575</u>	<u>\$ -</u>	<u>\$ 92,889</u>	<u>\$ 1,010</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
CASH RECONCILIATION
JUNE 30, 2015

Schedule IV

Primary Government

	State Flowthrough 27000	State Direct 28000	Local / State 29000	Bond Building Account 31100
Cash, June 30, 2014	\$ (48,263)	\$ 30,775	\$ 7,200	\$ 30,861
Add:				
Current year revenues	203,013	22,000	3,600	-
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Bond proceeds	-	-	-	1,500,000
Loans from other funds	117,427	-	-	-
Total cash available	272,177	52,775	10,800	1,530,861
Less:				
Current year expenditures	(272,177)	(17,711)	-	(21,964)
Permanent cash transfers	-	-	-	-
Prior period adjustment	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2015	<u>\$ -</u>	<u>\$ 35,064</u>	<u>\$ 10,800</u>	<u>\$ 1,508,897</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
CASH RECONCILIATION
JUNE 30, 2015

Schedule IV

Primary Government

	Spec. Capital Outlay-State 31400	Cap. Improv. SB 9 31700	Debt Service Fund 41000	Total
Cash, June 30, 2014	\$ -	\$ 145,109	\$ 762,970	\$ 2,066,332
Add:				
Current year revenues	16,664	351,065	766,800	12,254,006
Permanent cash transfers	-	-	-	7,000
Prior period adjustment	-	-	-	-
Bond proceeds	-	-	-	1,500,000
Loans from other funds	-	-	-	517,687
Total cash available	16,664	496,174	1,529,770	16,345,025
Less:				
Current year expenditures	(16,664)	(257,852)	(710,489)	(11,554,367)
Permanent cash transfers	-	-	-	(7,000)
Prior period adjustment	-	-	-	-
Loans to other funds	-	-	-	(517,687)
Cash, June 30, 2015	<u>\$ -</u>	<u>\$ 238,322</u>	<u>\$ 819,281</u>	<u>\$ 4,265,971</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2015

Schedule V

Title: Regional Education Cooperative

Participants: Regional Educational Center #6 and Tucumcari Public Schools

Responsible Party: Regional Educational Center #6's Governing Council

Description: The parties have agreed to form a Regional Education Cooperative to participate in cooperative programs relating to education related services, provide professional services to the districts, and provide other optional services as needed.

Dates of Operation: July 2014 through June 30, 2015 during which either party may give Notice of Intent to Terminate pursuant to the agreement.

Projected Cost: Based upon budget approved by the Public Education Department.

Audit Responsibility: Regional Educational Center #6 and Tucumcari Public Schools

Fiscal Agent: Regional Educational Center #6 and Tucumcari Public Schools

Reporting Agency: Regional Educational Center #6 and Tucumcari Public Schools

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
LAST 10 FISCAL YEARS*
JUNE 30, 2015

Schedule VI

	2015
Tucumcari Public Schools' proportion of the net pension liability	0.20552%
Tucumcari Public Schools' proportionate share of the net pension liability	\$11,726,409
Tucumcari Public Schools' covered-employee payroll	\$ 5,664,862
Tucumcari Public Schools' proportionate share of the net pension liability as a percentage of covered-employee payroll	207.00%
Plan fiduciary net position as a percentage of total pension liability	66.54%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Tucumcari Public Schools will present information for those years for which information is available.

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF PENSION CONTRIBUTIONS
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
LAST 10 FISCAL YEARS*
JUNE 30, 2015

Schedule VII

	2015
Contractually required contribution	774,571
Contributions in relation to the contractually required contribution	774,571
Contribution deficiency (excess)	\$ -
Tucumcari Public Schools' covered-employee payroll	\$ 5,664,862
Contributions as a percentage of covered-employee payroll	13.67%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the Tucumcari Public Schools will present information for those years for which information is available.

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

Changes of benefit terms . The COLA and retirement eligibility benefits changes in recent years are described in the **Benefits Provided** section of the financial statement note disclosure **General Information on the Pension Plan - Educational Retirement Board .**

Changes of assumptions.

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

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.75% to 4.25%
 - b. Lower payroll growth from 3.75% to 3.50%
 - c. Minor changes to demographic assumptions
 - d. Population growth per year from 0.75% to 0.50%
2. Assumptions that were not changed:
 - a. Investment return will remain at 7.75%
 - b. Inflation will remain at 3.00%

See also the **Actuarial Assumptions** subsection of the financial statement not disclosure **General Information on the Pension Plan - Educational Retirement Board .**

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF VENDOR INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

Schedule IX

Bid/RFP #	Names of Respondents	Physical Address of Vendor	Winning Vendor	Vendor Location		Vendor Selected Preference	
				In-State	Out-of-State	In-State	Veteran
2014-1	Summit Food Service Management	1751 W. County RD. B, Site 300 Roseville, MN 55113	X		X	N/A	N/A
Value of Contract:	\$ 569,402.17						
Scope of Work:	Food Services Management						

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COMPLIANCE SECTION



**Manning Accounting and Consulting
Services, LLC**

**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

Timothy Keller, New Mexico State Auditor
The Office of Management and Budget
And the Board of Education of
Tucumcari Public Schools
Tucumcari, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of the Tucumcari Public Schools (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District presented as supplementary information, and have issued our report thereon dated November 02, 2015.

