

STATE OF NEW MEXICO

ZUNI PUBLIC SCHOOLS



ANNUAL FINANCIAL REPORT

JUNE 30, 2015



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INTRODUCTORY SECTION

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

| <u>Name</u> | | <u>Title</u> |
|----------------------|----------------------------------|-----------------------------------|
| | <u>School Board</u> | |
| Jerome Haskie | | President |
| Carleton Albert, Sr. | | Vice-President |
| Stephanie Vicenti | | Secretary |
| Masika Sweetwyne | | Member |
| Bernadette Panteah | | Member |
| | <u>District Officials</u> | |
| Hayes A. Lewis | | Superintendent |
| Martin Romine | | Director of Finance |
| Caroline Ukestine | | Director of Federal Programs |
| Susan Griffith | | Director of Special Education |
| Paul Meyer | | Director of Support Services |
| Karen Dixon | | Director of Instructional Support |
| Tammie Gerrard | | Director of Human Resources |

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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
Zuni Public Schools
Zuni, 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 fund of Zuni 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 fund 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 fund 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 funds, debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 9 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. Management has provided the required GASB 68 schedules which are presented as Schedules V through VII.

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 IV, 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 IV 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 IV 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 VIII, 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

ZUNI PUBLIC SCHOOL DISTRICT

Hayes A. Lewis, Superintendent

Management Discussion and Analysis For the Fiscal Year Ending June 30, 2015

This Management Discussion and Analysis of the fiscal performance of the ZUNI PUBLIC SCHOOLS (District) for the period ending June 30, 2015 represents the District's eighth year implementation of the Governmental Accounting Standards Board Statement No. 34 (GASB 34). This is the eleventh year implementation of the GASB 34 rules, the reader will be able to make comparisons.

This discussion and analysis provides a review of the District's overall financial activities, using the accrual basis of accounting, for the year ending June 30, 2015. Fund Financial Statements are reported on a modified accrual basis of accounting. Rather than looking at specific areas of performance, this discussion and analysis focuses on the financial performance of the District as a whole. Whenever possible, this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other graphical information.

In addition to the new reporting, this annual report consists of a series of detailed, audited financial statements and the notes to those statements. Also included is the Independent Auditor's Report, The Independent Auditor's Report on Compliance on Internal Control (Governmental Accounting Standards), and a schedule of Findings and Responses. These statements and information were included in past audit reports.

About ZUNI PUBLIC SCHOOLS

To completely understand the financial discussion of ZUNI PUBLIC SCHOOLS, it is important to understand the nature of the District.

For parents choosing a public education for their children, Zuni Public Schools offer pre-school, full day Kindergarten, elementary, and secondary education for approximately 1,300 students at the present. After a number of years of declining enrollment, the district enrollment has stabilized and is showing signs of future growth.

The Zuni Public School District is located approximately 160 miles west of Albuquerque, New Mexico. Zuni Public Schools is one of the largest employers in our community. During the past few years, our enrollment has hovered just under 1,300 students approximately equal in gender distribution. Our students are virtually 100% Native American as the school district encompasses the Zuni Indian Reservation.

This goal of our school district is to provide safe, quality educational opportunities to all students to empower them to become all that they can be. The vision of the Zuni Public School District is:

"The district and community shall work together to create a thoughtful and nurturing environment that meets the needs of all students in traditional and contemporary cultures."

- Given this vision statement from the Board, and with the guidance of the New Mexico Public Education Department (PED) with their expectations outlined in the Standards for Excellence, and through varied input from district administration, teachers, and parents; ZPSD established the goal of increasing student proficiency by varying degrees based on grade level and to encourage and improve parental involvement at all grade levels. Our focus areas are defined in the district's Educational Plan for Students Success.

Significant Financial Highlights for the Year Ended June 30, 2015

- The district has implemented the new financial reporting and processes as required by the Governmental Accounting Standards Board Statement No. 34. The implementation includes both the current year reporting of depreciation on Capital Assets and accumulated depreciation to date.
- As part of the implementation of GASB 34 requirements, accumulated depreciation of \$27,058,595 as of June 30, 2014 increased to \$28,508,688 ending accumulated depreciation as of June 30, 2015, for a difference totaling \$1,450,093. Capital Asset values increased by \$7,288,787 which included \$8,302,959 in additions, \$1,135,805 in dispositions, and \$121,633 in additions.
- The overall adjusted Fund Balance increased from \$2,784,118 for the year ending June 30, 2014 to \$2,835,889 for the year ending June 30, 2015. This represents an increase in the fund balance of \$51,771.
- Total revenues increased from \$19,079,198 for the year ending June 30, 2014 to \$25,610,037 in the year ending June 30, 2015. This change is an increase of \$6,530,839 reflecting an overall revenue increase of 34.23%. This revenue increased due to an increase in student enrollment, an increase in the student unit value, reimbursement of prior year federal programs revenue, as well as final Impact Aid payments for the 2011 and 2012 school years, and PSFA grant revenue for the construction of a new elementary school.
- Total expenditures increased from \$19,751,362 for the year ending June 30, 2014 to \$25,496,990 for the year ending June 30, 2015. The increase in expenditures equates to \$5,745,628 or 29.09%. The district expenditures increased due employee raises mandated by the state legislature, along with associated benefits cost increases, a major renovation of the Zuni High School HVAC system, and the commencement of construction of a new elementary school

DISTRICT WIDE FINANCIAL STATEMENTS

Statement of Net Position

This is the ninth year of implementation for the GASB 34 Statement of Net Assets. The ZUNI PUBLIC SCHOOLS has utilized the accrual method of accounting. This statement shows that the District has total assets of \$30,805,847. The District has \$3,112,976 of cash and cash equivalents on hand as of June 30, 2015 compared to \$1,479,392 in accounts payable and other current liabilities.

| Assets | <u>June 30, 2014</u> | <u>June 30, 2015</u> |
|--|--------------------------|--------------------------|
| Cash Assets | 2,534,501 | 3,112,976 |
| Other Current Assets | 1,131,103 | 1,012,390 |
| Capital Assets | 46,370,647 | 47,500,711 |
| Construction in Progress | 95,226 | 6,158,723 |
| Less Accumulated Depreciation | <u>(27,058,595)</u> | <u>(28,508,688)</u> |
| Deferred Outflows of Resources | | |
| Subsequent employer contributions and change in proportion – pensions | <u>-0-</u> | <u>1,529,375</u> |
| Total Assets | <u>22,977,656</u> | <u>30,805,487</u> |
| Liabilities | | |
| Accounts Payable | 547,554 | 226,113 |
| Other Current Liabilities | 996,236 | 1,253,279 |
| Long Term Liabilities | 7,490,000 | 7,040,000 |
| Net Pension Liability | <u>-0-</u> | <u>20,480,141</u> |
| Total Liabilities | <u>9,033,790</u> | <u>28,999,533</u> |
| Deferred Inflows of Resources | | |
| Change in pension experience and proportion | <u>-0-</u> | <u>2,166,802</u> |
| Net Position | | |
| Invested in Capital Assets | 11,387,052 | 17,660,746 |
| Restricted | 2,139,800 | 2,450,269 |
| Unrestricted | <u>417,014</u> | <u>(20,471,863)</u> |
| Total Net Position | <u>13,943,866</u> | <u>(360,848)</u> |
| Total Liabilities, Deferred Inflows of Revenues, And Net Position | <u>22,977,656</u> | <u>30,805,487</u> |

ZUNI PUBLIC SCHOOLS financial statements, prior years' information is included. The Management Discussion and Analysis has included two years of information in the presentation of this table.

GASB 34 rules now require public entities to depreciate capital assets. The District utilized a "straight line" depreciation method in all cases and standardized lifetime tables in calculating this depreciation.

GASB 67 and 68 rules now require public entities to report their net pension liability.

Statement of Activities

The Statement of Governmental Activities is a statement required by GASB 34 and is prepared using the accrual method of accounting. This report compliments the Statement of Net Position by showing the overall change in the District's net position for the fiscal year ending June 30, 2015. As of June 30, 2014 the District had net position of \$13,943,866. The Adjusted beginning year total net position is (\$6,940,408) reflecting a decrease in total net position of (\$20,884,274) for the year ending June 30, 2015. This decrease is the result of GASB 68 implementation.

| | <u>June 30, 2014</u> | <u>June 30, 2015</u> |
|---|--------------------------|-------------------------|
| Expenses for Governmental Activities | 19,912,840 | 19,457,409 |
| Less Charges for Services | 502,713 | 530,807 |
| Less Operating Grants and Contributions | 4,566,018 | 4,602,968 |
| Less Capital Grants and Contributions | <u>444,232</u> | <u>6,945,829</u> |
| Net (Expenses) Revenues and Changes in Net Assets | 14,399,877 | (7,377,805) |
| General Revenues | | |
| Taxes – general, debt service, capital projects | 6,610 | 13,460 |
| Federal and State Aid not restricted to specific purposes | 12,312,739 | 13,518,929 |
| Interest Earned | 15,765 | 143 |
| Miscellaneous | <u>1,185,381</u> | <u>424,833</u> |
| Subtotal, General Revenues | 13,520,405 | 13,956,365 |
| Changes in Net Position | (879,472) | 6,579,560 |
| Net Position Beginning | 14,824,442 | 13,943,866 |
| Prior Period Restatement – Change in Accounting Principle | <u>(1,104)</u> | <u>(20,884,274)</u> |
| Net Position – Ending | <u>13,943,866</u> | <u>(360,848)</u> |

FUND FINANCIAL STATEMENTS

Fund financial statements are based on a modified accrual basis of accounting. The Statement of Revenues and Expenditures and Changes in Fund Balances, is *not* new to the District's annual financial reports. This report guides the reader to a meaningful overall view for the District revenue, expenditures and changes to the fund balance. Total revenues from state, local and federal sources were \$25,610,031. Total expenditures for the District were \$25,496,990. The total ending fund balance was \$2,835,89 an increase of \$51,771 from the prior year.

Multi-Year District Revenues and Expenditures

A multi-year view of overall District revenues and expenditures indicates growth and declines in both areas. The growth and decline of revenues and expenditures are commensurate with student enrollment decline, legislative initiatives to improve funding for teacher salaries, student needs and other educational programs as well as state and local increase in revenues for capital outlay purposes.

| Year | Total Revenues* | %age Change | Total Expenses* | Increase % |
|-----------|-----------------|-------------|-----------------|------------|
| 2007-2008 | 22,565,196 | (11.9%) | 25,025,718 | (12.5%) |
| 2008-2009 | 21,228,059 | (3.3%) | 22,341,587 | (10.7%) |
| 2009-2010 | 20,252,802 | (3.5%) | 21,012,450 | (6.0%) |
| 2010-2011 | 20,123,035 | (0.6%) | 20,974,523 | (0.2%) |
| 2011-2012 | 18,568,130 | (7.7%) | 22,063,415 | 5.19% |
| 2012-2013 | 18,008,374 | (1.7%) | 23,037,887 | (17.3%) |
| 2013-2014 | 19,079,198 | 5.9% | 19,751,362 | (14.26%) |
| 2014-2015 | 25,610,037 | 34.23% | 25,496,990 | 29.09% |

*Note: Revenues do not include proceeds from General Obligation Bonds, and exclude cash carryovers; Expenditures include Capital Outlays.

The Budget

District budgets reflect the same change as seen in the revenue and expenditures of the District. The State of New Mexico school budget process is defined under state law and regulation. To enhance the process of developing a budget at the school district level, the District utilizes goals and objectives defined by the District's Board, community input meetings, long term plans and input from various staff groups to develop the District's budget. District priorities are well defined through this process.

GASB 34 does not require a statement presenting the overall result of the budget for the year, however, all major budgetary funds are required to be reported as a separate statement.

Major budgetary funds in these reports are; The Operational Fund (General Fund, Transportation Fund and Instructional Materials Fund), various Federal Funds (Title I, IDEA B, Impact Aid categorical), Private Grants, Public School Capital Outlay and Debt Service. Included in this total are twenty-four (24) non-major Special Revenue Funds and five (5) non-major Capital Projects Funds which are reported for budgetary performance.

The reader will note that the General Fund represents 62% of the total fund dollar amount. This fund provides the salary and benefits for the significant majority of the Direct Instruction, Instructional Support, Administration, Business Support, and Maintenance staff as well as classroom materials, special education consulting staff and fixed utility costs.

Revenue from this fund is substantially derived from the State Equalization Guarantee and Federal Impact Aid Funds, which is the funding formula appropriated for education by the State Legislature less a 75% credit for Federal Impact Aid funds received by ZPSD. The General Fund is explored later in the Management Discussion and Analysis.

The following table examines the summary budget performance of the major and combined non-major funds for the fiscal year ending June 30, 2015. Detailed budget performance is examined through the Budgetary Comparison Statement for each major fund and the Schedule of Revenues and Expenditure Budget and Actual for the combined Special Revenue Funds, Capital Projects Funds, and Debt Service.

MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE

| Fund Type | Final Budget | Actual | Variance |
|-------------------------|--------------|------------|-----------|
| GENERAL | 12,754,019 | 11,388,338 | 1,365,681 |
| TRANSPORTATION | 500,343 | 475,847 | 24,496 |
| INSTRUCTIONAL MATERIALS | 165,941 | 60,883 | 105,058 |
| FOOD SERVICE | 958,079 | 930,433 | 27,646 |
| CAPITAL OUTLAY | 1,932,147 | 1,336,123 | 596,024 |
| DEBT SERVICE | 704,995 | 704,697 | 298 |

COMBINED NON-MAJOR FUNDS EXPENDITURE BUDGET

| Fund Type | Final Combined Budget | Actual | Variance |
|---------------|-----------------------|-----------|-----------|
| Special Funds | 5,757,247 | 4,709,392 | 1,050,855 |

All funds fell within the regulatory criteria set by the Public Education Department and New Mexico Statute. Both the Manual of Procedures for Public School Account and NMSA 8-22-5, Annotated require that budget expenditures be within the authorization of the approved budget.

The General Fund

The General Fund revenues, which include Impact Aid revenues, represent \$12,589,608 of the total \$25,610,037 in overall District revenues. The impact of this fund must be kept in context. The General Fund began the year with an initial budget of \$12,326,891 and had a final budget of \$12,754,019. This change represents an increase of \$427,128. This increase was due to the receipt of final payments for 2011 and 2012 Impact Aid awarded revenue.

The General Fund is predominately funded by revenues from the State of New Mexico Equalization Guarantee Formula and from Federal Impact Aid payments. The fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administration staff. The General Fund provides the predominant funding for athletics and transportation. Because of the student enrollment variances experienced by the School District, an emphasis on schools by the New Mexico Legislature, and because the State Equalization Guarantee Formula is based upon student populations, the Operational Fund (combined General, Transportation and Instructional Materials Funds) has experienced growth in revenues as student enrollment has increased.

The General Fund is the main fund whose expenditures are significantly related to the educational process; \$11,466,751 was expended in the year ending June 30, 2015. The most significant inter-fund expenditure was for the function noted as "Instruction", which includes direct instruction as well as student and instructional support. This expenditure was \$7,122,899 and represents 62% of all General expenditures. Expenditures included in this function are regular and special education teachers and assistants, benefits, payroll taxes, school supplies, training and miscellaneous instructional related contract services, including special education ancillary staff. Approximately 77% of all General Fund expenditures are made for employee salaries, payroll taxes and benefits.

Support services represents 7% of General Fund expenditures and accounts for expenditures for school principals and related school site administrative costs.

The Office of the Superintendent and the Business Office (general and school administration and technology) represent the overhead support of the entire operations of the District; these programs combined represent 11% of the total General Fund. Maintenance accounts for 20% of the General Fund expenditures. Included in the Operation of the Plant expenditures are salaries and benefits for maintenance staff, school custodians, fixed utility costs, maintenance and repairs, maintenance supplies, school custodial supplies, and various equipment maintenance agreements. Additional support for maintenance supplies and projects comes from the voter approved SB9 Fund. The General Fund also supports expenditures for Athletics, Food Services and Transportation.

Capital Assets

Because of aging facilities, the District is committed to maintaining existing facilities.

| Asset Type | Balance June 30, 2014 | Balance June 30, 2015 |
|------------------------------------|-----------------------|-----------------------|
| Land Improvements | 54,684 | 54,684 |
| Furniture, Fixtures & Equipment | 5,507,924 | 5,623,509 |
| Building and Building Improvements | 40,808,039 | 41,822,518 |
| Construction in Progress | 95,226 | 6,158,723 |
| Total Capital Assets | 46,370,647 | 53,659,434 |
| Less Accumulated Depreciation | (27,058,595) | (28,508,688) |
| Capital Assets-Net | 19,312,052 | 25,150,746 |

During fiscal year 2015, the District expended \$7,273,391 for all capital outlays, the majority of which was for construction on a new elementary school. Depreciation expense totaled \$1,496,071 for the year.

General Long Term Debt

Article IX, Section 11 of the New Mexico Constitution limits the power of a school district to incur general obligation debt beyond a school year unless such debt is for "the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving school grounds for purchasing computer software or hardware for student use in public classrooms or any combination of these purposes." The approval of debt is subject to a vote of the local elector and may not exceed 6% of the assessed valuation of the taxable property within the District.