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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 and deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies. (FS 2013-003, FS 2014-005, 2015-002, and 2015-005)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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* and which are described in the accompanying schedule of findings and questioned costs as items FS 2010-002, FS 2014-001, FS 2014-002, FS 2014-003, FS 2014-011, FS 2015-001, 2015-003, and 2015-004)

Tucumcari Public Schools' Response to Findings

The District's response to the findings identified in our audit is 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 this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC

Kirtland, New Mexico

November 02, 2015

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FEDERAL FINANCIAL ASSISTANCE



Manning Accounting and Consulting Services, LLC

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditor's Report

Timothy Keller, New Mexico State Auditor
The Office of Management and Budget
And the Board of Education of
Tucumcari Public Schools
Tucumcari, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the Tucumcari Public Schools' (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. 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 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item FA 2014-002. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC

Kirtland, New Mexico

November 02, 2015

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Schedule X

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Education			
<i>Passthrough State of New Mexico Public Education Department</i>			
Special Education Cluster (IDEA)			
IDEA B - Entitlement (1)	24106	84.027	\$ 298,587
New Mexico Autism Project (1)	24108	84.027	7,372
IDEA-B "Risk Pool" (1)	24120	84.027	224
IDEA-B Preschool (1)	24109	84.173	21,561
Total Special Education Cluster (IDEA)			<u>327,744</u>
Title I IASA (1)	24101	84.010	529,663
Teacher / Principal Training & Recruiting	24154	84.367	94,685
Rural & Low-Income Schools	24160	84.358	6,917
USDA School Equipment Grant	24183	10.579	12,000
Total U.S. Department of Education			<u>971,009</u>
U.S. Department of Health and Human Services			
<i>Passthrough State of New Mexico Department of Health</i>			
Maternal/Child Health	25110	93.994	2,258
Total U.S. Department of Health and Human Services			<u>2,258</u>
U.S. Department of Agriculture			
<i>Passthrough State of New Mexico Department of Education</i>			
Child Nutrition Cluster			
School Breakfast Program (1)	21000	10.553	151,307
National School Lunch Program (1)	21000	10.555	427,802
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>579,109</u>
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities) (1)	21000	10.553/ 10.555	43,860
<i>Subtotal - Passthrough State of New Mexico Department of Health and Human Services</i>			<u>43,860</u>
Total Child Nutrition Cluster			<u>622,969</u>
Total U.S. Department of Agriculture			<u>622,969</u>
Total Federal Financial Assistance			<u>\$ 1,596,236</u>

(1) Denotes Major Federal Financial Assistance Program

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Schedule X

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 Tucumcari Public Schools (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 Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. 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 receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2015 was \$43,860 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA numbers 10.553 and 10.555. Commodities are recorded as revenues and expenditures in the food service fund.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 1,596,236
Total expenditures funded by other sources	<u>10,147,153</u>
Total expenditures	<u><u>\$ 11,743,389</u></u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Section I – Summary of Audit Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditor’s report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness in internal control identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to financial statements noted? | Yes |

Federal Awards:

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | 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? | Yes |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
10.553 and 10.555 84.027 and 84.173 84.010	Child Nutrition Cluster Special Education Cluster (IDEA) Title I - IASA

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | No |

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Schedule XI

Section II – Financial Statement Findings

FS 2010-002 [2010-02] – Budgetary Controls (Non-Compliance) – Repeated and Revised

Criteria: According to 22-8-11 B. NMSA 1978:

B. No School district or state-chartered school or officer or employee of a school district or state-chartered school shall make any expenditure or incur any obligation for the expenditure of public funds unless that expenditure or obligation is made in accordance with an operating budget approved by the department. This prohibition does not prohibit the transfer of funds pursuant to the department's rules and procedures.

Condition: The District did not have an approved budget for the 2014-2015 fiscal year for Pre-K Initiative. However, the District expended \$71,287 from this fund, \$55,309 in the Instruction function and \$15,978 in the Student Transportation function.

This condition existed in the prior year and will continue to exist as long as the District is given approval to spend these funds or until the State changes the way in which it records and budgets these funds as is described below.

This is not an oversight or an error on the part of the District as all other funds are budgeted and expended within the confines of the statute. The District is in a catch-22 and must violate the budgeting statute in order to expend the funds legally allocated to them.

Cause: The District did not obtain a budget from the Public Education Department even though the District received an award. The District received \$65,519 from the Public Education Department for this fund during the 2014-2015 budget year and an additional \$5,768 after year-end to cover all expenditures of the fund.

The District receives these funds from a Regional Educational Cooperative (REC) which has been established by the State. However, these funds are budgeted at the REC and not at the District. The District has full rights to expend these funds and follow through on the program. The State does not want to show two separate entities budgeting and expending the same funds, so it only allows the REC to budget the funds but then distribute them to member districts where they are actually spent in accordance with the requirements of the fund.

Effect: The internal controls established by adherence to budgets have been compromised, and excess spending could, and did, result. In addition, New Mexico statutes have been violated. However, there is no way to administer the program and expend the funds allocated to the District without violating the statute. Until the State changes the method it accounts for these types of funds administered through an REC, the member districts will be in violation of the statute, and there is nothing they can do to avoid non-compliance.

Auditor's Recommendation: We recommend that the District continue to bring this to the attention of the state that its own requirements on how these funds are budgeted and expended from an REC will result in a finding for legally expending funds. This finding should exist for every district which expends these types of funds which are distributed through an REC.

Responsible Official's Plan:

- Specific corrective action plan for finding:
 - Business Manager has not been given a way to fix this
- Timeline for completion of corrective action plan:
 - Dependent on State changing procedures
- Employee position(s) responsible for meeting the timeline:
 - None

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2013-003 [2013-03] – Purchase Orders and Payment Authorization (Significant Deficiency) Repeated and Revised

Criteria: Per 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 verified items or services should be recorded on the receiving document or other recording instrument (i.e., electronic file)”, and “upon verifying and recording the receipt of all the items or services ordered, the receiving document or recording instrument shall be manually or electronically signed by authorized receiving personnel and processed for payment according to procedures established by school District or charter school boards’ of education local procedures.” Relevant statutes include 13-1-157 and 13-1-158 NMSA 1978.