The School District has never defaulted on any of its debts or other obligations. Listed below are the District's annual amounts to amortize the General Obligation and Special Revenue Bonds, including interest payments, as of June 30, 2015. In June 2012 the district refinanced a portion of the teacherage bond debt at a lower interest rate in order to reduce the interest due on the debt. The old debt to New Mexico Finance Authority was paid off and new debt was issued with Bank of Albuquerque being the holder of the bonds.

| Year Ended June 30 | Principal | Interest | Totals |
|--------------------|-----------|-----------|-----------|
| 2016 | 450,000 | 257,113 | 707,113 |
| 2017 | 455,000 | 244,300 | 699,300 |
| 2018 | 465,000 | 230,713 | 695,713 |
| 2019 | 475,000 | 216,194 | 691,194 |
| 2020 | 490,000 | 201,269 | 691,269 |
| 2021-2025 | 2,705,000 | 752,368 | 3,457,368 |
| 2026-2029 | 2,450,000 | 517,512 | 2,967,512 |
| Total | 7,490,000 | 2,419,469 | 9,909,469 |

During the year ended June 30, 2015, the District made principal payments of \$435,000.

Agency Funds

The District, as a custodian, maintains and monitors special funds on the behalf of school activity groups. Agency funds maintained by the District are to benefit a specific activity or interest and are generally raised by students for student use. The custody and use of these funds are in accordance with State Department of Education Regulations and School District Policy. The Statement of Fiduciary Net Assets has a cash balance of \$190,707 as of June 30, 2015 held on behalf of the students as well as a special account held for student scholarships. This amount represents total fundraiser student support by the community.

Contacting Zuni Public Schools

This financial report is designed to provide our community, taxpayers, investors and creditors with an overview of the Zuni Public Schools District's financial condition and to provide accountability for the funds the School District receives. If you have questions about our report or about the operations of the Zuni Public School District, please visit our web site at <http://www.zpsd.org>, or contact us at:

Zuni Public Schools Central Office
P O Drawer A
Zuni, NM 87327
PHONE: 505-782-5511
FAX:505-782-5870

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BASIC FINANCIAL STATEMENTS

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

Exhibit A-1

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| <i>Current Assets</i> | |
| Cash and cash equivalents | \$ 3,112,976 |
| Receivables (net of allowance for uncollectibles) | 799,937 |
| Inventory | 212,453 |
| <i>Total current assets</i> | <u>4,125,366</u> |
| <i>Noncurrent assets</i> | |
| Capital assets (net of accumulated depreciation): | |
| Land and land improvements | 54,684 |
| Buildings and building improvements | 41,822,518 |
| Furniture, fixtures and equipment | 3,395,438 |
| Vehicles | 2,228,071 |
| Construction in progress | 6,158,723 |
| Less: accumulated depreciation | <u>(28,508,688)</u> |
| <i>Total noncurrent assets</i> | <u>25,150,746</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Subsequent employer contributions and change in proportion - pensions | <u>1,529,375</u> |
| <i>Total assets and deferred outflows of resources</i> | <u>\$ 30,805,487</u> |
| LIABILITIES | |
| <i>Current liabilities</i> | |
| Accounts payable | \$ 226,113 |
| Accrued payroll liabilities | 391,678 |
| Accrued interest payable | 109,830 |
| Unearned revenue | 204,049 |
| Current maturities of: | |
| Bonds payable | 450,000 |
| Compensated absences | 97,722 |
| <i>Total current liabilities</i> | <u>1,479,392</u> |
| <i>Noncurrent liabilities:</i> | |
| Bonds payable | 7,040,000 |
| Compensated absences | - |
| Net pension liability | <u>20,480,141</u> |
| <i>Total noncurrent liabilities</i> | <u>27,520,141</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Change in pension experience and proportion | <u>2,166,802</u> |
| NET POSITION | |
| Invested in capital assets | 17,660,746 |
| Restricted for: | |
| Debt service | 801,128 |
| Capital projects | 763,633 |
| Other purposes - special revenue | 885,508 |
| Unrestricted | <u>(20,471,863)</u> |
| <i>Total net position</i> | <u>(360,848)</u> |
| <i>Total liabilities, deferred inflows of resources, and net position</i> | <u>\$ 30,805,487</u> |

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

STATE OF NEW MEXICO
 ZUNI 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 | \$ 7,923,021 | \$ 44,988 | \$ 2,535,578 | \$ - | \$ (5,342,455) |
| Support services: | | | | | |
| Students | 1,391,233 | - | 103,590 | - | (1,287,643) |
| Instruction | 386,529 | - | - | - | (386,529) |
| General administration | 1,028,900 | - | 428,123 | - | (600,777) |
| School administration | 880,870 | - | 41,694 | - | (839,176) |
| Other | 15,045 | - | - | - | (15,045) |
| Central services | 1,085,524 | 120,078 | - | - | (965,446) |
| Operation & maintenance of plant | 2,287,613 | 353,973 | 3,000 | 6,797,323 | 4,866,683 |
| Student transportation | 516,866 | - | 436,718 | - | (80,148) |
| Food services operation | 971,334 | 11,768 | 1,054,265 | - | 94,699 |
| Community services | - | - | - | - | - |
| Interest on long-term debt | 269,697 | - | - | - | (269,697) |
| Facilities materials, supplies, & other services | 1,204,706 | - | - | 148,506 | (1,056,200) |
| Depreciation - unallocated | 1,496,071 | - | - | - | (1,496,071) |
| Total Primary Government | <u>\$ 19,457,409</u> | <u>\$ 530,807</u> | <u>\$ 4,602,968</u> | <u>\$ 6,945,829</u> | <u>(7,377,805)</u> |

General Revenues:

| | |
|--|---------------------|
| Property taxes: | |
| Levied for general purposes | 1,390 |
| Levied for debt service | 6,506 |
| Levied for capital projects | 5,564 |
| State Equalization Guarantee | 5,797,480 |
| Unrestricted Federal grants | 7,721,449 |
| Unrestricted investment earnings | 143 |
| Miscellaneous | 486,109 |
| Reversion to State | (61,276) |
| Total general revenues | <u>13,957,365</u> |
| Change in net position | <u>6,579,560</u> |
| Net position - beginning of year | <u>13,943,866</u> |
| Restatement - change in accounting principle | <u>(20,884,274)</u> |
| Net position - beginning of year, restated | <u>(6,940,408)</u> |
| Net position - end of year | <u>\$ (360,848)</u> |

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

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

| | General Fund | | | | Special Revenue |
|--|----------------------|---------------------|-------------------------|-------------------------------------|--------------------------|
| | Operational 11000 | Teacherage 12000 | Transportation 13000 | Instructional Materials 14000 | Title I IASA 24101 |
| ASSETS | | | | | |
| <i>Current assets:</i> | | | | | |
| Cash and temporary investments | \$ 19 | \$ 123,554 | \$ 22,147 | \$ 118,153 | \$ - |
| Accounts receivable | | | | | |
| Taxes | 277 | - | - | - | - |
| Due from other governments | - | - | - | - | 477,568 |
| Interfund receivables | 833,732 | - | - | - | 1,271 |
| Other | 2,909 | 3,590 | - | - | - |
| Inventory | 187,306 | - | - | - | - |
| <i>Total assets</i> | <u>1,024,243</u> | <u>127,144</u> | <u>22,147</u> | <u>118,153</u> | <u>478,839</u> |
| LIABILITIES | | | | | |
| <i>Current liabilities:</i> | | | | | |
| Accounts payable | 35,408 | 11,631 | - | - | 5,269 |
| Accrued payroll liabilities | 391,678 | - | - | - | - |
| Interfund payables | 3,250 | - | - | - | 477,568 |
| Unearned revenue | - | - | - | - | - |
| <i>Total liabilities</i> | <u>430,336</u> | <u>11,631</u> | <u>-</u> | <u>-</u> | <u>482,837</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenues - property taxes | 277 | - | - | - | - |
| Unavailable revenues - other | - | - | - | - | 389,034 |
| <i>Total deferred inflows of resources</i> | <u>277</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>389,034</u> |
| FUND BALANCES | | | | | |
| Nonspendable | 187,306 | - | - | - | - |
| Restricted for: | | | | | |
| Transportation | - | - | 22,147 | - | - |
| Instructional materials | - | - | - | 118,153 | - |
| Grant mandates | - | - | - | - | - |
| Capital projects | - | - | - | - | - |
| Debt service | - | - | - | - | - |
| Assigned | - | 115,513 | - | - | - |
| Unassigned | 406,324 | - | - | - | (393,032) |
| <i>Total fund balances</i> | <u>593,630</u> | <u>115,513</u> | <u>22,147</u> | <u>118,153</u> | <u>(393,032)</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 1,024,243</u> | <u>\$ 127,144</u> | <u>\$ 22,147</u> | <u>\$ 118,153</u> | <u>\$ 478,839</u> |

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

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

| | Capital Projects | | | | Total Primary Government |
|--|---------------------------|---|--------------------------|--------------------------------|--------------------------------|
| | Bond Building 31100 | Public School Capital Outlay 31200 | Debt Service 41000 | Other Governmental Funds | |
| ASSETS | | | | | |
| <i>Current assets:</i> | | | | | |
| Cash and temporary investments | \$ 505,835 | \$ - | \$ 791,750 | \$ 1,551,518 | \$ 3,112,976 |
| Accounts receivable | | | | | |
| Taxes | - | - | 1,959 | 5,646 | 7,882 |
| Due from other governments | - | - | - | 307,988 | 785,556 |
| Interfund receivables | - | - | - | 1,979 | 836,982 |
| Other | - | - | - | - | 6,499 |
| Inventory | - | - | - | 25,147 | 212,453 |
| <i>Total assets</i> | <u>505,835</u> | <u>-</u> | <u>793,709</u> | <u>1,892,278</u> | <u>4,962,348</u> |
| LIABILITIES | | | | | |
| <i>Current liabilities:</i> | | | | | |
| Accounts payable | 3,352 | - | - | 170,453 | 226,113 |
| Accrued payroll liabilities | - | - | - | - | 391,678 |
| Interfund payables | - | - | - | 356,164 | 836,982 |
| Unearned revenue | - | - | - | 204,049 | 204,049 |
| <i>Total liabilities</i> | <u>3,352</u> | <u>-</u> | <u>-</u> | <u>730,666</u> | <u>1,658,822</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenues - property taxes | - | - | 1,959 | 5,646 | 7,882 |
| Unavailable revenues - other | - | - | - | 70,721 | 459,755 |
| <i>Total deferred inflows of resources</i> | <u>-</u> | <u>-</u> | <u>1,959</u> | <u>76,367</u> | <u>467,637</u> |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | - | 25,147 | 212,453 |
| Restricted for: | | | | | |
| Transportation | - | - | - | - | 22,147 |
| Instructional materials | - | - | - | - | 118,153 |
| Grant mandates | - | - | - | 797,175 | 797,175 |
| Capital projects | 502,483 | - | - | 260,041 | 762,524 |
| Debt service | - | - | 791,750 | 2,882 | 794,632 |
| Assigned | - | - | - | - | 115,513 |
| Unassigned | - | - | - | - | 13,292 |
| <i>Total fund balances</i> | <u>502,483</u> | <u>-</u> | <u>791,750</u> | <u>1,085,245</u> | <u>2,835,889</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 505,835</u> | <u>\$ -</u> | <u>\$ 793,709</u> | <u>\$ 1,892,278</u> | <u>\$ 4,962,348</u> |

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

STATE OF NEW MEXICO
ZUNI 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 | \$ 2,835,889 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 25,150,746 |
| Contributions to the pension plan are expensed in the governmental funds but are deferred outflows for government-wide statements | 1,529,375 |
| Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements but are considered revenue in the statement of activities | 7,882 |
| Deferred inflows of resources represent revenues collected but not "available" and are considered to be deferred revenue in the fund financial statements but are considered revenue in the statement of activities | 459,755 |
| Accrued interest | (109,830) |
| 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 | (97,722) |
| General obligation bonds | (7,490,000) |
| Net pension liability | (20,480,141) |
| 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 | (2,166,802) |
| Net position - total governmental activities | <u>\$ (360,848)</u> |

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

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

Exhibit B-3

| | General Fund | | | | Special Revenue |
|--|----------------------|---------------------|-------------------------|-------------------------------------|--------------------------|
| | Operational 11000 | Teacherage 12000 | Transportation 13000 | Instructional Materials 14000 | Title I IASA 24101 |
| <i>Revenues:</i> | | | | | |
| Property taxes | \$ 1,113 | \$ - | \$ - | \$ - | \$ - |
| State grants | 5,825,158 | - | 436,718 | 95,478 | - |
| Federal grants | 6,629,925 | - | - | - | 957,746 |
| Miscellaneous | 8,556 | - | - | - | - |
| Charges for services | 124,848 | 353,973 | - | - | - |
| Investment Income | 8 | - | - | - | - |
| <i>Total revenues</i> | <u>12,589,608</u> | <u>353,973</u> | <u>436,718</u> | <u>95,478</u> | <u>957,746</u> |
| <i>Expenditures:</i> | | | | | |
| Current: | | | | | |
| Instruction | 5,796,631 | - | - | 60,883 | 894,308 |
| Support services | | | | | |
| Students | 1,038,141 | - | - | - | 150,910 |
| Instruction | 288,127 | - | - | - | 121,223 |
| General administration | 388,839 | - | - | - | 47,780 |
| School administration | 829,561 | - | - | - | 9,913 |
| Central services | 778,621 | - | - | - | - |
| Operation & maintenance of plant | 2,291,803 | 243,354 | - | - | 452 |
| Student transportation | 39,983 | - | 471,726 | - | 2,202 |
| Other support services | 15,045 | - | - | - | - |
| Food services operations | - | - | - | - | - |
| Community service | - | - | - | - | - |
| Capital outlay | - | 2,035 | - | - | 30,301 |
| Debt service | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| <i>Total expenditures</i> | <u>11,466,751</u> | <u>245,389</u> | <u>471,726</u> | <u>60,883</u> | <u>1,257,089</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>1,122,857</u> | <u>108,584</u> | <u>(35,008)</u> | <u>34,595</u> | <u>(299,343)</u> |
| <i>Other financing sources (uses):</i> | | | | | |
| Operating transfers | (844,056) | (100,000) | (61,276) | - | 200,741 |
| <i>Total other financing sources (uses)</i> | <u>(844,056)</u> | <u>(100,000)</u> | <u>(61,276)</u> | <u>-</u> | <u>200,741</u> |
| <i>Net changes in fund balances</i> | <u>278,801</u> | <u>8,584</u> | <u>(96,284)</u> | <u>34,595</u> | <u>(98,602)</u> |
| <i>Fund balances - beginning of year</i> | 314,829 | 106,929 | 118,431 | 83,558 | (294,430) |
| <i>Prior period adjustment</i> | - | - | - | - | - |
| <i>Adjusted fund balance - beginning of year</i> | <u>314,829</u> | <u>106,929</u> | <u>118,431</u> | <u>83,558</u> | <u>(294,430)</u> |
| <i>Fund balances - end of year</i> | <u>\$ 593,630</u> | <u>\$ 115,513</u> | <u>\$ 22,147</u> | <u>\$ 118,153</u> | <u>\$ (393,032)</u> |

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

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

Exhibit B-3

| | <u>Capital Projects</u> | | | | Total Primary Government |
|--|---------------------------|---|--------------------------|--------------------------------|--------------------------------|
| | Bond Building 31100 | Public School Capital Outlay 31200 | Debt Service 41000 | Other Governmental Funds | |
| <i>Revenues:</i> | | | | | |
| Property taxes | \$ - | \$ - | \$ 10 | \$ 4,455 | \$ 5,578 |
| State grants | - | 5,931,635 | - | 1,110,273 | 13,399,262 |
| Federal grants | - | - | - | 3,815,649 | 11,403,320 |
| Miscellaneous | - | - | - | 262,371 | 270,927 |
| Charges for services | - | - | - | 51,986 | 530,807 |
| Investment Income | 60 | - | 75 | - | 143 |
| <i>Total revenues</i> | <u>60</u> | <u>5,931,635</u> | <u>85</u> | <u>5,244,734</u> | <u>25,610,037</u> |
| <i>Expenditures:</i> | | | | | |
| <i>Current:</i> | | | | | |
| Instruction | - | - | - | 1,799,535 | 8,551,357 |
| Support services | | | | | |
| Students | - | - | - | 219,845 | 1,408,896 |
| Instruction | - | - | - | 48,458 | 457,808 |
| General administration | - | - | - | 586,850 | 1,023,469 |
| School administration | - | - | - | 34,989 | 874,463 |
| Central services | - | - | - | 344,206 | 1,122,827 |
| Operation & maintenance of plant | - | - | - | 2,618 | 2,538,227 |
| Student transportation | - | - | - | 353 | 514,264 |
| Other support services | - | - | - | - | 15,045 |
| Food services operations | - | - | - | 1,012,546 | 1,012,546 |
| Community service | - | - | - | - | - |
| Capital outlay | 201,129 | 5,931,635 | - | 1,108,291 | 7,273,391 |
| Debt service | | | | | |
| Principal | - | - | 435,000 | - | 435,000 |
| Interest | - | - | 269,697 | - | 269,697 |
| <i>Total expenditures</i> | <u>201,129</u> | <u>5,931,635</u> | <u>704,697</u> | <u>5,157,691</u> | <u>25,496,990</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(201,069)</u> | <u>-</u> | <u>(704,612)</u> | <u>87,043</u> | <u>113,047</u> |
| <i>Other financing sources (uses):</i> | | | | | |
| Operating transfers | - | - | 683,067 | 60,248 | (61,276) |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>683,067</u> | <u>60,248</u> | <u>(61,276)</u> |
| <i>Net changes in fund balances</i> | <u>(201,069)</u> | <u>-</u> | <u>(21,545)</u> | <u>147,291</u> | <u>51,771</u> |
| <i>Fund balances - beginning of year</i> | 703,552 | - | 813,295 | 937,954 | 2,784,118 |
| <i>Prior period adjustment</i> | - | - | - | - | - |
| <i>Adjusted fund balance - beginning of year</i> | <u>703,552</u> | <u>-</u> | <u>813,295</u> | <u>937,954</u> | <u>2,784,118</u> |
| <i>Fund balances - end of year</i> | <u>\$ 502,483</u> | <u>\$ -</u> | <u>\$ 791,750</u> | <u>\$ 1,085,245</u> | <u>\$ 2,835,889</u> |

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

STATE OF NEW MEXICO

Exhibit B-4

ZUNI 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 | \$ 51,771 |
| 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 | (1,496,071) |
| Capital outlays | 7,207,131 |
| 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 | 7,882 |
| Change in deferred inflows of resources - other | 480,326 |
| 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 | 5,188 |
| Increase in accrued compensated absences | (6,007) |
| Principal payments on bonds | 435,000 |
| Pension contributions - current year | 1,368,177 |
| Pension expense | (1,473,837) |
| | <hr/> |
| Change in net position - total governmental activities | <u>\$ 6,579,560</u> |

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

STATE OF NEW MEXICO
ZUNI 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

Exhibit C-1

| | Budgeted Amounts | | | |
|--|-------------------|-------------------|-------------------|--------------------|
| | Original Budget | Final Budget | Actual | Variance |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ 1,103 | \$ 1,103 | \$ 1,119 | \$ 16 |
| State grants | 6,622,216 | 5,798,373 | 5,825,158 | 26,785 |
| Federal grants | 5,236,079 | 6,430,050 | 6,627,016 | 196,966 |
| Miscellaneous | 5,000 | 5,000 | 22,554 | 17,554 |
| Charges for services | 112,000 | 112,000 | 124,848 | 12,848 |
| Interest | - | - | 8 | 8 |
| <i>Total revenues</i> | <u>11,976,398</u> | <u>12,346,526</u> | <u>12,600,703</u> | <u>254,177</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 6,048,064 | 6,058,064 | 5,596,039 | 462,025 |
| Support services | | | | |
| Students | 999,688 | 1,105,688 | 1,098,160 | 7,528 |
| Instruction | 370,608 | 370,608 | 288,127 | 82,481 |
| General administration | 301,436 | 401,636 | 392,996 | 8,640 |
| School administration | 811,767 | 851,767 | 826,354 | 25,413 |
| Central services | 784,530 | 817,310 | 784,138 | 33,172 |
| Operation & maintenance of plant | 2,405,260 | 2,512,408 | 2,344,790 | 167,618 |
| Student transportation | 37,175 | 58,175 | 39,983 | 18,192 |
| Other support services | 18,363 | 28,363 | 17,751 | 10,612 |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | 550,000 | 550,000 | - | 550,000 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>12,326,891</u> | <u>12,754,019</u> | <u>11,388,338</u> | <u>1,365,681</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(350,493)</u> | <u>(407,493)</u> | <u>1,212,365</u> | <u>1,619,858</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | 350,493 | 407,493 | - | (407,493) |
| Operating transfers | - | - | (844,056) | (844,056) |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>350,493</u> | <u>407,493</u> | <u>(844,056)</u> | <u>(1,251,549)</u> |
| <i>Net change in fund balances</i> | <u>-</u> | <u>-</u> | <u>368,309</u> | <u>368,309</u> |
| <i>Cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>462,192</u> | <u>462,192</u> |
| Prior period adjustments | <u>-</u> | <u>-</u> | <u>0</u> | <u>-</u> |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>462,192</u> | <u>462,192</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 830,501</u> | <u>\$ 830,501</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net change in fund balance (cash basis) | | | \$ 368,309 | |
| Adjustments to revenues | | | (11,095) | |
| Adjustments to expenditures | | | (78,413) | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 278,801</u> | |

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TEACHERAGE FUND (12000)
FOR THE YEAR ENDING JUNE 30, 2015

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|-----------------|-------------------|-------------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | 350,000 | 350,000 | 350,995 | 995 |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>350,000</u> | <u>350,000</u> | <u>350,995</u> | <u>995</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | 308,147 | 308,147 | 239,836 | 68,311 |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | 90,000 | 90,000 | 2,035 | 87,965 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>398,147</u> | <u>398,147</u> | <u>241,871</u> | <u>156,276</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(48,147)</u> | <u>(48,147)</u> | <u>109,124</u> | <u>157,271</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | 48,147 | 48,147 | - | (48,147) |
| Operating transfers | - | - | (100,000) | (100,000) |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>48,147</u> | <u>48,147</u> | <u>(100,000)</u> | <u>(148,147)</u> |
| <i>Net change in fund balances</i> | <u>-</u> | <u>-</u> | <u>9,124</u> | <u>9,124</u> |
| <i>Cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>114,430</u> | <u>114,430</u> |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>114,430</u> | <u>114,430</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 123,554</u> | <u>\$ 123,554</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net change in fund balance (cash basis) | | | \$ 9,124 | |
| Adjustments to revenues | | | 2,978 | |
| Adjustments to expenditures | | | (3,518) | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 8,584</u> | |

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
STUDENT TRANSPORTATION 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 | 439,067 | 439,067 | 436,718 | (2,349) |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>439,067</u> | <u>439,067</u> | <u>436,718</u> | <u>(2,349)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | 439,067 | 500,343 | 475,847 | 24,496 |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>439,067</u> | <u>500,343</u> | <u>475,847</u> | <u>24,496</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>(61,276)</u> | <u>(39,129)</u> | <u>22,147</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | 61,276 | - | (61,276) |
| Operating transfers | - | - | (61,276) | (61,276) |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>61,276</u> | <u>(61,276)</u> | <u>(122,552)</u> |
| <i>Net change in fund balances</i> | <u>-</u> | <u>-</u> | <u>(100,405)</u> | <u>(100,405)</u> |
| <i>Cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>122,552</u> | <u>122,552</u> |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>122,552</u> | <u>122,552</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 22,147</u> | <u>\$ 22,147</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net change in fund balance (cash basis) | | | \$ (100,405) | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | 4,121 | |
| Net change in fund balance (GAAP basis) | | | <u>\$ (96,284)</u> | |

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

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

Exhibit C-4

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|-----------------|-------------------|-------------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | 64,949 | 95,478 | 95,478 | - |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>64,949</u> | <u>95,478</u> | <u>95,478</u> | <u>-</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 135,412 | 165,941 | 60,883 | 105,058 |
| 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>135,412</u> | <u>165,941</u> | <u>60,883</u> | <u>105,058</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(70,463)</u> | <u>(70,463)</u> | <u>34,595</u> | <u>105,058</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | 70,463 | 70,463 | - | (70,463) |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>70,463</u> | <u>70,463</u> | <u>-</u> | <u>(70,463)</u> |
| <i>Net change in fund balances</i> | <u>-</u> | <u>-</u> | <u>34,595</u> | <u>34,595</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 83,558 | 83,558 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>83,558</u> | <u>83,558</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 118,153</u> | <u>\$ 118,153</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net change in fund balance (cash basis) | | | \$ 34,595 | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 34,595</u> | |

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

STATE OF NEW MEXICO
ZUNI 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

Exhibit C-5

| | Budgeted Amounts | | | |
|--|------------------|------------------|---------------------|---------------------|
| | Original Budget | Final Budget | Actual | Variance |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | 1,039,065 | 1,494,728 | 1,252,382 | (242,346) |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>1,039,065</u> | <u>1,494,728</u> | <u>1,252,382</u> | <u>(242,346)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 536,992 | 935,046 | 930,875 | 4,171 |
| Support services | | | | |
| Students | 154,098 | 154,098 | 150,910 | 3,188 |
| Instruction | 256,187 | 252,780 | 121,223 | 131,557 |
| General administration | 85,788 | 110,451 | 99,632 | 10,819 |
| School administration | 6,000 | 9,345 | 9,913 | (568) |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | 500 | 452 | 48 |
| Student transportation | - | 2,207 | 2,202 | 5 |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | 30,301 | 30,301 | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>1,039,065</u> | <u>1,494,728</u> | <u>1,345,508</u> | <u>149,220</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>(93,126)</u> | <u>(93,126)</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | 200,741 | 200,741 |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>200,741</u> | <u>200,741</u> |
| <i>Net change in fund balances</i> | <u>-</u> | <u>-</u> | <u>107,615</u> | <u>107,615</u> |
| <i>Cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(583,912)</u> | <u>(583,912)</u> |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(583,912)</u> | <u>(583,912)</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (476,297)</u> | <u>\$ (476,297)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net change in fund balance (cash basis) | | | \$ 107,615 | |
| Adjustments to revenues | | | (294,636) | |
| Adjustments to expenditures | | | 88,419 | |
| Net change in fund balance (GAAP basis) | | | <u>\$ (98,602)</u> | |

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

STATE OF NEW MEXICO
ZUNI 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 | \$ 190,707 |
| <i>Total assets</i> | <u>190,707</u> |
| LIABILITIES | |
| <i>Current Liabilities</i> | |
| Deposits held in trust for others | <u>190,707</u> |
| <i>Total liabilities</i> | <u>\$ 190,707</u> |

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

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

NOTE 1 Summary of Significant Accounting Policies

Zuni Public Schools (the “District”) is a public school District governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of Zuni Public School’s management that is responsible for the financial statements. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting financial reporting principles. 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, the District 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.

The more significant of the government’s accounting policies are described below.

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

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

Under the requirements of GASB 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
ZUNI 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 *Teacherage Fund* (12000) accounts for revenues and expenditures associated with district owned multi-bedroom housing units rented to District employed teachers or other employees. Funding authorized by NMAC 6.20.2 of the New Mexico Department of Education. This fund is considered by PED to be a sub-fund of the General Fund.

The *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 Special Revenue Fund* (24101) major objectives 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 *Bond Building Capital Projects 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 *Public School Capital Outlay Fund* (31200) is used to account for funding provided to the District by the State of New Mexico for capital improvement projects approved by the Public School Capital Outlay Council. Funding is authorized by NMAC 6.20.2 through the New Mexico Public Education Department.

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:

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.

**STATE OF NEW MEXICO
ZUNI 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)

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

D. Assets, 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 McKinley 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 McKinley 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.

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.

**STATE OF NEW MEXICO
ZUNI 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)

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. 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 | 10-30 years |
| Buildings/building improvements | 20-50 years |
| Furniture and equipment | 5-25 years |
| Vehicles | 7-12 years |

Deferred Outflows of Resources – Subsequent Employer Contributions and Change in Proportion – 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, 2014. Contributions made by the District in the current fiscal year and changes in proportion for the District 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.

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.

Compensated Absences: Applicable for employees not represented by ZFUSE. Vacation leave (annual leave) is an accrued and authorized absence for rest, recreation, or other purposes. Vacation leave will be approved and granted after its accrual and not in advance of accrual. If workloads disallow vacation, the Superintendent may approve vacation days to carry forward into the next contract year. Upon the end of the employment contract, no payment shall be made for more than twenty (20) days of unused vacation (annual leave) for twelve (12) month employees.

**STATE OF NEW MEXICO
ZUNI 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)

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, 2004, 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 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 a corresponding deferred 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.

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, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position

**STATE OF NEW MEXICO
ZUNI 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)

Restricted Net Position: Consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (b) law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The restricted component consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted Net Position: All other net position that does not meet the definition of “restricted” or “invested in capital assets.”

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. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

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
ZUNI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 Summary of Significant Accounting Policies (Continued)

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 \$5,797,480 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.

In the financial statements, the mill levy and ad-valorem taxes are broken out into two types: property taxes – residential and commercial and property taxes – oil and gas. Amounts collected from residential and commercial property taxes at June 30, 2015 were \$5,578. 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 \$436,718 in transportation distributions during the year ended June 30, 2015.

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

NOTE 1 Summary of Significant Accounting Policies (Continued)

E. Revenues (continued)

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 \$95,478.

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 \$865,688 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 \$5,931,635 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.

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.

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.

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

NOTE 2 Stewardship, Compliance and Accountability

F. 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 (PED) (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 are submitted to the State of New Mexico PED.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
8. Legal budget control for expenditures is by function.

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

NOTE 2 Stewardship, Compliance and Accountability (Continued)

G. Budgetary Information (continued)

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.

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.

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

NOTE 3 Cash and Cash Equivalents (Continued)

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 | Bank of Albuquerque | Total |
|---|---------------------|------------------------|----------------------|
| Total amounts of deposits | \$ 2,433,670 | \$ 1,192,889 | \$ 3,626,559 |
| FDIC coverage | <u>250,000</u> | <u>250,000</u> | <u>\$ 500,000</u> |
| Total uninsured public funds | <u>2,183,670</u> | <u>942,889</u> | <u>3,126,559</u> |
| Collateral requirement (50% of uninsured public funds) | 1,091,835 | 471,445 | 1,563,280 |
| Pledged security | <u>1,459,437</u> | <u>13,605,333</u> | <u>\$ 15,064,770</u> |
| Total over (under) collateralized | <u>\$ 367,602</u> | <u>\$ 13,133,888</u> | <u>\$ 13,501,490</u> |

The funds are maintained in interest bearing and non-interest bearing checking and savings accounts in Wells Fargo Bank and in interest bearing trust funds in Bank of Albuquerque.

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, \$3,126,559 of the District's bank balance of \$3,626,594 was exposed to custodial credit risk as it was uninsured and the collateral was not held in the District's name.

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 | \$ 3,112,976 |
| Statement of Fiduciary Net Position - cash per Exhibit D-1 | <u>190,707</u> |
| Total per financial statements | 3,303,683 |
| Add outstanding checks and other reconciling items | <u>322,876</u> |
| Bank balance of deposits | <u>\$ 3,626,559</u> |

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

NOTE 3 Cash and Cash Equivalents (Continued)

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 21000 through 24000 are federal funds, 26000 through 31700 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 | 477,568 |
| 24106 | IDEA-B Entitlement | 45,521 |
| 24153 | English Language Acquisition | 13,827 |
| 24154 | Teacher/Principal Training & Recruiting | 100,714 |
| 24160 | Rural and Low Income Schools | 16,475 |
| 24171 | Carl D. Perkins - Special Projects - Current | 3,751 |
| 25184 | Indian Ed Formula Grant | 23,503 |
| 27114 | New Mexico Reads to Lead K-3 Reading Initiative | 18,160 |
| 27149 | PreK Initiative | 14,058 |
| 27177 | 2013 PreK Classrooms | 24,237 |
| | Capital Projects Fund: | |
| 31700 | Capital Improvement SB-9 | <u>95,918</u> |
| | Total | <u>\$ 833,732</u> |

NOTE 4 Receivables

Receivables as of June 30, 2015 are as follows:

| | Major Funds | | | | | |
|----------------------------|-----------------|-----------------|-------------------|------------------|-----------------------|-----------------------|
| | Operational | Teacherage | Title I | Debt | Other | Total |
| | 11000 | 12000 | IASA 41000 | Service 41000 | Governmental Funds | Governmental Funds |
| Property taxes | \$ 277 | \$ - | \$ - | \$ 1,959 | 5,646 | \$ 7,882 |
| Due from other governments | - | - | 477,568 | - | 307,988 | 785,556 |
| Other | 2,909 | 3,590 | - | - | - | 6,499 |
| Total receivables | <u>\$ 3,186</u> | <u>\$ 3,590</u> | <u>\$ 477,568</u> | <u>\$ 1,959</u> | <u>\$ 313,634</u> | <u>\$ 799,937</u> |

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$7,882 were not collected within the period of availability.