Condition: During our testing of forty items in cash disbursements, sixty items in Single Audit, and thirty-two items in individually significant items we identified thirteen instances in which proper procedures were not followed:

- We identified two instances in which there were no proper receiving documentation to show that a responsible official accepted responsibility ensuring that the services were rendered. These were payments for officials officiating at athletic events. The value of these services was \$154.23 and \$86.00, respectively.
- We identified five instances in which the invoice was dated and or received prior to the creation of a purchase order. Two instances related to officials for athletic events, one was for mileage reimbursement, one was for the purchase of supplies from a community college, and the final was for purchase of supplies on-line. The value for these transactions ranged from \$60.00 to \$182.00.
- We identified one instance in which an individual was improperly reimbursed for a meal on travel when the travel was only one-and-one-half hours outside their normal work day. Statutes require that the individual work at least two hours past their normal work schedule while on travel to receive reimbursement for meals.
- We identified one instance where the District did not go out to bid for services regarding the maintenance and repair of the District’s fire and burglar alarms.
- We identified one purchase for \$41,556.30 for which three written quotes were not obtained as was required under State statute.

In the previous year’s testing which included 113 total disbursements, we identified fifty-four instances where proper receiving procedures had not been followed. We identified three instances in which purchase orders had been created after the purchase of goods and/or services. We also identified one instance in which the invoice and check exceeded the amount of the purchase order. Finally, we identified three instances where quotes were required to be obtained but had not been gathered.

During our testing of twenty-five activity disbursements we identified multiple instances in which proper procedures were not followed.

- We identified seventeen instances in which there were no receiving signatures to verify when goods and or services were received by the schools or who was taking responsibility that the items were properly received. The value of these items ranged from \$4.08 to \$875.00
- We identified 1 instance in which there was no invoice in the file to verify the purchase price. The value of this item was \$875.00.
- We identified 4 instances in which the purchase order was dated after the purchase was made. The value of these goods and services ranged from \$4.08 to \$356.67.

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Section II – Financial Statement Findings (Continued)

FS 2013-003 [2013-03] – Purchase Orders and Payment Authorization (Significant Deficiency) Repeated and Revised (continued)

In the previous year's testing, we identified two instances out of twenty-five tested where no receiving documentation existed. We identified four instances in which there was no invoice on file to verify the purchase price. Seven instances were identified where the purchase order was created after the receipt of goods, and one instance existed where the purchase order were for less than the amount of the invoice and check.

During our review of travel and per-diem we identified several instances in which proper procedures were not followed.

- In two of the 15 items tested we noted that the purchase order was approved after the trip happened. Both of these instances were early in the year prior to the audit findings being given in the previous year. No additional travel items tested had failed to obtain a purchase order subsequent to the prior year's findings being provided to the District.

In the previous year, three instances were identified where the purchase order was entered after the travel had occurred.

During our review of purchasing card disbursements where we tested dozens of purchases totaling \$38,640 we identified the following items where proper procedures were not followed:

- An ice maker was purchased on 5/21/2015; however, the purchase order wasn't entered until 5/26/2015
- Travel for state golf occurred on 5/10/2015; however, the purchase order wasn't entered until 5/13/2015

Cause: District personnel have not followed state guidelines or internal procedures in the purchase of items. Policy clearly states that the District has a signed purchase order in place prior to order or reception of any goods and services. State guidelines require that goods and services received by a District have appropriate receiving documentation.

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 District and 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 need to be aware that a purchase order must be approved prior to payment is authorized. Additionally, when goods and services are received by the District, someone must sign and date when the product or service was received. Proper mileage logs should exist for all in-district travel which is reimbursed.

Responsible Official's Plan:

Bullets 1 and 2

- Specific corrective action plan for finding:
 - Officials will be treated as any other purchase the school has
- Timeline for completion of corrective action plan:
 - October 15, 2015
- Employee position(s) responsible for meeting the timeline:
 - Athletic Director, Principal, Secretaries

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TUCUMCARI PUBLIC SCHOOLS
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Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2013-003 [2013-03] – Purchase Orders and Payment Authorization (Significant Deficiency) Repeated and Revised (continued)

Bullet 3

- Specific corrective action plan for finding:
 - The travel reimbursement voucher has specific instructions on what to do for One-Day travel
- Timeline for completion of corrective action plan:
 - Started January of 2015 when Sylvia Lujan returned an RFR. Memo was sent to all employees about hourly reimbursements at that time. A new travel reimbursement was created for July 1, 2015.
- Employee position(s) responsible for meeting the timeline:
 - Superintendent and Administrative Assistants

Bullet 4

- Specific corrective action plan for finding:
 - No purchase requisition will be approved without supporting documentation.
- Timeline for completion of corrective action plan:
 - July 1, 2015
- Employee position(s) responsible for meeting the timeline:
 - Chief Procurement Officer and Business Manager

Bullets 5, 6, and 7

- Specific corrective action plan for finding:
 - Principals and Secretaries will be reminded at the beginning of each year to make sure proper procedures are followed for purchasing, receiving, and documenting.
- Timeline for completion of corrective action plan:
 - July 1 of each school year
- Employee position(s) responsible for meeting the timeline:
 - Principals, Secretaries

Bullet 8

- Specific corrective action plan for finding:
 - Continue to train staff
- Timeline for completion of corrective action plan:
 - Every start of the school year
- Employee position(s) responsible for meeting the timeline:
 - Superintendent, Assist Superintendent, Business Office

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TUCUMCARI PUBLIC SCHOOLS
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Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2013-003 [2013-03] – Purchase Orders and Payment Authorization (Significant Deficiency) Repeated and Revised (continued)

Bullets 9 and 10

- Specific corrective action plan for finding:
 - Continued training for all staff that places their own orders
- Timeline for completion of corrective action plan:
 - Every start of the school year
- Employee position(s) responsible for meeting the timeline:
 - Superintendent, Assist Superintendent, Business Office

Bullet 11

- Specific corrective action plan for finding:
 - Any services or supplies contracted for will be looked at in March and April to see if it has been 3 years or if a bid needs to be placed annually before the school year begins.
- Timeline for completion of corrective action plan:
 - March and April of 2016
- Employee position(s) responsible for meeting the timeline:
 - Chief Procurement Officer, Facilities Admin Assistant.