**STATE OF NEW MEXICO
ZUNI 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) | \$ 833,732 | \$ 3,250 |
| Title I IASA (24101) | 1,271 | 477,568 |
| Non-major Funds: | | |
| IDEA-B Entitlement (24106) | - | 45,521 |
| English Language Acquisition (24153) | 1,548 | 13,827 |
| Teacher/Principal Training & Recruiting (24154) | 140 | 100,714 |
| Rural & Low-Income Schools (24160) | 222 | 16,475 |
| Carl D. Perkins - Special Projects - Current (24171) | - | 3,751 |
| Indian Ed Formula Grant (25184) | - | 23,503 |
| New Mexico Reads to Lead K-3 Reading Initiative (27114) | - | 18,160 |
| PreK Initiative (27149) | - | 14,058 |
| 2013 PreK Classrooms (27177) | - | 24,237 |
| Capital Improvements SB-9 (31700) | 69 | 95,918 |
| Totals | \$ 836,982 | \$ 836,982 |

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

During the year ended June 30, 2015, the District returned \$61,276 from the Transportation Fund (13000) to the State of New Mexico. Three inactive funds – 2010 GO Bonds Student Library Fund (27106), 2012 GO Bonds Student Library Fund (27107, and Kindergarten – Three Plus (27166) – received transfers to close out those funds. Additionally, \$683,067 was transferred to the Debt Service Fund from the Operational, Teacherage, Impact Aid Indian Education, and Education Technology Debt Service Funds for payment on special revenue bonds. Finally, deficit fund balances for which additional program funds were not going to be received were covered from the Operational Fund – Title I IASA (24101), Food Services (21000), English Language Acquisition (24153), Teacher/Principal Training & Recruiting (24154), Rural & Low-Income Schools (24160), Carl D Perkins Special Projects – Current (24171), Save the Children (26143), and PreK Initiative (27149).

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

NOTE 5 Interfund Receivables, Payables, and Transfers (Continued)

| Governmental Activities | <u>Transfers In</u> | <u>Transfers Out</u> |
|---|---------------------|----------------------|
| Major Funds: | | |
| Operational (11000) | \$ - | \$ 844,056 |
| Teacherage (12000) | - | 100,000 |
| Transportation (13000) | - | 61,276 |
| Title IIASA (24101) | 200,741 | - |
| Debt Service (41000) | 683,067 | - |
| Non-major Funds: | | |
| Food Services (21000) | 102,000 | - |
| English Language Acquisition (24153) | 1,344 | - |
| Teacher/Principal Training & Recruiting (24154) | 489 | - |
| Rural & Low-Income Schools (24160) | 4,091 | - |
| Carl D Perkins Special Projects - Current (24171) | 3,756 | - |
| Impact Aid Indian Education (25147) | - | 45,000 |
| Save the Children (26143) | 2,131 | - |
| 2010 GO Bonds Student Library Fund (SB1) (27106) | 2,504 | - |
| 2012 GO Bonds Student Library Fund (SB66) (27107) | 2,201 | - |
| PreK Initiative (27149) | 41,735 | - |
| Kindergarten - Three Plus (27166) | 1,997 | - |
| Education Technology Debt Service (43000) | - | 57,000 |
| Totals | <u>\$ 1,046,056</u> | <u>\$ 1,107,332</u> |

**STATE OF NEW MEXICO
ZUNI 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: | | | | | |
| Construction in progress | \$ 95,226 | \$ 7,159,325 | \$ (1,095,828) | \$ - | \$ 6,158,723 |
| Total capital assets not being depreciated | <u>95,226</u> | <u>7,159,325</u> | <u>(1,095,828)</u> | <u>-</u> | <u>6,158,723</u> |
| Capital assets being depreciated: | | | | | |
| Land improvements | 54,684 | - | - | - | 54,684 |
| Buildings and building improvements | 40,808,039 | 1,095,828 | (39,977) | (41,372) | 41,822,518 |
| Furniture, fixtures, and equipment | 3,224,373 | 18,300 | - | 152,765 | 3,395,438 |
| Vehicles | 2,188,325 | 29,506 | - | 10,240 | 2,228,071 |
| Total capital assets being depreciated | <u>46,275,421</u> | <u>1,143,634</u> | <u>(39,977)</u> | <u>121,633</u> | <u>47,500,711</u> |
| Less accumulated depreciation: | | | | | |
| Land improvements | 15,143 | 4,897 | - | 385 | 20,425 |
| Buildings and building improvements | 22,345,441 | 1,236,463 | (39,977) | 61,800 | 23,603,727 |
| Furniture, fixtures, and equipment | 2,726,453 | 193,943 | - | (85,081) | 2,835,315 |
| Vehicles | 1,971,558 | 60,768 | - | 16,895 | 2,049,221 |
| Total accumulated depreciation | <u>27,058,595</u> | <u>1,496,071</u> | <u>(39,977)</u> | <u>(6,001)</u> | <u>28,508,688</u> |
| Total capital assets, net of depreciation | <u>\$ 19,312,052</u> | <u>\$ 6,806,888</u> | <u>\$ (1,095,828)</u> | <u>\$ 127,634</u> | <u>\$ 25,150,746</u> |

Depreciation expense of \$1,496,071 for the year ended June 30, 2015 was unallocated.

At June 30, 2015, the District is building a new elementary school with remaining estimated commitments of \$20,509,695. However, almost 100% of this commitment will be paid by the State of New Mexico. The District's share of the remaining commitment is approximately \$245,815.

The District also did a review of its fixed assets detail and classifications and has made an adjustment to include some assets previously excluded from previous reports. The net change on fixed assets is \$127,634.

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 | \$ 20,000 | \$ - | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Revenue bonds | 7,905,000 | - | 425,000 | 7,480,000 | 440,000 |
| Total bonds payable | <u>7,925,000</u> | <u>-</u> | <u>435,000</u> | <u>7,490,000</u> | <u>450,000</u> |
| Compensated absences | 91,715 | 131,794 | 125,787 | 97,722 | 97,722 |
| Total | <u>\$ 8,016,715</u> | <u>\$ 131,794</u> | <u>\$ 560,787</u> | <u>\$ 7,587,722</u> | <u>\$ 547,722</u> |

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

NOTE 7 Long-Term Debt (Continued)

General Obligations Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District has one outstanding general obligation bond as of June 30, 2015. All general obligation bonds are for governmental activities.

| Issue Date | 2003 Series GO Bonds <u>8/15/2003</u> | 2012 Series Revenue Bond <u>6/13/2012</u> | 2012A Series Revenue Bond <u>10/16/2012</u> |
|--------------------|---|---|---|
| Original Issue | \$80,000 | \$3,375,000 | \$5,130,000 |
| Maturity Date | 7/1/2015 | 8/1/2028 | 8/1/2026 |
| Principal | 1-Jul | 1-Aug | 1-Aug |
| Interest Rate | 4.00% | 1.00%-5.00% | 2.75% |
| Interest | 1-Jan | 1-Feb | 1-Feb |
| Principal/Interest | 1-Jul | 1-Aug | 1-Aug |

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, | 2003 General Obligation Bonds | | Total Debt Service |
|--------------------------------|-------------------------------|---------------|-----------------------|
| | Principal | Interest | |
| 2016 | \$ 10,000 | \$ 200 | \$ 10,200 |
| Totals | <u>\$ 10,000</u> | <u>\$ 200</u> | <u>\$ 10,200</u> |

The District also issues special revenue bonds which are backed by their Impact Aid revenues. The annual requirements to amortize the special revenue bonds as of June 30, 2015, including interest payments are as follows:

| Fiscal Year Ending June 30, | 2012 Teacher Housing Revenue Bonds (Refunding) | | Total Debt Service |
|--------------------------------|--|---------------------|-----------------------|
| | Principal | Interest | |
| 2016 | \$ 120,000 | \$ 138,250 | \$ 258,250 |
| 2017 | 125,000 | 134,575 | 259,575 |
| 2018 | 125,000 | 130,200 | 255,200 |
| 2019 | 130,000 | 125,100 | 255,100 |
| 2020 | 135,000 | 119,800 | 254,800 |
| 2021-2025 | 770,000 | 499,300 | 1,269,300 |
| 2026-2029 | 1,600,000 | 494,000 | 2,094,000 |
| Totals | <u>\$ 3,005,000</u> | <u>\$ 1,641,225</u> | <u>\$ 4,646,225</u> |

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

NOTE 7 Long-Term Debt (Continued)

| Fiscal Year Ending June 30, | 2012A Teacher Housing Revenue Bonds (Refunding) | | Total Debt Service |
|--------------------------------|---|-------------------|-----------------------|
| | Principal | Interest | |
| 2016 | \$ 320,000 | \$ 118,663 | \$ 438,662.50 |
| 2017 | 330,000 | 109,725 | 439,725 |
| 2018 | 340,000 | 100,513 | 440,513 |
| 2019 | 345,000 | 91,094 | 436,094 |
| 2020 | 355,000 | 81,469 | 436,469 |
| 2021-2025 | 1,935,000 | 253,069 | 2,188,069 |
| 2026-2029 | 850,000 | 23,513 | 873,513 |
| Totals | <u>\$ 4,475,000</u> | <u>\$ 778,044</u> | <u>\$ 5,253,044</u> |

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 \$6,007 over the prior year accrual. See Note 1 for more details.

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

NOTE 8 Unearned Revenues

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 the following unearned revenues at June 30, 2015:

| Fund # | Special Revenue Funds: | Amount |
|--------|------------------------------------|-------------------|
| 24106 | IDEA-B Entitlement | \$ 3,022 |
| 24109 | IDEA-B Preschool | 2,930 |
| 24112 | IDEA-B Early Intervention Services | 300 |
| 24118 | Fresh Fruits and Vegetables | 69 |
| 25109 | Bilingual Ed Comp School Grants | 51,589 |
| 25131 | Johnson O'Malley | 77,598 |
| 25149 | GRADS Child Care CYFD | 19,935 |
| 25184 | Indian Ed Formula Grant | 48,606 |
| | Total | <u>\$ 204,049</u> |

**STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
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 \$750 deductible for each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to depositor's forgery, credit card forgery and money orders. A limit of \$100,000 applies to Money and Security, which includes a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 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:

| Fund # | Major Funds | Amount |
|---------------|---|-------------------|
| 24101 | Title I - IASA | \$ 393,032 |
| | Non-Major Funds | |
| 24153 | English Language Acquisition | 14,980 |
| 24154 | Teacher/Principal Training & Recruiting | 104,175 |
| 24160 | Rural & Low-Income Schools | 6,955 |
| 24171 | Carl D Perkins - Special Projects - Current | 3,751 |
| 27177 | 2013 PreK Classrooms | 85,766 |
| 31700 | Capital Improvement SB-9 | 159,102 |
| | Total | <u>\$ 767,761</u> |

- B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2015:

Title I IASA expended \$568 over its allocated budget in the Support Services – School Administration function, and Bond Building expended \$129,618 more than its allocated budget in Capital Outlay. The District was in compliance in approved budgetary authority for all funds in total budget.

- C. Cash appropriations in excess of available cash balance. For the year ended June 30, 2015, the District had no cash appropriations in excess of available cash balance.

**STATE OF NEW MEXICO
ZUNI 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.

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

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

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

A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

Contributions. The contribution requirements of defined benefit plan members and the Zuni 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 Zuni Public Schools were \$1,368,177 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 Zuni Public Schools' reported a liability of \$20,480,141 for its proportionate share of the net pension liability. The Zuni 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 Zuni Public Schools' proportion was 0.35894%, which was an increase of 0.00346% from its proportion measured as June 30, 2013.

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

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

For the year ended June 30, 2015, the Zuni Public Schools recognized pension expense of \$1,473,837. At June 30, 2015, the Zuni Public Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net (Inflows) Outflows |
|---|---|--|---------------------------------------|
| Differences between expected and actuarial experience | \$ - | \$ (305,080) | \$ (305,080) |
| Changes of assumptions | - | - | - |
| Net difference between projected and actual earnings on pension plan investments | - | (1,861,722) | (1,861,722) |
| Changes in proportion and differences between Zuni Public School's contributions and proportionate share of contributions | 161,198 | - | 161,198 |
| Zuni Public Schools contributions subsequent to the measurement date | <u>1,368,177</u> | <u>-</u> | <u>1,368,177</u> |
| Total | <u>\$ 1,529,375</u> | <u>\$ (2,166,802)</u> | <u>\$ (637,427)</u> |

Deferred outflows of resources of related to pensions resulting from Zuni 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 | \$ 515,395 |
| 2017 | 515,395 |
| 2018 | 509,400 |
| 2019 | 465,414 |
| 2020 | - |
| Thereafter | - |
| Total | <u>\$ 2,005,604</u> |

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

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

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 |
| Mortality | 90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females) |

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

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

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

| 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.

Sensitivity of the Zuni 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.

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

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

| | 1% Decrease (6.75%) | Current Discount Rate (7.75%) | 1% Increase (8.75%) |
|---|--------------------------------|--|--------------------------------|
| Zuni Public Schools' proportionate share of the net pension liability | <u>\$ 27,865,596</u> | <u>\$ 20,480,143</u> | <u>\$ 14,311,148</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. Zuni Public Schools has an outstanding liability of \$234,399 to the pension plan at June 30, 2015 which was paid on July 15, 2015.

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

Plan Description. Zuni 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
ZUNI 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, 2014, and 2013 were \$199,288, \$210,622, and \$192,894, respectively, which equal the required contributions for each year.

NOTE 13 Unavailable Revenues

The District received \$459,755 from various funds subsequent to year-end. However, these funds were received more than 60 days after year-end. As such, the amounts are recorded as a receivable and a deferred inflows of resources in the funds statements; however, for the government-wide statements the amounts are recorded as a receivable and a revenue. Those funds and amounts are as follow:

| | Unavailable Revenues |
|--|-------------------------|
| Major Funds: | |
| Title I IASA (24101) | \$ 389,034 |
| Non-major Funds: | |
| English Language Acquisition (24153) | 7,968 |
| Teacher/Principal Training & Recruiting (24154) | 51,826 |
| Rural & Low Income Schools | 7,176 |
| Carl D. Perkins - Special Projects - Current (24171) | 3,751 |
| Totals | \$ 459,755 |

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

NOTE 14 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.

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.

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

NOTE 15 Subsequent Accounting Standard Pronouncements (Continued)

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 16 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 and adjustments to District's capital assets resulting in a reduction in net position in the amount of \$20,884,274.

The change in accounting principle resulted in a reduction in net position of \$21,011,908. This includes the District's proportionate share of the beginning net pension liability of \$22,312,955 less the 2014 contributions to the pension plan in the amount of \$1,301,047.

During review of the District's capital assets, it was determined that some items had been excluded from previous listings and other items misclassified between categories. The net change to capital assets resulted in an increase in net position of \$127,634.

NOTE 17 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
 ZUNI 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 | \$ 1,108,874 | \$ 439,762 | \$ 2,882 | \$ 1,551,518 |
| Accounts receivable | | | | |
| Taxes | - | 1,109 | 4,537 | 5,646 |
| Due from other governments | 307,988 | - | - | 307,988 |
| Interfund receivables | 1,910 | 69 | - | 1,979 |
| Other | - | - | - | - |
| Inventory | 25,147 | - | - | 25,147 |
| <i>Total assets</i> | <u>1,443,919</u> | <u>440,940</u> | <u>7,419</u> | <u>1,892,278</u> |
| LIABILITIES | | | | |
| <i>Current liabilities:</i> | | | | |
| Accounts payable | 86,581 | 83,872 | - | 170,453 |
| Accrued payroll liabilities | - | - | - | - |
| Interfund payables | 260,246 | 95,918 | - | 356,164 |
| Unearned revenue | 204,049 | - | - | 204,049 |
| <i>Total liabilities</i> | <u>550,876</u> | <u>179,790</u> | <u>-</u> | <u>730,666</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenues - property taxes | - | 1,109 | 4,537 | 5,646 |
| Unavailable revenues - other | 70,721 | - | - | 70,721 |
| <i>Total deferred inflows of resources</i> | <u>70,721</u> | <u>1,109</u> | <u>4,537</u> | <u>76,367</u> |
| FUND BALANCES | | | | |
| Nonspendable | 25,147 | - | - | 25,147 |
| Restricted for: | | | | |
| Grant mandates | 797,175 | - | - | 797,175 |
| Capital projects | - | 260,041 | - | 260,041 |
| Debt service | - | - | 2,882 | 2,882 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| <i>Total fund balances</i> | <u>822,322</u> | <u>260,041</u> | <u>2,882</u> | <u>1,085,245</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 1,443,919</u> | <u>\$ 440,940</u> | <u>\$ 7,419</u> | <u>\$ 1,892,278</u> |

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

STATE OF NEW MEXICO
ZUNI 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 | \$ - | \$ 4,455 | \$ - | \$ 4,455 |
| State grants | 244,585 | 865,688 | - | 1,110,273 |
| Federal grants | 3,667,143 | 148,506 | - | 3,815,649 |
| Miscellaneous | 262,371 | - | - | 262,371 |
| Charges for services | 51,986 | - | - | 51,986 |
| Investment Income | - | - | - | - |
| <i>Total revenues</i> | <u>4,226,085</u> | <u>1,018,649</u> | <u>-</u> | <u>5,244,734</u> |
| <i>Expenditures:</i> | | | | |
| Current: | | | | |
| Instruction | 1,799,535 | - | - | 1,799,535 |
| Support services | | | | |
| Students | 219,845 | - | - | 219,845 |
| Instruction | 48,458 | - | - | 48,458 |
| General administration | 586,805 | 45 | - | 586,850 |
| School administration | 34,989 | - | - | 34,989 |
| Central services | 344,206 | - | - | 344,206 |
| Operation & maintenance of plant | 2,618 | - | - | 2,618 |
| Student transportation | 353 | - | - | 353 |
| Other support services | - | - | - | - |
| Food services operations | 1,012,546 | - | - | 1,012,546 |
| Community service | - | - | - | - |
| Capital outlay | 85,766 | 1,022,525 | - | 1,108,291 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>4,135,121</u> | <u>1,022,570</u> | <u>-</u> | <u>5,157,691</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>90,964</u> | <u>(3,921)</u> | <u>-</u> | <u>87,043</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Operating transfers | 117,248 | - | (57,000) | 60,248 |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>117,248</u> | <u>-</u> | <u>(57,000)</u> | <u>60,248</u> |
| <i>Net changes in fund balances</i> | <u>208,212</u> | <u>(3,921)</u> | <u>(57,000)</u> | <u>147,291</u> |
| <i>Fund balances - beginning of year</i> | 614,110 | 263,962 | 59,882 | 937,954 |
| <i>Prior period adjustment</i> | - | - | - | - |
| <i>Adjusted fund balances - beginning of year</i> | <u>614,110</u> | <u>263,962</u> | <u>59,882</u> | <u>937,954</u> |
| <i>Fund balances - end of year</i> | <u>\$ 822,322</u> | <u>\$ 260,041</u> | <u>\$ 2,882</u> | <u>\$ 1,085,245</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.

Skolnick Foundation (23000) – Accounts for a private donation to be used for scholarships and other projects.

IDEA-B Entitlement (24106) – To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

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 Early Intervention Services (24112) – To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

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

English Language Acquisition (24153) – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards.

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.

Title I School Improvement (24162) – To account for funds used to provide financial assistance to districts to purchase and install educational materials and systems to help improve the quality of teaching and learning in their schools. (Authority: PL 100-297)

Carl D Perkins Special Projects – Current (24171) - The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources

through the New Mexico Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

Bilingual Ed Comp School Grants (25109) – To develop school wide programs for limited English proficient students that reform, restructure and upgrade all relevant operations within a school that has a concentration of limited English proficient students. Elementary and Secondary Education Act of 1965, Title VII, Part A.

Johnson O'Malley (25131) – To provide funding for supplemental programs in special education and the other needs of eligible Native American Indian children. Funding is provided by the Johnson- O'Malley Act of 1934 as amended, Public Law 930638.

Impact Aid Special Education (25145) – To account for a program funded by a Federal grant to provide financial assistance to local educational agencies (LEAs) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 8002, ESEA), where there are a significant number of children who reside on Federal (including Native American) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Sections 8003 and 8007, ESEA), where there is a sudden increase in school enrollment as the result of Federal activities (Section 8006, ESEA). To provide disaster assistance for reduced or increased operating costs for replacing or repairing damaged or destroyed support equipment and books and for repairing minor damage to facilities. Funding is authorized by the Elementary and Secondary Education Act, Title VIII, as amended.

Impact Aid Indian Education (25147) – To account for funding of a Federal program to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), or where there are a significant number of children who reside on Federal (including Indian) lands and /or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b)): where there is a significant decrease (Section 3(c)) or a reduced or increased operating costs (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

GRADS Child Care CYFD (25149) – To account for a Public Education Department grant through Children, Youth, and Families Department to provide for the maintenance and expansion of the teen parent programs. Authorized by the School Board and the New Mexico Public Education Department.

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)

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

Kellogg Fund/Kellogg Foundation (26121) – This grant will expand evidence-based parent education and family support programs targeting vulnerable families in select New Mexico neighborhoods to promote parental knowledge of child development needs and parental advocacy skills.

Save the Children (26143) – To account for a grant received by Save the Children, which provides funding to different school programs around New Mexico.

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

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

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.

Technology for Education PED (27117) – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

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.

Indian Education Act (27150) – To account for funding provided by New Mexico Legislature through the New Mexico Public Education Department supporting various Exemplary Culture Based Education programs.

Beginning Teacher Mentoring Program (27154) – The objective of this program is to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievement of students and improve the overall success of the school. Funding is provided by the New Mexico Board of Education. Authority from creation of this fund is NMSA 22-2-8-10.

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.

Kindergarten – Three Plus (27166) - In 2007, Representative Mimi Stewart sponsored House Bill 198 to establish a fund to allow New Mexico public schools and districts to develop a six year pilot project that extends to the school year for kindergarten through third grade by up to two months for participating students to measure the effect of additional time on literacy, numeric and social skills development.

2013 PreK Classrooms (27177) – To account for funds provided through the Public Education Department to renovate and construct pre-kindergarten classrooms. The funding was made available through Laws of 2013, SB-60, Chapter 226, Section 53.

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.

CYFD Child and Adult Care Food Program (28201) – To account for funds to provide summer lunches to community members in New Mexico communities.

Nutrition Grant (28127) – To provide funds for nutritional education of students provided through state grants.

Private Direct Grants (29102) – To account for local grants awarded to provide additional funding for specific projects.

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

| | Food Services 21000 | Athletics 22000 | Skolnick Foundation 23000 | IDEA-B Entitlement 24106 | IDEA-B Preschool 24109 |
|--|---------------------------|--------------------|---------------------------------|--------------------------------|------------------------------|
| ASSETS | | | | | |
| <i>Current assets:</i> | | | | | |
| Cash and temporary investments | \$ 55,112 | \$ 8,325 | \$ 7,568 | \$ - | \$ 2,387 |
| Accounts receivable | | | | | |
| Taxes | - | - | - | - | - |
| Due from other governments | 31,963 | - | - | 48,543 | 543 |
| Interfund receivables | - | - | - | - | - |
| Other | - | - | - | - | - |
| Inventory | 25,147 | - | - | - | - |
| <i>Total assets</i> | <u>112,222</u> | <u>8,325</u> | <u>7,568</u> | <u>48,543</u> | <u>2,930</u> |
| LIABILITIES | | | | | |
| <i>Current liabilities:</i> | | | | | |
| Accounts payable | 12,777 | - | - | - | - |
| Accrued payroll liabilities | - | - | - | - | - |
| Interfund payables | - | - | - | 45,521 | - |
| Unearned revenue | - | - | - | 3,022 | 2,930 |
| <i>Total liabilities</i> | <u>12,777</u> | <u>-</u> | <u>-</u> | <u>48,543</u> | <u>2,930</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> | <u>-</u> |
| FUND BALANCES | | | | | |
| Nonspendable | 25,147 | - | - | - | - |
| Restricted for: | | | | | |
| Grant mandates | 74,298 | 8,325 | 7,568 | - | - |
| Capital projects | - | - | - | - | - |
| Debt service | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| <i>Total fund balances</i> | <u>99,445</u> | <u>8,325</u> | <u>7,568</u> | <u>-</u> | <u>-</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 112,222</u> | <u>\$ 8,325</u> | <u>\$ 7,568</u> | <u>\$ 48,543</u> | <u>\$ 2,930</u> |

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

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

| | IDEA-B Early Intervention Services 24112 | Fresh Fruits and Vegetables 24118 | English Language Acquisition 24153 | Teacher/Principal Training & Recruiting 24154 | Rural & Low-Income Schools 24160 |
|--|---|--|---|--|---|
| ASSETS | | | | | |
| <i>Current assets:</i> | | | | | |
| Cash and temporary investments | \$ 300 | \$ 69 | \$ - | \$ - | \$ - |
| Accounts receivable | | | | | |
| Taxes | - | - | - | - | - |
| Due from other governments | - | - | 13,827 | 51,940 | 16,474 |
| Interfund receivables | - | - | 1,548 | 140 | 222 |
| Other | - | - | - | - | - |
| Inventory | - | - | - | - | - |
| <i>Total assets</i> | <u>300</u> | <u>69</u> | <u>15,375</u> | <u>52,080</u> | <u>16,696</u> |
| LIABILITIES | | | | | |
| <i>Current liabilities:</i> | | | | | |
| Accounts payable | - | - | 8,560 | 3,715 | - |
| Accrued payroll liabilities | - | - | - | - | - |
| Interfund payables | - | - | 13,827 | 100,714 | 16,475 |
| Unearned revenue | 300 | 69 | - | - | - |
| <i>Total liabilities</i> | <u>300</u> | <u>69</u> | <u>22,387</u> | <u>104,429</u> | <u>16,475</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenues - property taxes | - | - | - | - | - |
| Unavailable revenues - other | - | - | 7,968 | 51,826 | 7,176 |
| <i>Total deferred inflows of resources</i> | <u>-</u> | <u>-</u> | <u>7,968</u> | <u>51,826</u> | <u>7,176</u> |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted for: | | | | | |
| Grant mandates | - | - | - | - | - |
| Capital projects | - | - | - | - | - |
| Debt service | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | (14,980) | (104,175) | (6,955) |
| <i>Total fund balances</i> | <u>-</u> | <u>-</u> | <u>(14,980)</u> | <u>(104,175)</u> | <u>(6,955)</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 300</u> | <u>\$ 69</u> | <u>\$ 15,375</u> | <u>\$ 52,080</u> | <u>\$ 16,696</u> |

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

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

| | Title I School Improvement 24162 | Carl D Perkins Special Projects Current 24171 | Bilingual Ed Comp School Grants 25109 | Johnson O'Malley 25131 | Impact Aid Special Education 25145 |
|--|---|--|--|------------------------------|---|
| ASSETS | | | | | |
| <i>Current assets:</i> | | | | | |
| Cash and temporary investments | \$ - | \$ - | \$ 51,589 | \$ 77,598 | \$ 168,303 |
| Accounts receivable | | | | | |
| Taxes | - | - | - | - | - |
| Due from other governments | - | 3,751 | - | - | - |
| Interfund receivables | - | - | - | - | - |
| Other | - | - | - | - | - |
| Inventory | - | - | - | - | - |
| <i>Total assets</i> | <u>-</u> | <u>3,751</u> | <u>51,589</u> | <u>77,598</u> | <u>168,303</u> |
| LIABILITIES | | | | | |
| <i>Current liabilities:</i> | | | | | |
| Accounts payable | - | - | - | - | - |
| Accrued payroll liabilities | - | - | - | - | - |
| Interfund payables | - | 3,751 | - | - | - |
| Unearned revenue | - | - | 51,589 | 77,598 | - |
| <i>Total liabilities</i> | <u>-</u> | <u>3,751</u> | <u>51,589</u> | <u>77,598</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenues - property taxes | - | - | - | - | - |
| Unavailable revenues - other | - | 3,751 | - | - | - |
| <i>Total deferred inflows of resources</i> | <u>-</u> | <u>3,751</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted for: | | | | | |
| Grant mandates | - | - | - | - | 168,303 |
| Capital projects | - | - | - | - | - |
| Debt service | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | (3,751) | - | - | - |
| <i>Total fund balances</i> | <u>-</u> | <u>(3,751)</u> | <u>-</u> | <u>-</u> | <u>168,303</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ -</u> | <u>\$ 3,751</u> | <u>\$ 51,589</u> | <u>\$ 77,598</u> | <u>\$ 168,303</u> |

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

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

| | Impact Aid Indian Education 25147 | GRADS Child Care CYFD 25149 | Title XIX Medicaid 3/21 Years 25153 | Indian Ed Formula Grant 25184 | Kellogg Fund/ Kellogg Foundation 26121 |
|--|--|--------------------------------------|--|--|--|
| ASSETS | | | | | |
| <i>Current assets:</i> | | | | | |
| Cash and temporary investments | \$ 399,605 | \$ 19,935 | \$ 42,516 | \$ - | \$ 178,490 |
| Accounts receivable | | | | | |
| Taxes | - | - | - | - | - |
| Due from other governments | - | - | 16,477 | 72,109 | - |
| Interfund receivables | - | - | - | - | - |
| Other | - | - | - | - | - |
| Inventory | - | - | - | - | - |
| <i>Total assets</i> | <u>399,605</u> | <u>19,935</u> | <u>58,993</u> | <u>72,109</u> | <u>178,490</u> |
| LIABILITIES | | | | | |
| <i>Current liabilities:</i> | | | | | |
| Accounts payable | - | - | - | - | - |
| Accrued payroll liabilities | - | - | - | - | - |
| Interfund payables | - | - | - | 23,503 | - |
| Unearned revenue | - | 19,935 | - | 48,606 | - |
| <i>Total liabilities</i> | <u>-</u> | <u>19,935</u> | <u>-</u> | <u>72,109</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> | <u>-</u> |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted for: | | | | | |
| Grant mandates | 399,605 | - | 58,993 | - | 178,490 |
| Capital projects | - | - | - | - | - |
| Debt service | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| <i>Total fund balances</i> | <u>399,605</u> | <u>-</u> | <u>58,993</u> | <u>-</u> | <u>178,490</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 399,605</u> | <u>\$ 19,935</u> | <u>\$ 58,993</u> | <u>\$ 72,109</u> | <u>\$ 178,490</u> |

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

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

| | Save the Children 26143 | Dual Credit Instructional Materials 27103 | 2010 GO Bonds Student Library Fund (SB1) 27106 | 2012 GO Bonds Student Library Fund (SB66) 27107 | New Mexico Reads to Lead K-3 Reading Initiative 27114 |
|--|-------------------------------|--|---|--|--|
| ASSETS | | | | | |
| <i>Current assets:</i> | | | | | |
| Cash and temporary investments | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts receivable | | | | | |
| Taxes | - | - | - | - | - |
| Due from other governments | - | - | - | - | 18,160 |
| Interfund receivables | - | - | - | - | - |
| Other | - | - | - | - | - |
| Inventory | - | - | - | - | - |
| <i>Total assets</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,160</u> |
| LIABILITIES | | | | | |
| <i>Current liabilities:</i> | | | | | |
| Accounts payable | - | - | - | - | - |
| Accrued payroll liabilities | - | - | - | - | - |
| Interfund payables | - | - | - | - | 18,160 |
| Unearned revenue | - | - | - | - | - |
| <i>Total liabilities</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,160</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> | <u>-</u> |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted for: | | | | | |
| Grant mandates | - | - | - | - | - |
| Capital projects | - | - | - | - | - |
| Debt service | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| <i>Total fund balances</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 18,160</u> |

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

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

| | Technology for Education PED 27117 | PreK Initiative 27149 | Indian Education Act 27150 | Beginning Teacher Mentoring Program 27154 | Breakfast for Elementary Students 27155 |
|--|--|-----------------------------|-------------------------------------|--|--|
| ASSETS | | | | | |
| <i>Current assets:</i> | | | | | |
| Cash and temporary investments | \$ 6,758 | \$ - | \$ 8,752 | \$ 36,636 | \$ - |
| Accounts receivable | | | | | |
| Taxes | - | - | - | - | - |
| Due from other governments | - | 14,058 | 20,143 | - | - |
| Interfund receivables | - | - | - | - | - |
| Other | - | - | - | - | - |
| Inventory | - | - | - | - | - |
| <i>Total assets</i> | <u>6,758</u> | <u>14,058</u> | <u>28,895</u> | <u>36,636</u> | <u>-</u> |
| LIABILITIES | | | | | |
| <i>Current liabilities:</i> | | | | | |
| Accounts payable | - | - | - | - | - |
| Accrued payroll liabilities | - | - | - | - | - |
| Interfund payables | - | 14,058 | - | - | - |
| Unearned revenue | - | - | - | - | - |
| <i>Total liabilities</i> | <u>-</u> | <u>14,058</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> | <u>-</u> |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted for: | | | | | |
| Grant mandates | 6,758 | - | 28,895 | 36,636 | - |
| Capital projects | - | - | - | - | - |
| Debt service | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| <i>Total fund balances</i> | <u>6,758</u> | <u>-</u> | <u>28,895</u> | <u>36,636</u> | <u>-</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 6,758</u> | <u>\$ 14,058</u> | <u>\$ 28,895</u> | <u>\$ 36,636</u> | <u>\$ -</u> |

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

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

| | Kindergarten - Three Plus 27166 | 2013 PreK Classrooms 27177 | NM Grown Fresh Fruits and Vegetables 27183 | Nutrition Grant 28127 | CYFD Child and Adult Care Food Program 28201 |
|--|---------------------------------------|----------------------------------|---|-----------------------------|---|
| ASSETS | | | | | |
| <i>Current assets:</i> | | | | | |
| Cash and temporary investments | \$ - | \$ - | \$ - | \$ 1,965 | \$ 21,382 |
| Accounts receivable | | | | | |
| Taxes | - | - | - | - | - |
| Due from other governments | - | - | - | - | - |
| Interfund receivables | - | - | - | - | - |
| Other | - | - | - | - | - |
| Inventory | - | - | - | - | - |
| <i>Total assets</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,965</u> | <u>21,382</u> |
| LIABILITIES | | | | | |
| <i>Current liabilities:</i> | | | | | |
| Accounts payable | - | 61,529 | - | - | - |
| Accrued payroll liabilities | - | - | - | - | - |
| Interfund payables | - | 24,237 | - | - | - |
| Unearned revenue | - | - | - | - | - |
| <i>Total liabilities</i> | <u>-</u> | <u>85,766</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> | <u>-</u> |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted for: | | | | | |
| Grant mandates | - | - | - | 1,965 | 21,382 |
| Capital projects | - | - | - | - | - |
| Debt service | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | (85,766) | - | - | - |
| <i>Total fund balances</i> | <u>-</u> | <u>(85,766)</u> | <u>-</u> | <u>1,965</u> | <u>21,382</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,965</u> | <u>\$ 21,382</u> |