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TUCUMCARI PUBLIC SCHOOLS
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FOR THE YEAR ENDED JUNE 30, 2015

Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2014-001 – Improper Recording of Journal Entries (Non-Compliance) Repeated and Revised

Criteria: According to 6-5-2C NMSA 1978, “state agencies shall implement accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.”

Good accounting procedures require that all manual journal entries should have proper supporting documentation and be reviewed by at least two individuals who should sign and date the journal entry. This should be performed in order to detect errors and to prevent improper movement of funds. This provides an internal deterrent to errors, fraud, and misappropriation of assets.

Condition: During our review of manual journal entries, we found one instance out of fifteen tested where the manual journal entry did not have supporting documentation for \$9,370, relating to an ERB payment, of the \$36,088 entry. The ERB amount, which was to correct a previous entry, was posted to the wrong account which inflated the ERB expense for the financial statements. However, the actual payment was correct.

In the previous year we identified eight instances in which the manual journal entry had not supporting documentation ranging in amounts from \$2.00 to \$139,172.

Cause: The District did not follow proper accounting procedure regarding the need for supporting documentation of journal entries and made an error in correcting the wrong object code.

Effect: District personnel have not followed state guidelines or internal procedures in the recording of journal entries. Good accounting procedures require appropriate documentation to support journal entries and journal entries need to be reviewed carefully to make sure the proper line items are charged.

Auditor’s Recommendation: We recommend that management record all journal entries properly and ensure that all transfers have proper supporting documentation.

Responsible Official’s Plan:

- Specific corrective action plan for finding:
 - Business Manager will attach all supporting documentation to the JE when it is sent to Superintendent to sign.
- Timeline for completion of corrective action plan:
 - Started in May of 2015
- Employee position(s) responsible for meeting the timeline:
 - Superintendent and Business Manager

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
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FOR THE YEAR ENDED JUNE 30, 2015

Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2014-002 – Payroll Documentation of I-9s (Non-Compliance) Repeated and Revised

Criteria: NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Condition: During our testing of payroll we noted two I-9's out of forty tested which had the following deficiency:

- One employee's I-9 did not include the proper supporting documentation. The I-9 requires 2 forms of identification to be used when one form of identification is a driver's license. In this employee's case only a driver's license was obtained and not a second authorized form of identification.
- One employee's I-9 had not been dated by the employee.

In the previous year's testing, nine of forty I-9's were incomplete as four were not dated, three individuals had no I-9 on file, one was not signed by the employee, and one did not have the proper identification documents.

Cause: District, State, and Federal policies are not being followed or reviewed to ensure proper execution.

Effect: The District is in a violation of NMAC 6.20.2.18 and the Immigration Reform and Control Act of 1986 and the Tucumcari Public Schools' Payroll Policy and Procedure Manual.

Auditor's Recommendation: We recommend that the District follow the corrective action plan set forth in the Immigration Reform and control Act of 1986 and request that the employee complete section 1 of the Form I-9 immediately and submit documentation as required in Section 2. The new form should be dated when completed-never post-dated. When an employee does not provide acceptable documentation, the employer must terminate employment or risk being subject to penalties for "knowingly" continuing to employ an unauthorized worker if the individual is not in fact authorized to work.

Responsible Official's Plan:

- Specific corrective action plan for finding:
 - More care will be taken to make sure all documents are updated and complete in employee files
- Timeline for completion of corrective action plan:
 - The employee has been notified and is applying for a duplicate birth certificate and a social security card
- Employee position(s) responsible for meeting the timeline:
 - Superintendent's Admin Assistant

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Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2014-003 – Background Checks and Licensing – (Non-Compliance) Repeated and Revised

Criteria: According to 22-10A-5 NMSA 1978

C. Local school boards and regional education cooperatives shall develop policies and procedure to **require background checks on an applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school.**

D. An applicant for employment who has been initially licensed within twenty-four months of applying for employment with a local school board, regional education cooperative or a charter school shall not be required to submit to another background check **if the department has copies of the applicant's federal bureau of investigation records on file.** An applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school shall provide two fingerprint cards or the equivalent electronic fingerprints to the local school board, regional education cooperative or charter school to obtain the applicant's federal bureau of investigation record. The applicant, contractor or contractor's employee who has been offered employment by a regional education cooperative or at a public school may be required to pay for the cost of obtaining a background check. **At the request of a local school board, regional education cooperative or charter school, the department is authorized to release copies of federal bureau of investigation records that are on file with the department and that are not more than twenty-four months old.** Convictions of felonies or misdemeanors contained in the federal bureau of investigation record shall be used in accordance with the Criminal Offender Employment Act; provided that other information contained in the federal bureau of investigation record, if supported by independent evidence, may form the basis for the employment decisions for good and just cause. Records and related information shall be privileged and shall not be disclosed to a person not directly involved in the employment decision affecting the specific applicant who has been offered employment, contractor or contractor's employee with unsupervised access to students at a public school.

Additionally 22-10A-3 NMSA 1978 states:

A. Except as otherwise provided in this subsection, any person teaching, supervising an instructional program or providing instructional support services in a public school or state agency; any person administering in a public school; and any person providing health care and administering medications or performing medical procedures in a public school shall hold a valid license or certificate from the department authorizing the person to perform that function. This subsection does not apply to a person performing the functions of a practice teacher as defined by the state board [department].

C. A person performing the duties of a licensed school employee who does not hold a valid license or certificate or has not submitted a complete application for licensure or certification within the first three months from beginning employment duties shall not be compensated thereafter for services rendered until he demonstrates that he holds a valid license or certificate. This section does not apply to practice teachers as defined by rules of the state board [department].

Condition: During our review of personnel files we noted the following instances where required background check documentation was not found in the employees personnel file:

- In three of the forty files reviewed there was no copy of the FBI background check in the file. One of those three employees contained a screen printout from the PED's website showing that the license was cleared, but no actual background check.

In the previous year, eleven of forty files reviewed did not have a valid background check on file. Additionally, one employee did not have a valid educational license on file. In the current year, all required licenses were on file.