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

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

| | Private Direct Grants 29102 | Total |
|--|--------------------------------------|---------------------|
| | <u> </u> | <u> </u> |
| ASSETS | | |
| <i>Current assets:</i> | | |
| Cash and temporary investments | \$ 21,584 | \$ 1,108,874 |
| Accounts receivable | - | - |
| Taxes | - | - |
| Due from other governments | - | 307,988 |
| Interfund receivables | - | 1,910 |
| Other | - | - |
| Inventory | - | 25,147 |
| | <u> </u> | <u> </u> |
| <i>Total assets</i> | <u>21,584</u> | <u>1,443,919</u> |
| LIABILITIES | | |
| <i>Current liabilities:</i> | | |
| Accounts payable | - | 86,581 |
| Accrued payroll liabilities | - | - |
| Interfund payables | - | 260,246 |
| Unearned revenue | - | 204,049 |
| | <u> </u> | <u> </u> |
| <i>Total liabilities</i> | <u>-</u> | <u>550,876</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable revenues - property taxes | - | - |
| Unavailable revenues - other | - | 70,721 |
| | <u> </u> | <u> </u> |
| <i>Total deferred inflows of resources</i> | <u>-</u> | <u>70,721</u> |
| FUND BALANCES | | |
| Nonspendable | - | 25,147 |
| Restricted for: | | |
| Grant mandates | 21,584 | 1,012,802 |
| Capital projects | - | - |
| Debt service | - | - |
| Assigned | - | - |
| Unassigned | - | (215,627) |
| | <u> </u> | <u> </u> |
| <i>Total fund balances</i> | <u>21,584</u> | <u>822,322</u> |
| | | |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 21,584</u> | <u>\$ 1,443,919</u> |

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

STATE OF NEW MEXICO
 ZUNI 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 | Skolnick Foundation 23000 | IDEA-B Entitlement 24106 | IDEA-B Preschool 24109 |
|--|---------------------------|--------------------|---------------------------------|--------------------------------|------------------------------|
| <i>Revenues:</i> | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| State grants | (21,382) | - | - | - | - |
| Federal grants | 1,023,242 | - | - | 391,412 | 390 |
| Miscellaneous | - | - | 25,000 | - | - |
| Charges for services | 11,768 | 40,218 | - | - | - |
| Investment Income | - | - | - | - | - |
| <i>Total revenues</i> | <u>1,013,628</u> | <u>40,218</u> | <u>25,000</u> | <u>391,412</u> | <u>390</u> |
| <i>Expenditures:</i> | | | | | |
| <i>Current:</i> | | | | | |
| Instruction | - | 43,697 | 24,728 | 354,693 | 1,776 |
| Support services | | | | | |
| Students | - | - | - | 6,377 | 1,211 |
| Instruction | - | - | - | - | - |
| General administration | - | - | - | 17,648 | 195 |
| School administration | - | - | - | - | - |
| Central services | - | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - | - |
| Student transportation | - | - | - | - | 135 |
| Other support services | - | - | - | - | - |
| Food services operations | 981,523 | - | - | - | - |
| Community service | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Debt service | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| <i>Total expenditures</i> | <u>981,523</u> | <u>43,697</u> | <u>24,728</u> | <u>378,718</u> | <u>3,317</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>32,105</u> | <u>(3,479)</u> | <u>272</u> | <u>12,694</u> | <u>(2,927)</u> |
| <i>Other financing sources (uses):</i> | | | | | |
| Operating transfers | 102,000 | - | - | - | - |
| Proceeds from bond issues | - | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>102,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>134,105</u> | <u>(3,479)</u> | <u>272</u> | <u>12,694</u> | <u>(2,927)</u> |
| <i>Fund balances - beginning of year</i> | (34,660) | 11,804 | 7,296 | (12,694) | 2,927 |
| <i>Prior period adjustment</i> | - | - | - | - | - |
| <i>Adjusted fund balances - beginning of year</i> | <u>(34,660)</u> | <u>11,804</u> | <u>7,296</u> | <u>(12,694)</u> | <u>2,927</u> |
| <i>Fund balances - end of year</i> | <u>\$ 99,445</u> | <u>\$ 8,325</u> | <u>\$ 7,568</u> | <u>\$ -</u> | <u>\$ -</u> |

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

STATE OF NEW MEXICO
 ZUNI 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

| | IDEA-B Early Intervention Services 24112 | Fresh Fruits and Vegetables 24118 | English Language Acquisition 24153 | Teacher/Principal Training & Recruiting 24154 | Rural & Low-Income Schools 24160 |
|--|---|--|---|--|---|
| <i>Revenues:</i> | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - | - |
| Federal grants | - | 31,023 | 12,228 | 18,649 | 9,297 |
| Miscellaneous | - | - | - | - | - |
| Charges for services | - | - | - | - | - |
| Investment Income | - | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>31,023</u> | <u>12,228</u> | <u>18,649</u> | <u>9,297</u> |
| <i>Expenditures:</i> | | | | | |
| <i>Current:</i> | | | | | |
| Instruction | - | - | 17,122 | 95,378 | 7,150 |
| Support services | | | | | |
| Students | - | - | - | - | - |
| Instruction | - | - | 2,579 | 28 | 7,200 |
| General administration | - | - | 2,245 | 17,991 | 1,902 |
| School administration | - | - | - | 2,808 | - |
| Central services | - | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - | - |
| Student transportation | - | - | - | - | - |
| Other support services | - | - | - | - | - |
| Food services operations | - | 31,023 | - | - | - |
| Community service | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Debt service | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>31,023</u> | <u>21,946</u> | <u>116,205</u> | <u>16,252</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>(9,718)</u> | <u>(97,556)</u> | <u>(6,955)</u> |
| <i>Other financing sources (uses):</i> | | | | | |
| Operating transfers | - | - | 1,344 | 489 | 4,091 |
| Proceeds from bond issues | - | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>1,344</u> | <u>489</u> | <u>4,091</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(8,374)</u> | <u>(97,067)</u> | <u>(2,864)</u> |
| <i>Fund balances - beginning of year</i> | - | - | (6,606) | (7,108) | (4,091) |
| <i>Prior period adjustment</i> | - | - | - | - | - |
| <i>Adjusted fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(6,606)</u> | <u>(7,108)</u> | <u>(4,091)</u> |
| <i>Fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (14,980)</u> | <u>\$ (104,175)</u> | <u>\$ (6,955)</u> |

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

STATE OF NEW MEXICO
ZUNI 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

| | Title I School Improvement 24162 | Carl D Perkins Special Projects Current 24171 | Bilingual Ed Comp School Grants 25109 | Johnson O'Malley 25131 | Impact Aid Special Education 25145 |
|--|---|--|--|------------------------------|---|
| <i>Revenues:</i> | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - | - |
| Federal grants | - | 22,561 | - | 111,380 | 214,287 |
| Miscellaneous | - | - | - | - | - |
| Charges for services | - | - | - | - | - |
| Investment Income | - | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>22,561</u> | <u>-</u> | <u>111,380</u> | <u>214,287</u> |
| <i>Expenditures:</i> | | | | | |
| Current: | | | | | |
| Instruction | - | 26,313 | - | 86,115 | 74,122 |
| Support services | | | | | |
| Students | - | - | - | - | 42,148 |
| Instruction | - | - | - | - | - |
| General administration | - | - | - | 25,265 | 200,479 |
| School administration | - | - | - | - | - |
| Central services | - | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - | - |
| Student transportation | - | - | - | - | - |
| Other support services | - | - | - | - | - |
| Food services operations | - | - | - | - | - |
| Community service | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Debt service | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>26,313</u> | <u>-</u> | <u>111,380</u> | <u>316,749</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>(3,752)</u> | <u>-</u> | <u>-</u> | <u>(102,462)</u> |
| <i>Other financing sources (uses):</i> | | | | | |
| Operating transfers | - | 3,756 | - | - | - |
| Proceeds from bond issues | - | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>3,756</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>4</u> | <u>-</u> | <u>-</u> | <u>(102,462)</u> |
| <i>Fund balances - beginning of year</i> | - | (3,755) | - | - | 270,765 |
| <i>Prior period adjustment</i> | - | - | - | - | - |
| <i>Adjusted fund balances - beginning of year</i> | <u>-</u> | <u>(3,755)</u> | <u>-</u> | <u>-</u> | <u>270,765</u> |
| <i>Fund balances - end of year</i> | <u>\$ -</u> | <u>\$ (3,751)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 168,303</u> |

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

STATE OF NEW MEXICO
 ZUNI 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

| | Impact Aid Indian Education 25147 | GRADS Child Care CYFD 25149 | Title XIX Medicaid 3/21 Years 25153 | Indian Ed Formula Grant 25184 | Kellogg Fund/ Kellogg Foundation 26121 |
|--|--|--------------------------------------|--|--|--|
| <i>Revenues:</i> | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - | - |
| Federal grants | 1,541,399 | - | 103,590 | 187,685 | - |
| Miscellaneous | - | - | - | - | 213,800 |
| Charges for services | - | - | - | - | - |
| Investment Income | - | - | - | - | - |
| <i>Total revenues</i> | <u>1,541,399</u> | <u>-</u> | <u>103,590</u> | <u>187,685</u> | <u>213,800</u> |
| <i>Expenditures:</i> | | | | | |
| <i>Current:</i> | | | | | |
| Instruction | 629,333 | - | - | 167,238 | 48,546 |
| Support services | | | | | |
| Students | 64,547 | - | 105,562 | - | - |
| Instruction | 36,844 | - | - | 1,807 | - |
| General administration | 266,445 | - | - | 18,640 | 31,159 |
| School administration | 32,181 | - | - | - | - |
| Central services | 344,206 | - | - | - | - |
| Operation & maintenance of plant | - | - | 731 | - | - |
| Student transportation | - | - | - | - | - |
| Other support services | - | - | - | - | - |
| Food services operations | - | - | - | - | - |
| Community service | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Debt service | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| <i>Total expenditures</i> | <u>1,373,556</u> | <u>-</u> | <u>106,293</u> | <u>187,685</u> | <u>79,705</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>167,843</u> | <u>-</u> | <u>(2,703)</u> | <u>-</u> | <u>134,095</u> |
| <i>Other financing sources (uses):</i> | | | | | |
| Operating transfers | (45,000) | - | - | - | - |
| Proceeds from bond issues | - | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>(45,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>122,843</u> | <u>-</u> | <u>(2,703)</u> | <u>-</u> | <u>134,095</u> |
| <i>Fund balances - beginning of year</i> | <u>276,762</u> | <u>-</u> | <u>61,696</u> | <u>-</u> | <u>44,395</u> |
| <i>Prior period adjustment</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Adjusted fund balances - beginning of year</i> | <u>276,762</u> | <u>-</u> | <u>61,696</u> | <u>-</u> | <u>44,395</u> |
| <i>Fund balances - end of year</i> | <u>\$ 399,605</u> | <u>\$ -</u> | <u>\$ 58,993</u> | <u>\$ -</u> | <u>\$ 178,490</u> |

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

STATE OF NEW MEXICO
 ZUNI 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

| | Save the Children 26143 | Dual Credit Instructional Materials 27103 | 2010 GO Bonds Student Library Fund (SB1) 27106 | 2012 GO Bonds Student Library Fund (SB66) 27107 | New Mexico Reads to Lead K-3 Reading Initiative 27114 |
|--|-------------------------------|--|---|--|--|
| <i>Revenues:</i> | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| State grants | - | 1,930 | - | - | 86,686 |
| Federal grants | - | - | - | - | - |
| Miscellaneous | 20,571 | - | - | - | - |
| Charges for services | - | - | - | - | - |
| Investment Income | - | - | - | - | - |
| <i>Total revenues</i> | <u>20,571</u> | <u>1,930</u> | <u>-</u> | <u>-</u> | <u>86,686</u> |
| <i>Expenditures:</i> | | | | | |
| <i>Current:</i> | | | | | |
| Instruction | 223 | 1,930 | - | - | 85,057 |
| Support services | | | | | |
| Students | - | - | - | - | - |
| Instruction | - | - | - | - | - |
| General administration | - | - | - | - | 1,629 |
| School administration | - | - | - | - | - |
| Central services | - | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - | - |
| Student transportation | - | - | - | - | - |
| Other support services | - | - | - | - | - |
| Food services operations | - | - | - | - | - |
| Community service | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Debt service | - | - | - | - | - |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| <i>Total expenditures</i> | <u>223</u> | <u>1,930</u> | <u>-</u> | <u>-</u> | <u>86,686</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>20,348</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Other financing sources (uses):</i> | | | | | |
| Operating transfers | 2,131 | - | 2,504 | 2,201 | - |
| Proceeds from bond issues | - | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>2,131</u> | <u>-</u> | <u>2,504</u> | <u>2,201</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>22,479</u> | <u>-</u> | <u>2,504</u> | <u>2,201</u> | <u>-</u> |
| <i>Fund balances - beginning of year</i> | (22,479) | - | (2,504) | (2,201) | - |
| <i>Prior period adjustment</i> | - | - | - | - | - |
| <i>Adjusted fund balances - beginning of year</i> | <u>(22,479)</u> | <u>-</u> | <u>(2,504)</u> | <u>(2,201)</u> | <u>-</u> |
| <i>Fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

STATE OF NEW MEXICO
 ZUNI 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

| | Technology for Education PED 27117 | PreK Initiative 27149 | Indian Education Act 27150 | Beginning Teacher Mentoring Program 27154 | Breakfast for Elementary Students 27155 |
|--|--|-----------------------------|-------------------------------------|--|--|
| <i>Revenues:</i> | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| State grants | - | 116,891 | 39,078 | - | - |
| Federal grants | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - |
| Charges for services | - | - | - | - | - |
| Investment Income | - | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>116,891</u> | <u>39,078</u> | <u>-</u> | <u>-</u> |
| <i>Expenditures:</i> | | | | | |
| <i>Current:</i> | | | | | |
| Instruction | - | 116,930 | 19,184 | - | - |
| Support services | | | | | |
| Students | - | - | - | - | - |
| Instruction | - | - | - | - | - |
| General administration | - | 2,249 | 958 | - | - |
| School administration | - | - | - | - | - |
| Central services | - | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - | - |
| Student transportation | - | 218 | - | - | - |
| Other support services | - | - | - | - | - |
| Food services operations | - | - | - | - | - |
| Community service | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Debt service | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>119,397</u> | <u>20,142</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>(2,506)</u> | <u>18,936</u> | <u>-</u> | <u>-</u> |
| <i>Other financing sources (uses):</i> | | | | | |
| Operating transfers | - | 41,735 | - | - | - |
| Proceeds from bond issues | - | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>41,735</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>39,229</u> | <u>18,936</u> | <u>-</u> | <u>-</u> |
| <i>Fund balances - beginning of year</i> | 6,758 | (39,229) | 9,959 | 36,636 | - |
| <i>Prior period adjustment</i> | - | - | - | - | - |
| <i>Adjusted fund balances - beginning of year</i> | <u>6,758</u> | <u>(39,229)</u> | <u>9,959</u> | <u>36,636</u> | <u>-</u> |
| <i>Fund balances - end of year</i> | <u>\$ 6,758</u> | <u>\$ -</u> | <u>\$ 28,895</u> | <u>\$ 36,636</u> | <u>\$ -</u> |

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

STATE OF NEW MEXICO
 ZUNI 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

| | Kindergarten - Three Plus 27166 | 2013 PreK Classrooms 27177 | NM Grown Fresh Fruits and Vegetables 27183 | Nutrition Grant 28127 | CYFD Child and Adult Care Food Program 28201 |
|--|---------------------------------------|----------------------------------|---|-----------------------------|---|
| <i>Revenues:</i> | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - | 21,382 |
| Federal grants | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - |
| Charges for services | - | - | - | - | - |
| Investment Income | - | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>21,382</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 service | - | - | - | - | - |
| Capital outlay | - | 85,766 | - | - | - |
| Debt service | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>85,766</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>(85,766)</u> | <u>-</u> | <u>-</u> | <u>21,382</u> |
| <i>Other financing sources (uses):</i> | | | | | |
| Operating transfers | 1,997 | - | - | - | - |
| Proceeds from bond issues | - | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>1,997</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>1,997</u> | <u>(85,766)</u> | <u>-</u> | <u>-</u> | <u>21,382</u> |
| <i>Fund balances - beginning of year</i> | (1,997) | - | - | 1,965 | - |
| <i>Prior period adjustment</i> | - | - | - | - | - |
| <i>Adjusted fund balances - beginning of year</i> | <u>(1,997)</u> | <u>-</u> | <u>-</u> | <u>1,965</u> | <u>-</u> |
| <i>Fund balances - end of year</i> | <u>\$ -</u> | <u>\$ (85,766)</u> | <u>\$ -</u> | <u>\$ 1,965</u> | <u>\$ 21,382</u> |

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

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

| | Private Direct Grants 29102 | Total |
|--|--------------------------------------|-------------------|
| <i>Revenues:</i> | | |
| Property taxes | \$ - | \$ - |
| State grants | - | 244,585 |
| Federal grants | - | 3,667,143 |
| Miscellaneous | 3,000 | 262,371 |
| Charges for services | - | 51,986 |
| Investment Income | - | - |
| <i>Total revenues</i> | <u>3,000</u> | <u>4,226,085</u> |
| <i>Expenditures:</i> | | |
| Current: | | |
| Instruction | - | 1,799,535 |
| Support services | | |
| Students | - | 219,845 |
| Instruction | - | 48,458 |
| General administration | - | 586,805 |
| School administration | - | 34,989 |
| Central services | - | 344,206 |
| Operation & maintenance of plant | 1,887 | 2,618 |
| Student transportation | - | 353 |
| Other support services | - | - |
| Food services operations | - | 1,012,546 |
| Community service | - | - |
| Capital outlay | - | 85,766 |
| Debt service | | |
| Principal | - | - |
| Interest | - | - |
| <i>Total expenditures</i> | <u>1,887</u> | <u>4,135,121</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>1,113</u> | <u>90,964</u> |
| <i>Other financing sources (uses):</i> | | |
| Operating transfers | - | 117,248 |
| Proceeds from bond issues | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>117,248</u> |
| <i>Net changes in fund balances</i> | <u>1,113</u> | <u>208,212</u> |
| <i>Fund balances - beginning of year</i> | 20,471 | 614,110 |
| <i>Prior period adjustment</i> | - | - |
| <i>Adjusted fund balances - beginning of year</i> | <u>20,471</u> | <u>614,110</u> |
| <i>Fund balances - end of year</i> | <u>\$ 21,584</u> | <u>\$ 822,322</u> |

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

STATE OF NEW MEXICO
 ZUNI 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 | 827,500 | 910,860 | 938,057 | 27,197 |
| Miscellaneous | - | - | - | - |
| Charges for services | 11,500 | 11,500 | 11,768 | 268 |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>839,000</u> | <u>922,360</u> | <u>949,825</u> | <u>27,465</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 | 896,315 | 958,079 | 930,433 | 27,646 |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>896,315</u> | <u>958,079</u> | <u>930,433</u> | <u>27,646</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(57,315)</u> | <u>(35,719)</u> | <u>19,392</u> | <u>55,111</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | 57,315 | 35,719 | - | (35,719) |
| Operating transfers | - | - | 102,000 | 102,000 |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>57,315</u> | <u>35,719</u> | <u>102,000</u> | <u>66,281</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>121,392</u> | <u>121,392</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | (66,280) | (66,280) |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(66,280)</u> | <u>(66,280)</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 55,112</u> | <u>\$ 55,112</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ 121,392 | |
| Adjustments to revenues | | | 63,803 | |
| Adjustments to expenditures | | | (51,090) | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 134,105</u> | |

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

STATE OF NEW MEXICO
 ZUNI 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 | 45,000 | 37,000 | 42,884 | 5,884 |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>45,000</u> | <u>37,000</u> | <u>42,884</u> | <u>5,884</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 52,742 | 44,742 | 43,697 | 1,045 |
| 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>52,742</u> | <u>44,742</u> | <u>43,697</u> | <u>1,045</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(7,742)</u> | <u>(7,742)</u> | <u>(813)</u> | <u>6,929</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | 7,742 | 7,742 | - | (7,742) |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>7,742</u> | <u>7,742</u> | <u>-</u> | <u>(7,742)</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(813)</u> | <u>(813)</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 9,138 | 9,138 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>9,138</u> | <u>9,138</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,325</u> | <u>\$ 8,325</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ (813) | |
| Adjustments to revenues | | | (2,666) | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ (3,479)</u> | |

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

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SKOLNICK FOUNDATION SPECIAL REVENUE FUND (23000)
 FOR THE YEAR ENDING JUNE 30, 2015

Statement B-5

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|-----------------|-----------------|-----------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | - | - | - | - |
| Miscellaneous | - | 25,000 | 25,000 | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>25,000</u> | <u>25,000</u> | <u>-</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 15,545 | 39,795 | 32,228 | 7,567 |
| 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>15,545</u> | <u>39,795</u> | <u>32,228</u> | <u>7,567</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(15,545)</u> | <u>(14,795)</u> | <u>(7,228)</u> | <u>7,567</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | 15,545 | 14,795 | - | (14,795) |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>15,545</u> | <u>14,795</u> | <u>-</u> | <u>(14,795)</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(7,228)</u> | <u>(7,228)</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 14,796 | 14,796 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>14,796</u> | <u>14,796</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,568</u> | <u>\$ 7,568</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ (7,228) | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | 7,500 | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 272</u> | |

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

STATE OF NEW MEXICO
 ZUNI 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

Statement B-6

| | Budgeted Amounts | | | |
|--|------------------|----------------|--------------------|--------------------|
| | Original Budget | Final Budget | Actual | Variance |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | 358,327 | 670,109 | 460,730 | (209,379) |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>358,327</u> | <u>670,109</u> | <u>460,730</u> | <u>(209,379)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 326,651 | 556,961 | 356,498 | 200,463 |
| Support services | | | | |
| Students | 3,000 | 28,000 | 6,377 | 21,623 |
| Instruction | - | - | - | - |
| General administration | 28,676 | 85,148 | 31,559 | 53,589 |
| 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>358,327</u> | <u>670,109</u> | <u>394,434</u> | <u>275,675</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>66,296</u> | <u>66,296</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>66,296</u> | <u>66,296</u> |
| <i>Cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(111,817)</u> | <u>(111,817)</u> |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(111,817)</u> | <u>(111,817)</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (45,521)</u> | <u>\$ (45,521)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ 66,296 | |
| Adjustments to revenues | | | (69,318) | |
| Adjustments to expenditures | | | 15,716 | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 12,694</u> | |

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

STATE OF NEW MEXICO
 ZUNI 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-7

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|---------------|-------------------|-----------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | 8,813 | 19,584 | 3,497 | (16,087) |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>8,813</u> | <u>19,584</u> | <u>3,497</u> | <u>(16,087)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 6,750 | 16,888 | 1,776 | 15,112 |
| Support services | | | | |
| Students | 1,471 | 1,471 | 1,211 | 260 |
| Instruction | - | - | - | - |
| General administration | 592 | 1,225 | 195 | 1,030 |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | 135 | (135) |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>8,813</u> | <u>19,584</u> | <u>3,317</u> | <u>16,267</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>180</u> | <u>180</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>180</u> | <u>180</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 2,207 | 2,207 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>2,207</u> | <u>2,207</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,387</u> | <u>\$ 2,387</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ 180 | |
| Adjustments to revenues | | | (3,107) | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ (2,927)</u> | |

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

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 IDEA-B EARLY INTERVENTION SERVICES SPECIAL REVENUE FUND (24112)
 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 | - | - | - | - |
| 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 | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 300 | 300 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>300</u> | <u>300</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 300</u> | <u>\$ 300</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
 ZUNI PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND (24118)
 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 | - | 36,305 | 29,568 | (6,737) |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>36,305</u> | <u>29,568</u> | <u>(6,737)</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 | - | 36,305 | 36,304 | 1 |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>36,305</u> | <u>36,304</u> | <u>1</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>(6,736)</u> | <u>(6,736)</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(6,736)</u> | <u>(6,736)</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 6,805 | 6,805 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>6,805</u> | <u>6,805</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 69</u> | <u>\$ 69</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ (6,736) | |
| Adjustments to revenues | | | 1,455 | |
| Adjustments to expenditures | | | 5,281 | |
| Net change in fund balance (GAAP basis) | | | <u>\$ -</u> | |

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND (24153)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-10

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|---------------|--------------------|--------------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | 42,189 | 89,911 | 27,200 | (62,711) |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>42,189</u> | <u>89,911</u> | <u>27,200</u> | <u>(62,711)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 29,000 | 73,734 | 13,825 | 59,909 |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | 2,579 | (2,579) |
| General administration | 13,189 | 16,177 | 2,245 | 13,932 |
| 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>42,189</u> | <u>89,911</u> | <u>18,649</u> | <u>71,262</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>8,551</u> | <u>8,551</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | 1,344 | 1,344 |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>1,344</u> | <u>1,344</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>9,895</u> | <u>9,895</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | (22,174) | (22,174) |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(22,174)</u> | <u>(22,174)</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (12,279)</u> | <u>\$ (12,279)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ 9,895 | |
| Adjustments to revenues | | | (14,972) | |
| Adjustments to expenditures | | | (3,297) | |
| Net change in fund balance (GAAP basis) | | | <u>\$ (8,374)</u> | |

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

STATE OF NEW MEXICO
 ZUNI 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-11

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|----------------|---------------------|---------------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | 113,759 | 281,788 | 116,936 | (164,852) |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>113,759</u> | <u>281,788</u> | <u>116,936</u> | <u>(164,852)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 96,618 | 253,647 | 95,378 | 158,269 |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | 28 | (28) |
| General administration | 6,641 | 17,641 | 14,276 | 3,365 |
| School administration | 10,500 | 10,500 | 2,808 | 7,692 |
| 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>113,759</u> | <u>281,788</u> | <u>112,490</u> | <u>169,298</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>4,446</u> | <u>4,446</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | 489 | 489 |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>489</u> | <u>489</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>4,935</u> | <u>4,935</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | (105,509) | (105,509) |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(105,509)</u> | <u>(105,509)</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (100,574)</u> | <u>\$ (100,574)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ 4,935 | |
| Adjustments to revenues | | | (98,287) | |
| Adjustments to expenditures | | | (3,715) | |
| Net change in fund balance (GAAP basis) | | | <u>\$ (97,067)</u> | |

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

STATE OF NEW MEXICO
ZUNI 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-12

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|---------------|--------------------|--------------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | 24,995 | 41,751 | 8,013 | (33,738) |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>24,995</u> | <u>41,751</u> | <u>8,013</u> | <u>(33,738)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 13,525 | 30,281 | 7,150 | 23,131 |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | 5,000 | 5,000 | 7,200 | (2,200) |
| General administration | 6,470 | 6,470 | 1,902 | 4,568 |
| 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>24,995</u> | <u>41,751</u> | <u>16,252</u> | <u>25,499</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>(8,239)</u> | <u>(8,239)</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | 4,091 | 4,091 |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>4,091</u> | <u>4,091</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(4,148)</u> | <u>(4,148)</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | (12,105) | (12,105) |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(12,105)</u> | <u>(12,105)</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (16,253)</u> | <u>\$ (16,253)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ (4,148) | |
| Adjustments to revenues | | | 1,284 | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ (2,864)</u> | |

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

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 TITLE I SCHOOL IMPROVEMENT SPECIAL REVENUE FUND (24162)
 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 | - | - | 4,335 | 4,335 |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>4,335</u> | <u>4,335</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>4,335</u> | <u>4,335</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>4,335</u> | <u>4,335</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | (4,335) | (4,335) |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(4,335)</u> | <u>(4,335)</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) | | | \$ 4,335 | |
| Adjustments to revenues | | | (4,335) | |
| 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

ZUNI PUBLIC SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

CARL D PERKINS SPECIAL PROJECTS - CURRENT SPECIAL REVENUE FUND (24171)

FOR THE YEAR ENDING JUNE 30, 2015

| | Budgeted Amounts | | | |
|--|------------------|---------------|-------------------|-------------------|
| | Original Budget | Final Budget | Actual | Variance |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | - | 35,701 | 31,305 | (4,396) |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>35,701</u> | <u>31,305</u> | <u>(4,396)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | 35,701 | 26,313 | 9,388 |
| 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>35,701</u> | <u>26,313</u> | <u>9,388</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>4,992</u> | <u>4,992</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | 3,756 | 3,756 |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>3,756</u> | <u>3,756</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>8,748</u> | <u>8,748</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | (12,499) | (12,499) |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(12,499)</u> | <u>(12,499)</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (3,751)</u> | <u>\$ (3,751)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ 8,748 | |
| Adjustments to revenues | | | (8,744) | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 4</u> | |

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

STATE OF NEW MEXICO

ZUNI PUBLIC SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

BILINGUAL EDUCATION/COMPREHENSIVE SCHOOL GRANTS SPECIAL REVENUE FUND (25109)

FOR THE YEAR ENDING JUNE 30, 2015

| | 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 | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 51,589 | 51,589 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>51,589</u> | <u>51,589</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 51,589</u> | <u>\$ 51,589</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
 ZUNI PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 JOHNSON O'MALLEY SPECIAL REVENUE FUND (25131)
 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 | - | - | - | - |
| Federal grants | 118,704 | 118,704 | 118,740 | 36 |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>118,704</u> | <u>118,704</u> | <u>118,740</u> | <u>36</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 93,398 | 93,398 | 90,865 | 2,533 |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | 25,306 | 25,306 | 25,265 | 41 |
| 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>118,704</u> | <u>118,704</u> | <u>116,130</u> | <u>2,574</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>2,610</u> | <u>2,610</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>2,610</u> | <u>2,610</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 74,988 | 74,988 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>74,988</u> | <u>74,988</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 77,598</u> | <u>\$ 77,598</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ 2,610 | |
| Adjustments to revenues | | | (7,360) | |
| Adjustments to expenditures | | | 4,750 | |
| Net change in fund balance (GAAP basis) | | | <u>\$ -</u> | |

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND (25145)
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 | - | - | - | - |
| Federal grants | 174,240 | 214,286 | 214,287 | 1 |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>174,240</u> | <u>214,286</u> | <u>214,287</u> | <u>1</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 83,354 | 121,103 | 74,122 | 46,981 |
| Support services | | | | |
| Students | 91,645 | 88,545 | 42,148 | 46,397 |
| Instruction | - | - | - | - |
| General administration | 273,102 | 275,399 | 200,479 | 74,920 |
| 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>448,101</u> | <u>485,047</u> | <u>316,749</u> | <u>168,298</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(273,861)</u> | <u>(270,761)</u> | <u>(102,462)</u> | <u>168,299</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | 273,861 | 270,761 | - | (270,761) |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>273,861</u> | <u>270,761</u> | <u>-</u> | <u>(270,761)</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(102,462)</u> | <u>(102,462)</u> |
| <i>Cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>270,765</u> | <u>270,765</u> |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>270,765</u> | <u>270,765</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 168,303</u> | <u>\$ 168,303</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ (102,462) | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ (102,462)</u> | |

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
IMPACT AID INDIAN EDUCATION SPECIAL REVENUE FUND (25147)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-18

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|------------------|-------------------|-------------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | 1,246,520 | 1,541,399 | 1,541,399 | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>1,246,520</u> | <u>1,541,399</u> | <u>1,541,399</u> | <u>-</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 575,623 | 820,923 | 630,365 | 190,558 |
| Support services | | | | |
| Students | 76,774 | 76,774 | 64,829 | 11,945 |
| Instruction | 32,256 | 36,646 | 36,989 | (343) |
| General administration | 237,908 | 265,547 | 267,355 | (1,808) |
| School administration | 48,598 | 63,148 | 32,336 | 30,812 |
| Central services | 343,129 | 346,129 | 345,385 | 744 |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | 100,000 | 100,000 | - | 100,000 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>1,414,288</u> | <u>1,709,167</u> | <u>1,377,259</u> | <u>331,908</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(167,768)</u> | <u>(167,768)</u> | <u>164,140</u> | <u>331,908</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | 167,768 | 167,768 | - | (167,768) |
| Operating transfers | - | - | (45,000) | (45,000) |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>167,768</u> | <u>167,768</u> | <u>(45,000)</u> | <u>(212,768)</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>119,140</u> | <u>119,140</u> |
| <i>Cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>280,465</u> | <u>280,465</u> |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>280,465</u> | <u>280,465</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 399,605</u> | <u>\$ 399,605</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ 119,140 | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | 3,703 | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 122,843</u> | |

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
GRADS CHILD CARE CYFD SPECIAL REVENUE FUND (25149)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-19

| | 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 | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 19,935 | 19,935 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>19,935</u> | <u>19,935</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 19,935</u> | <u>\$ 19,935</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
ZUNI 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-20

| | Budgeted Amounts | | | |
|--|------------------|-----------------|-------------------|------------------|
| | Original Budget | Final Budget | Actual | Variance |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | 85,374 | 85,374 | 101,246 | 15,872 |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>85,374</u> | <u>85,374</u> | <u>101,246</u> | <u>15,872</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | 121,233 | 121,233 | 105,562 | 15,671 |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | 731 | (731) |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>121,233</u> | <u>121,233</u> | <u>106,293</u> | <u>14,940</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(35,859)</u> | <u>(35,859)</u> | <u>(5,047)</u> | <u>30,812</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | 35,859 | 35,859 | - | (35,859) |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>35,859</u> | <u>35,859</u> | <u>-</u> | <u>(35,859)</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(5,047)</u> | <u>(5,047)</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 47,563 | 47,563 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>47,563</u> | <u>47,563</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 42,516</u> | <u>\$ 42,516</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ (5,047) | |
| Adjustments to revenues | | | 2,344 | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ (2,703)</u> | |