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Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2014-003 – Background Checks and Licensing – (Non-Compliance) Repeated and Revised

Cause: Tukumcari Public Schools have not followed state guidelines in regards to documentation of licensure and background checks.

Effect: The School's failure to maintain a background check report in the employee file is a violation of state statute and puts the District and School at additional risk of liability for any actions that may arise regarding employees.

Auditor's Recommendation: We recommend that Tukumcari Public School's establish a policy regarding background checks and ensuring they are properly obtained and maintained within the employee personnel file.

Responsible Official's Plan:

- Specific corrective action plan for finding:
 - Any person who is an employee of Tukumcari schools or any person contracted by the school who has access to students will have fingerprints done.
- Timeline for completion of corrective action plan:
 - As of Sept 28, 2015, all employees have fingerprints on file.
- Employee position(s) responsible for meeting the timeline:
 - Superintendent's Admin Assistant

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TUCUMCARI PUBLIC SCHOOLS
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Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2014-005 – Timeliness of Deposits (Significant Deficiency) Repeated and Revised

Criteria: 6.20.2.14 NMAC:

C. Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day. If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour/one banking day requirement, the local board may request approval from the department for an alternative plan. The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference.

Condition: During our review of activity receipts, we noted the following:

- One deposit out of twenty-five samples selected were not deposited timely. A deposit in the amount of \$28.00 was not made within 24 hours of receipt. This cash was received on 11/24/14 and was not deposited until 12/1/14.

In the previous year, two deposits for activity receipts were not made within 24 hours of receipt.

During our review of District deposits, we noted the following:

- One deposit out of forty items selected for testing was not made within 24 hours. A check was stamped as received on 5/11/2015 and was not deposited until 5/13/2015.
- Additionally, four deposits were made from food services on 1/30/2015, 2/27/2015, 5/28/2015, and 5/29/2015 for which we couldn't determine if the amounts were deposited within 24 hours of receipt nor could we determine if all funds received by the food service provider were deposited. Insufficient documentation is sent from Summit Foods to the business office for us to determine that all amounts are included in the deposit and that all amounts are deposited within 24 hours of receipt.

Cause: The staff of the District did not deposit the funds within 24 hours after receipt. Proper procedures relating to cash receipts were not followed. Additionally, Summit Foods does not provide the District's business office with sufficient documentation to verify the propriety of their deposits.

Effect: Non-adherence to state statutes places the District in noncompliance and lack of timeliness of deposits could subject the District to a possible occurrence of fraud. This is especially true of the deposits occurring with the food service provider.

Auditors' Recommendation: We recommend that the District work with Summit Foods to obtain sufficient documentation for the daily deposits so that the District is satisfied that all funds are being deposited and that all funds are being deposited timely. We also recommend that the District emphasize the importance of timely deposits of receipts, and monitor receipts more closely being deposited at the school locations in order to be compliant with state statutes. The District should cross-train employees so that more than one individual is able to make deposits to ensure timely deposits are possible.

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Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2014-005 – Timeliness of Deposits (Significant Deficiency) Repeated and Revised (continued)

Responsible Official's Plan:

Bullets 1 and 2

- Specific corrective action plan for finding:
 - Money will be deposited within 24 hours or before holidays and research on where it goes to will be completed afterwards if needed

- Timeline for completion of corrective action plan:
 - July 1, 2015

- Employee position(s) responsible for meeting the timeline:
 - Secretaries, Business Office

Bullet 3

- Specific corrective action plan for finding:
 - The Supt or Assist Supt will train the food service provider as to the proper procedures for depositing money

- Timeline for completion of corrective action plan:
 - November 1, 2015

- Employee position(s) responsible for meeting the timeline:
 - Superintendent, Assist Superintendent, Food Service Provider

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Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2014– 010 – Insufficient Pledged Collateral (Non-Compliance) Repeated and Revised

Criteria: According to 6-10-16 NMSA 1978, “deposits of public money shall be secured by (1) securities of the United States, its agencies or instrumentalities ; (2) securities of the state of New Mexico, its agencies, instrumentalities, counties, municipalities or other subdivisions; (3) securities, including student loans, that are guaranteed by the United State or the State of New Mexico; (4) revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated “BAA” or above by a nationally recognized bond rating services; or (5) letters of credit issued by a federal home loan bank”.

Also 6-10-17 NSMA 1978 states, “Any bank or savings and loan association designated as a depository of public money shall deliver securities of the kind specified in Section 6-10-16 NMSA 1978 to a custodial bank described in Section 6-10-21 NMSA 1978 and shall then deliver a joint safekeeping receipt issued by the custodial bank to the public official from whom or the public board from which the public money is received for deposit. The securities delivered shall have an aggregate value equal to one-half the amount of public money to be received in accordance with Subsection B of Section 6-10-16 NMSA 1978. However, any such bank or savings and loan association may deliver a depository bond executed by a surety company as provided in Section 6-10-15 NMSA 1978 as security for any portion of a deposit of public money.”

Condition: During our review of cash and pledged collateral requirements we observed the District has four certificates of deposit (CD) which do not have sufficient collateralization. The CDs total \$500,000 which has FCUA insurance up to \$250,000 no additional collateralization was provided by the credit union. State law requires one half of all uninsured amounts to be collateralized, leaving the District \$125,000 short of statutory requirements.

This same finding existed in the previous year as the District receives a good interest rate return on their funds and believes it has little risk of failure.

Cause: The credit union has not provided collateralization and the District has not followed state guidelines.

Effect: The District’s deposits of public monies were not sufficiently collateralized according to state statute in the event of a savings and loan failure which could cause the loss of assets.

Auditor’s Recommendation: We recommend that management adequately monitor the collateralization of its deposits. Management should require written confirmation from the savings and loan regarding the type and fair value of the increased collateralization.

Responsible Official’s Plan:

- Specific corrective action plan for finding:
 - Move investments so there is only \$250,000.00 in the credit union

- Timeline for completion of corrective action plan:
 - On July 27, 2015 the money was moved

- Employee position(s) responsible for meeting the timeline:
 - Business Manager

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Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2015-001 – Failure to Follow Statutory Bid-RFP Procedures (Non-Compliance)

Criteria:

1.4.1.17 NMAC 1978 PUBLIC INVITATION FOR BID:

Publication. The IFB or notice thereof shall be published **not less than ten calendar days prior to the date set for the opening of bids**. The IFB or notice must be published once in at least three newspapers of general circulation in this state.

A. These requirements of publication are in addition to any other procedures that may be adopted by the state purchasing agent to notify prospective bidders that bids will be received, including but not limited to publication in trade journals, if available.

B. Bidder lists. The state purchasing agent shall send copies of the notice or IFB involving the expenditure of more than sixty thousand dollars (\$60,000) to those businesses which have signified in writing an interest in submitting bids for particular categories of items of tangible personal property, construction and services and which have paid any required fees. (13-1-104 NMSA 1978). Reference is also given to 1.4.1.48 NMAC of this rule.

C. Public availability. A copy of the IFB shall be made available for public inspection at the office of the state purchasing agent.

1.4.1.51 SMALL PURCHASES OF ITEMS OF TANGIBLE PERSONAL PROPERTY, CONSTRUCTION AND NONPROFESSIONAL SERVICES:

A. Quotation to be obtained. **Insofar as it is practical for small purchases of nonprofessional services, construction or items of tangible personal property having a value exceeding twenty thousand dollars (\$20,000) but not exceeding sixty thousand dollars (\$60,000), and in accordance with any procedures or processes set forth by the state purchasing agent, no fewer than three businesses shall be solicited via written requests containing the specifications for the procurement to submit written quotations that are recorded and placed in the procurement file.** If three written quotes cannot be obtained, the agency shall document the reasons and include the document in the procurement file. Such notations as “does not carry” or “did not return my phone call” do not qualify as a valid quotation. If the lowest quotation is not acceptable, the central purchasing office must issue a written determination as to the reasons for such a decision. These reasons must not be arbitrary or capricious. The written determination becomes a part of the procurement file.

B. Disclosure. Prior to award, the contents of any response to a quotation shall not be disclosed to any other business from which the same request for quotation is also being solicited. Award in this context means the final required state agency signature on the contract(s) resulting from the procurement.

C. Award. Award shall be made to the business offering the lowest acceptable quotation.

D. Records. The names of the businesses submitting quotations and the date and the amount of each quotation shall be recorded and maintained as a public record.

Condition: During our testing of bid/RFP compliance and disbursement testing we identified that the District was not in compliance with state requirements in the following areas:

- The District did not wait the statutory 10 days after publication of the request for proposal before opening the proposals. The proposal was opened one day too soon as the proposal was advertised on 8/6/2014 and was opened on 8/15/2014.
- During our testing of individually significant items we identified a vendor who provided more than \$60,000 in services but there was no bid for this contract. The contract was for maintenance of alarms, and the vendor was paid more than \$80,000 for services.
- During our testing of individually significant items we identified one purchase of \$41,556.30 for computers and portable backups for which three written quotations were not obtained prior to the purchase. The District purchased the items from a national cooperative, but the District is not a member of the cooperative.

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Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2015-001 – Failure to Follow Statutory Bid-RFP Procedures (Non-Compliance) (continued)

During our review of fixed assets and related repairs and maintenance expenditures we identified the following issue:

- The District has a contract for custodial supplies which it pays \$4,413 per month. However, this contract for almost \$53,000 of supplies was never bid.

During the previous year we noted that bids did not contain statutory preferences.

Cause: An individual miscounted the ten day waiting period necessary before opening the proposal to provide food services to the District. Additionally, the District had not thought of the need to obtain bids for the maintenance of the fire/burglar alarms in the District. More than one company can provide these services, but an oversight occurred. Additionally, when the computers were purchased, the individual assumed that they could buy the computers through the cooperative with quotations.

Effect: The District is not in compliance with State Purchasing Guidelines and could have their bidding procedures challenged. Additionally, the District may not be obtaining the best possible price or service for alarm maintenance services.

Auditor's Recommendation: We recommend that the District correctly identify the required waiting times between advertising and opening of all bids and RFP's. Additionally, the District should review all potential maintenance contracts which they have which may require bids be obtained. After identifying any possible services, the District should put these items out for bid in order to be in compliance with State and District policies.

Responsible official's Plan:

Bullet 1

- Specific corrective action plan for finding:
 - There will be 10 days added to the first day of publication so there will be 10 full days before bids are opened
- Timeline for completion of corrective action plan:
 - Immediately
- Employee position(s) responsible for meeting the timeline:
 - Chief Procurement Officer will monitor all bids

Bullet 2

- Specific corrective action plan for finding:
 - Per procurement—Must go out to bid every 3 years for these service providers.
- Timeline for completion of corrective action plan:
 - Immediately
- Employee position(s) responsible for meeting the timeline:
 - Chief Procurement Officer

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Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2015-001 – Failure to Follow Statutory Bid-RFP Procedures (Non-Compliance) (continued)

Bullet 3

- Specific corrective action plan for finding:
 - When a requisition is put into Visions –If it is over \$1,500.00, the 3 quotes or the contract # will be given to the business office before the requisition is approved by the Chief Procurement Officer or the Business Manager.

- Timeline for completion of corrective action plan:
 - Immediately

- Employee position(s) responsible for meeting the timeline:
 - Chief Procurement Officer and Business Manager

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FOR THE YEAR ENDED JUNE 30, 2015

Schedule XI

Section II – Financial Statement Findings (Continued)

FS-2015-002 – Segregation of Duties (Significant Deficiency)

Criteria: 6.20.2.11 NMAC 1978:

A. 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 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.

B. 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.

(1) School district management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the school district.

(2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with school district authorization.

(3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.

(4) School districts shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.

(5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, school districts shall establish any other criteria applicable to such statements to maintain accountability for assets.

(6) School districts shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.

C. **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:**

(1) **rights and ownership;**

(2) **existence and occurrence;**

(3) **valuation and allocations;**

(4) **completeness; and,**

(5) **presentation and disclosure.**

D. 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.**

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Schedule XI

Section II – Financial Statement Findings (Continued)

FS-2015-002 – Segregation of Duties (Significant Deficiency) (continued)

Condition: During our review of payroll we noted the following deficiencies:

- The business manager has the authority to input employee information into the financial system, and the same individual has the ability to issue payroll checks, direct deposits, miscellaneous pay, etc. Payroll information was not reviewed by any additional individual to insure that all payments are proper and to valid employees and for valid obligations of the district. However, at year end, the district has made a change to its payroll procedures where the Superintendent reviews the payroll distribution report and signs off on this report to provide an additional review of payroll disbursements.

Cause: There was not a proper segregation of duties between the human resources department and the payroll department or within the business office as one individual was responsible for inputting new employees, setting up pay rights of the new employee, entering payroll items for the new employee, and distributing the payroll through check or direct deposit without review by another individual.

Effect: The business manager has the ability to input new employee information and create payroll checks without oversight or involvement of the human resources department. This could lead to an incidence of fraud as there is no internal control to prevent the creation of a non-existent employees, the modification of existing employee pay, or the inclusion of additional pay to an existing employee.

Auditors' Recommendation: We recommend that the District ensure that the ability to input a new employee into the payroll system, change information of an employee in the payroll system, or enter additional pay to an existing employee be divided between the two departments or individuals so that no one individual has unchecked ability to create new employees, modify existing employees, or pay employees without further review. The district has taken the step at year-end to insure that a second individual (Superintendent) reviews payroll from each payroll period and signs-off on that payroll. While this isn't as effective as true segregation of duties, this procedure will provide additional assurances as long as the report is truly reviewed each period and an individual other than the business manager runs the payroll distribution report.

Responsible Official's Plan:

- Specific corrective action plan for finding:
 - The Business Manager is the person hired to do payroll. The distribution report is part of the payroll process and cannot be manipulated. The Superintendent is given the report after each payroll. He or the people in the Supt office are able to see exactly who was paid and the amount. Anyone at any time in the Business Office can look at any report. Our checks are pre-numbered and accounted for so that is another way to monitor who is receiving payments.
- Timeline for completion of corrective action plan:
 - It was mentioned that the Business Manager already is giving the distribution report to the Superintendent
- Employee position(s) responsible for meeting the timeline:
 - Superintendent and Business Manager

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2015-003 – Insufficient Documentation for Mileage Reimbursement (Non-Compliance)

Criteria: According to 2.42.2.11 NMAC 1978:

- A. **Applicability:** Mileage accrued in the use of a private conveyance shall be paid only in accordance with the provisions of this section.
- B. **Rate:** Public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the discharge of official duties as follows:
- (1) unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA 1978, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle;
- C. **Local public bodies:** Public officers and employees of local public bodies may be reimbursed for mileage accrued in the use of a private conveyance in the discharge of official duties, at the statutory rates unless such rates have been reduced by the governing bodies of the local public body pursuant to Section 10-8-5 (D) NMSA 1978.
- D. **Privately owned automobile:** For conveyance in the discharge of official duties by privately owned automobile, mileage accrued shall be reimbursed at the rate set forth in this section as follows:
- (1) pursuant to the mileage chart of the official state map published by the state highway and transportation department for distances in New Mexico and the most recent edition of the Rand-McNally road atlas for distances outside of New Mexico; or
- (2) pursuant to actual mileage if the beginning and ending odometer reading is certified as true and correct by the traveler; and
- (a) the destination is not included on the official state map or on the Rand McNally road atlas, or,
- (b) at the destination(s) of the public officer or employee, the public officer or employee was required to use the private conveyance in performance of official duties.

Condition: During our testing of travel and per-diem expenses, disbursement testing, and Single Audit disbursement testing, we discovered that initial departure and return mileages are not being recorded on travel and reimbursement forms for mileage reimbursements for in-district usage of a personal vehicle.

Cause: The District has not been requiring employees to record departure and return odometer readings to verify miles reimbursed are appropriate.

Effect: There is no way to properly verify mileage reimbursement if there is no mileage log to review.

Auditor's Recommendation: We recommend that management require that odometer readings be kept and recorded so that mileage reimbursement is being paid according to statute and can be confirmed by auditors.

Responsible Official's Plan:

- Specific corrective action plan for finding:
 - All reimbursements for travel that are given to employees as a reimbursement for doing school business on a daily basis will be paid through payroll as a travel stipend.
- Timeline for completion of corrective action plan:
 - July 1, 2015
- Employee position(s) responsible for meeting the timeline:
 - Business Manager

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Schedule XI

Section II – Financial Statement Findings (Continued)

FS 2015-004 – Improper Purchase of High Grade Fuel (Non-Compliance)

Criteria: In accordance with 1.5.4.12 NMAC, State of New Mexico credit cards shall be used only for official business and only to furnish state-owned vehicles with:

- A. regular gasoline;
- B. unleaded gasoline;
- C. diesel fuel;
- D. lubrication;
- E. motor oil;
- F. car wash; and
- G. emergency purchases not exceeding \$100.00 in total.

Condition: During our review of credit card purchases we noted one instance in which high grade fuels were purchased:

- In May there was one purchase of 7.9 gallons of mid-grade fuel for \$21.63

Cause: A fuel cards was used to purchase a mid-grade fuel in violation of state statute.

Effect: The District is in violation of state statute and is spending funds on products which are considered excessive.

Auditor's Recommendation: We recommend that the District adhere to state law regarding the purchase of fuel with gas cards. All individuals who drive District vehicles and use the gas cards should be instructed in the law as to what is and is not proper with regards to gas cards. Relevant sections may be found at 1.5.3.19, 1.5.3.20, and 1.5.4.12 NMAC.

Responsible Official's Plan:

- Specific corrective action plan for finding:
 - A note will be put in the card packets to remind employees to only use low grade fuel.
- Timeline for completion of corrective action plan:
 - Begins 10/6/2015. Call was made to bus barn.
- Employee position(s) responsible for meeting the timeline:
 - Bus Barn Secretary will put info in packet.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Section II – Financial Statement Findings (Continued)

FS 2015-005 – Cash Appropriations in Excess of Available Cash Balances (Significant Deficiency)

Criteria: All District funds, with the exception of agency funds, are to be budgeted by the local governing body and submitted to the Public Education Department for approval. Cash balances re-budgeted to make up for deficit budgeted revenues that do not cover the budgeted expenditures cannot exceed the actual cash balance available at the end of the prior year.

Condition: The District re-budgeted “cash balance” in excess of available cash balances in the following fund:

	Designated Cash	Available Cash	Cash Appropriation In Excess of Cash
Capital Improvement SB-9	\$ 250,224	\$ 145,109	\$ (105,115)

Effect: The District has budgeted cash balance that does not exist. If the District expends the entire budget there would be insufficient funds to cover the expenditures.

Cause: When the District establishes its budget for the next year, this work is done several months before year-end. This requires the District to estimate the cash balance remaining in funds at year-end and to budget this cash for expenditure in the following year. Subsequent to year-end, the District is supposed to review its budget cash and compare it to the actual cash balance at year-end. The District should then adjust the budget to match the actual cash balance. The District had appropriately reduced several other funds where the initial cash balance budgeted was in excess of the actual cash remaining at 6/30/2014. However, two funds were missed in the review process and were not properly reduced.

Auditor’s Recommendation: Budgets and cash balances for future years should be reviewed to insure all funds have adequate budget authority for budgeted expenditures. Adjustments should be made to budgeted cash balances after actual amounts are determined.

Responsible Official’s Plan:

- Specific corrective action plan for finding:
 - Business Manager always does a review of cash balances at year end and marks which fund and how much it will be reduced or added. Business Manager will mark off which funds BARS done for so none are missed in the future.

- Timeline for completion of corrective action plan:
 - Beginning of every school year

- Employee position(s) responsible for meeting the timeline:
 - Business Manager

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Schedule XI

Section III – Federal Award Findings

FA 2014-002 – Improper Recording of Goods and or Services (Non-Compliance) Repeated and Revised

Federal Program Information:

Funding Agency: U.S. Department of Education

Title: IDEA-B Entitlement and Title I - IASA

CFDA Number: 84.027 and 84.010

Passthrough: New Mexico Department of Education

Award Year: 2015

Criteria: According to OMB Circular A-102:

3) *Internal Control*- Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

Condition: During our review of disbursements and related documentation, we identified four instances out of sixty in which proper procedures were not followed.

- We identified three instances in which employees were reimbursed \$50.50 for mileage without any documentation to show the reimbursement was for valid mileage reimbursement.
- We identified one instance in which the purchase order for goods obtained was signed after the goods were received. The amount of these goods was \$60.00

During the previous year, we noted 15 instances where there was no indication of receiving of goods and services on the supporting documentation. During the current year, all items had proper receiving documentation.

Questioned Costs: None

Cause: District personnel have not properly documented expenditures of funds as is required by both state and federal statutes.

Effect: The District is not in compliance with Federal regulations related to the grant and could put funding in jeopardy or require the District to reimburse the program for undocumented distributions.

Auditor's Recommendation: We recommend that all individuals who manage Federal programs and those individuals who process payroll be trained on the requirements of internal controls as they relate to payments using Federal funds.

Responsible Official's Plan:

- Specific corrective action plan for finding:
 - Bullet 1—Mileage Reimbursements are now paid as a stipend for the employees above.
 - Bullet 2—Open PO's are now in place for distance learning fees
- Timeline for completion of corrective action plan:
 - Both of the bullets were tended to as of July 1, 2015
- Employee position(s) responsible for meeting the timeline:
 - Business Manager for Bullet 1
 - HS Principal, HS Secretary for Bullet 2

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Schedule XI

Section IV – Prior Year Audit Finding

FS 2010-002 [2010-02] – Budgetary Controls – Repeated and Revised
FS 2013-003 [2013-03] – Cash Disbursements – Repeated and Revised
FS 2014-001 – Improper Recording of Journal Entries – Repeated and Revised
FS 2014-002 – Payroll Documentation of I-9s – Repeated and Revised
FS 2014-003 – Background Checks and Licensing – Repeated and Revised
FS 2014-004 – Incomplete Procedures for Purchases Requiring Quotations – Resolved
FS 2014-005 – Timeliness of Deposits – Repeated and Revised
FS 2014-006 – Lack of Supporting Documentation for Credit Card Purchases – Resolved
FS 2014-007 – Federal Reporting Requirements – Resolved
FS 2014-008 – Improper Maintenance of Fixed Asset Records – Resolved
FS 2014-009 – Improper Recording of Disposed Assets – Resolved
FS 2014-010 – Insufficient Pledged Collateral – Repeated and Revised
FS 2014-011 – Statutory Preferences in Bids and RFPs - Resolved

FA 2014-001 – Improper Maintenance of Personnel Activity Reports – Resolved
FA 2014-002 – Improper Recording of Goods and Services – Repeated and Revised
FA 2014-003 – Late Data Collection Form Submission – Resolved

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
OTHER DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2015

Auditor Prepared Financial Statements

Manning Accounting and Consulting Services, LLC prepared the GAAP-basis financial statements and footnotes of Tucumcari Public Schools from the original books and records provided to them by the management of the District. 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. The responsibility for the financial statements remains with the District.

Exit Conference

The contents of this report were discussed on November 02, 2015. The following individuals were in attendance.

Tucumcari Public Schools

Aaron McKinney – Superintendent
David Johnson – Assistant Superintendent
Leif Gray--Board Member
Corrine Hayes – Board Secretary
Leola Patterson--Business Manager
Dianne Morrow--Business Support
Lorinda Martinez--Business Support
Susan Lease – Community Member

Manning Accounting and Consulting Services, LLC

Byron R. Manning, CPA