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

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 INDIAN ED FORMULA GRANT SPECIAL REVENUE FUND (25184)
 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 | - | - | - | - |
| Federal grants | 234,239 | 234,239 | 135,124 | (99,115) |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>234,239</u> | <u>234,239</u> | <u>135,124</u> | <u>(99,115)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 207,352 | 207,352 | 167,238 | 40,114 |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | 1,807 | (1,807) |
| General administration | 26,887 | 26,887 | 18,640 | 8,247 |
| 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>234,239</u> | <u>234,239</u> | <u>187,685</u> | <u>46,554</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>(52,561)</u> | <u>(52,561)</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(52,561)</u> | <u>(52,561)</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 29,058 | 29,058 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>29,058</u> | <u>29,058</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (23,503)</u> | <u>\$ (23,503)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ (52,561) | |
| Adjustments to revenues | | | 52,561 | |
| 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
ZUNI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
KELLOGG FUND/KELLOGG FOUNDATION SPECIAL REVENUE FUND (26121)
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 | - | 120,750 | 292,596 | 171,846 |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>120,750</u> | <u>292,596</u> | <u>171,846</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | 84,229 | 48,546 | 35,683 |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | 36,521 | 31,159 | 5,362 |
| 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>120,750</u> | <u>79,705</u> | <u>41,045</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>212,891</u> | <u>212,891</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>212,891</u> | <u>212,891</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | (34,401) | (34,401) |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(34,401)</u> | <u>(34,401)</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 178,490</u> | <u>\$ 178,490</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ 212,891 | |
| Adjustments to revenues | | | (78,796) | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 134,095</u> | |

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
SAVE THE CHILDREN SPECIAL REVENUE FUND (26143)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-23

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|--------------|------------------|-----------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | 20,571 | 20,571 |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>20,571</u> | <u>20,571</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | - | 223 | (223) |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>223</u> | <u>(223)</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>20,348</u> | <u>20,348</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | 2,131 | 2,131 |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>2,131</u> | <u>2,131</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>22,479</u> | <u>22,479</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | (22,479) | (22,479) |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(22,479)</u> | <u>(22,479)</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) | | | \$ 22,479 | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 22,479</u> | |

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

STATE OF NEW MEXICO
 ZUNI 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-24

| | Budgeted Amounts | | | |
|--|------------------|--------------|--------------|--------------|
| | Original Budget | Final Budget | Actual | Variance |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | 2,271 | 1,930 | (341) |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>2,271</u> | <u>1,930</u> | <u>(341)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | 2,271 | 1,930 | 341 |
| 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>2,271</u> | <u>1,930</u> | <u>341</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | - | - |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted 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

Statement B-25

ZUNI PUBLIC SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

2010 GO BONDS STUDENT LIBRARY FUND (SB1) SPECIAL REVENUE FUND (27106)

FOR THE YEAR ENDING JUNE 30, 2015

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|--------------|-----------------|----------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | 2,524 | 2,524 |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>2,524</u> | <u>2,524</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>2,524</u> | <u>2,524</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | 2,504 | 2,504 |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>2,504</u> | <u>2,504</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>5,028</u> | <u>5,028</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | (5,028) | (5,028) |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(5,028)</u> | <u>(5,028)</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) | | | \$ 5,028 | |
| Adjustments to revenues | | | (2,524) | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 2,504</u> | |

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

STATE OF NEW MEXICO

Statement B-26

ZUNI 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

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|---------------|-----------------|-----------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | 14,724 | 14,724 | - | (14,724) |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>14,724</u> | <u>14,724</u> | <u>-</u> | <u>(14,724)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | 14,724 | 14,724 | - | 14,724 |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>14,724</u> | <u>14,724</u> | <u>-</u> | <u>14,724</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 | - | - | 2,201 | 2,201 |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>2,201</u> | <u>2,201</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>2,201</u> | <u>2,201</u> |
| <i>Cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(2,201)</u> | <u>(2,201)</u> |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(2,201)</u> | <u>(2,201)</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) | | | \$ 2,201 | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 2,201</u> | |

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

STATE OF NEW MEXICO

ZUNI 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

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|---------------|--------------------|--------------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | 97,500 | 97,500 | 90,710 | (6,790) |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>97,500</u> | <u>97,500</u> | <u>90,710</u> | <u>(6,790)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 91,221 | 91,221 | 85,057 | 6,164 |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | 6,279 | 6,279 | 1,629 | 4,650 |
| 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>86,686</u> | <u>10,814</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>4,024</u> | <u>4,024</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>4,024</u> | <u>4,024</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | (22,184) | (22,184) |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(22,184)</u> | <u>(22,184)</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (18,160)</u> | <u>\$ (18,160)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ 4,024 | |
| Adjustments to revenues | | | (4,024) | |
| 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
ZUNI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TECHNOLOGY FOR EDUCATION PED SPECIAL REVENUE FUND (27117)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-28

| | 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 | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 6,758 | 6,758 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>6,758</u> | <u>6,758</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,758</u> | <u>\$ 6,758</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
ZUNI 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-29

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|----------------|--------------------|--------------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | 130,000 | 130,000 | 118,403 | (11,597) |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>130,000</u> | <u>130,000</u> | <u>118,403</u> | <u>(11,597)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | 118,700 | 118,700 | 116,930 | 1,770 |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | 1,300 | 1,300 | 2,249 | (949) |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | 10,000 | 10,000 | 218 | 9,782 |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>130,000</u> | <u>130,000</u> | <u>119,397</u> | <u>10,603</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>(994)</u> | <u>(994)</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | 41,735 | 41,735 |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>41,735</u> | <u>41,735</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>40,741</u> | <u>40,741</u> |
| <i>Cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(54,799)</u> | <u>(54,799)</u> |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(54,799)</u> | <u>(54,799)</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (14,058)</u> | <u>\$ (14,058)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ 40,741 | |
| Adjustments to revenues | | | (1,512) | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 39,229</u> | |

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

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 INDIAN EDUCATION ACT SPECIAL REVENUE FUND (27150)
 FOR THE YEAR ENDING JUNE 30, 2015

Statement B-30

| | Budgeted Amounts | | | |
|--|------------------|---------------|------------------|-----------------|
| | Original Budget | Final Budget | Actual | Variance |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | 25,000 | 18,935 | (6,065) |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>25,000</u> | <u>18,935</u> | <u>(6,065)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | 25,000 | 19,184 | 5,816 |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | 958 | (958) |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>25,000</u> | <u>20,142</u> | <u>4,858</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>(1,207)</u> | <u>(1,207)</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(1,207)</u> | <u>(1,207)</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 9,959 | 9,959 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>9,959</u> | <u>9,959</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,752</u> | <u>\$ 8,752</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ (1,207) | |
| Adjustments to revenues | | | 20,143 | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 18,936</u> | |

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

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 BEGINNING TEACHER MENTORING PROGRAM SPECIAL REVENUE FUND (27154)
 FOR THE YEAR ENDING JUNE 30, 2015

Statement B-31

| | 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 | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 36,636 | 36,636 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>36,636</u> | <u>36,636</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 36,636</u> | <u>\$ 36,636</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

Statement B-32

ZUNI 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

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|--------------|----------------|----------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | 4,530 | 4,530 |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>4,530</u> | <u>4,530</u> |
| <i>Expenditures:</i> | | | | |
| Current: | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>4,530</u> | <u>4,530</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>4,530</u> | <u>4,530</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | (4,530) | (4,530) |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(4,530)</u> | <u>(4,530)</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) | | | \$ 4,530 | |
| Adjustments to revenues | | | (4,530) | |
| 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
 ZUNI PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 KINDERGARTEN THREE PLUS SPECIAL REVENUE FUND (27166)
 FOR THE YEAR ENDING JUNE 30, 2015

Statement B-33

| | 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> | | | | |
| Current: | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | 1,997 | 1,997 |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>1,997</u> | <u>1,997</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>1,997</u> | <u>1,997</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | (1,997) | (1,997) |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(1,997)</u> | <u>(1,997)</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) | | | \$ 1,997 | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 1,997</u> | |

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
2013 PREK CLASSROOMS SPECIAL REVENUE FUND (27177)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-34

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|----------------|--------------------|--------------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | 561,865 | - | (561,865) |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>561,865</u> | <u>-</u> | <u>(561,865)</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 | - | 561,865 | 24,237 | 537,628 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>561,865</u> | <u>24,237</u> | <u>537,628</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>(24,237)</u> | <u>(24,237)</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(24,237)</u> | <u>(24,237)</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | - | - |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted 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>\$ (24,237)</u> | <u>\$ (24,237)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ (24,237) | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | (61,529) | |
| Net change in fund balance (GAAP basis) | | | <u>\$ (85,766)</u> | |

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

STATE OF NEW MEXICO

Statement B-35

ZUNI 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

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|--------------|-------------|--------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | 950 | - | (950) |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>950</u> | <u>-</u> | <u>(950)</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 | - | 950 | - | 950 |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>950</u> | <u>-</u> | <u>950</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | - | - |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted 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
 ZUNI PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 NUTRITION GRANT SPECIAL REVENUE FUND (28127)
 FOR THE YEAR ENDING JUNE 30, 2015

Statement B-36

| | 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> | | | | |
| Current: | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 1,965 | 1,965 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>1,965</u> | <u>1,965</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,965</u> | <u>\$ 1,965</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
 ZUNI PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 CYFD CHILD AND ADULT CARE FOOD PROGRAM SPECIAL REVENUE FUND (28201)
 FOR THE YEAR ENDING JUNE 30, 2015

Statement B-37

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|--------------|------------------|------------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | 21,382 | 21,382 |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>21,382</u> | <u>21,382</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>21,382</u> | <u>21,382</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>21,382</u> | <u>21,382</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | - | - |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted 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>\$ 21,382</u> | <u>\$ 21,382</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ 21,382 | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 21,382</u> | |

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
PRIVATE DIRECT GRANTS SPECIAL REVENUE FUND (29102)
FOR THE YEAR ENDING JUNE 30, 2015

Statement B-38

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|-----------------|------------------|------------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | 3,000 | 3,000 |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>3,000</u> | <u>3,000</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | 20,471 | 1,887 | 18,584 |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>20,471</u> | <u>1,887</u> | <u>18,584</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>(20,471)</u> | <u>1,113</u> | <u>21,584</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | 20,471 | - | (20,471) |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>20,471</u> | <u>-</u> | <u>(20,471)</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>1,113</u> | <u>1,113</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 20,471 | 20,471 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>20,471</u> | <u>20,471</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 21,584</u> | <u>\$ 21,584</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ 1,113 | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 1,113</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 – Local (31300) – The fund provides financing from local revenues for the construction and improvements to District buildings and 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.

Special Capital Outlay – Federal (31500) – This fund is used to account for the technical assistance, training and education, equipment, marketing, and all costs associated with assisting rural areas in analyzing and assessing forest resource opportunities, maximizing local economic potential through market development and expansion, and diversifying the communities' economic base. This was authorized by the Department of the Interior, Environment, and Related Agencies Appropriations Act, Public Law 106-291.

Capital Improvements SB-9 (31700) – This fund is used to account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

Public School Capital Outlay 20% (32100) – A capital projects fund to capture the 20% of eligible federal (Forest Reserve and Impact Aid) and local revenue (local taxes) that must be budgeted I Capital Outlay. Provides financing for the construction and improvement of buildings and land, and the purchase of equipment.

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

| | Special Capital Outlay - Local 31300 | Special Capital Outlay - State 31400 | Special Capital Outlay - Federal 31500 | Capital Improvements SB-9 31700 |
|--|--|---|--|--|
| ASSETS | | | | |
| <i>Current assets:</i> | | | | |
| Cash and temporary investments | \$ 46,115 | \$ 51,168 | \$ 285,782 | \$ - |
| Accounts receivable | | | | |
| Taxes | - | - | - | 1,109 |
| Due from other governments | - | - | - | - |
| Interfund receivables | - | - | - | 69 |
| Other | - | - | - | - |
| Inventory | - | - | - | - |
| <i>Total assets</i> | <u>46,115</u> | <u>51,168</u> | <u>285,782</u> | <u>1,178</u> |
| LIABILITIES | | | | |
| <i>Current liabilities:</i> | | | | |
| Accounts payable | - | - | 20,619 | 63,253 |
| Accrued payroll liabilities | - | - | - | - |
| Interfund payables | - | - | - | 95,918 |
| Unearned revenue | - | - | - | - |
| <i>Total liabilities</i> | <u>-</u> | <u>-</u> | <u>20,619</u> | <u>159,171</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenues - property taxes | - | - | - | 1,109 |
| Unavailable revenues - other | - | - | - | - |
| <i>Total deferred inflows of resources</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,109</u> |
| FUND BALANCES | | | | |
| Nonspendable | - | - | - | - |
| Restricted for: | | | | |
| Grant mandates | - | - | - | - |
| Capital projects | 46,115 | 51,168 | 265,163 | - |
| Debt service | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | (159,102) |
| <i>Total fund balances</i> | <u>46,115</u> | <u>51,168</u> | <u>265,163</u> | <u>(159,102)</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 46,115</u> | <u>\$ 51,168</u> | <u>\$ 285,782</u> | <u>\$ 1,178</u> |

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

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

| | Public School Capital Outlay 20% 32100 | Total |
|--|--|-------------------|
| ASSETS | | |
| <i>Current assets:</i> | | |
| Cash and temporary investments | \$ 56,697 | \$ 439,762 |
| Accounts receivable | | |
| Taxes | - | 1,109 |
| Due from other governments | - | - |
| Interfund receivables | - | 69 |
| Other | - | - |
| Inventory | - | - |
| <i>Total assets</i> | <u>56,697</u> | <u>440,940</u> |
| LIABILITIES | | |
| <i>Current liabilities:</i> | | |
| Accounts payable | - | 83,872 |
| Accrued payroll liabilities | - | - |
| Interfund payables | - | 95,918 |
| Unearned revenue | - | - |
| <i>Total liabilities</i> | <u>-</u> | <u>179,790</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable revenues - property taxes | - | 1,109 |
| Unavailable revenues - other | - | - |
| <i>Total deferred inflows of resources</i> | <u>-</u> | <u>1,109</u> |
| FUND BALANCES | | |
| Nonspendable | - | - |
| Restricted for: | | |
| Grant mandates | - | - |
| Capital projects | 56,697 | 419,143 |
| Debt service | - | - |
| Assigned | - | - |
| Unassigned | - | (159,102) |
| <i>Total fund balances</i> | <u>56,697</u> | <u>260,041</u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u>\$ 56,697</u> | <u>\$ 440,940</u> |

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

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

Statement C-2

| | Special Capital Outlay - Local 31300 | Special Capital Outlay - State 31400 | Special Capital Outlay - Federal 31500 | Capital Improvements SB-9 31700 |
|--|--|---|--|--|
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ 4,455 |
| State grants | - | - | - | 865,688 |
| Federal grants | - | - | 148,506 | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Investment Income | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>148,506</u> | <u>870,143</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | 45 |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community service | - | - | - | - |
| Capital outlay | 8,122 | - | 61,435 | 916,802 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>8,122</u> | <u>-</u> | <u>61,435</u> | <u>916,847</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(8,122)</u> | <u>-</u> | <u>87,071</u> | <u>(46,704)</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>(8,122)</u> | <u>-</u> | <u>87,071</u> | <u>(46,704)</u> |
| <i>Fund balances - beginning of year</i> | 54,237 | 51,168 | 178,092 | (112,398) |
| <i>Prior period adjustment</i> | - | - | - | - |
| <i>Adjusted fund balances - beginning of year</i> | <u>54,237</u> | <u>51,168</u> | <u>178,092</u> | <u>(112,398)</u> |
| <i>Fund balances - end of year</i> | <u>\$ 46,115</u> | <u>\$ 51,168</u> | <u>\$ 265,163</u> | <u>\$ (159,102)</u> |

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

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

Statement C-2

| | Public School Capital Outlay 20% | |
|--|-------------------------------------|-----------------------|
| | 32100 | Total |
| | <u> </u> | <u> </u> |
| <i>Revenues:</i> | | |
| Property taxes | \$ - | \$ 4,455 |
| State grants | - | 865,688 |
| Federal grants | - | 148,506 |
| Miscellaneous | - | - |
| Charges for services | - | - |
| Investment Income | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>1,018,649</u> |
| <i>Expenditures:</i> | | |
| Current: | | |
| Instruction | - | - |
| Support services | | |
| Students | - | - |
| Instruction | - | - |
| General administration | - | 45 |
| School administration | - | - |
| Central services | - | - |
| Operation & maintenance of plant | - | - |
| Student transportation | - | - |
| Other support services | - | - |
| Food services operations | - | - |
| Community service | - | - |
| Capital outlay | 36,166 | 1,022,525 |
| Debt service | | |
| Principal | - | - |
| Interest | - | - |
| <i>Total expenditures</i> | <u>36,166</u> | <u>1,022,570</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(36,166)</u> | <u>(3,921)</u> |
| <i>Other financing sources (uses):</i> | | |
| Operating transfers | - | - |
| Proceeds from bond issues | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>(36,166)</u> | <u>(3,921)</u> |
| <i>Fund balances - beginning of year</i> | 92,863 | 263,962 |
| <i>Prior period adjustment</i> | - | - |
| <i>Adjusted fund balances - beginning of year</i> | <u>92,863</u> | <u>263,962</u> |
| <i>Fund balances - end of year</i> | <u>\$ 56,697</u> | <u>\$ 260,041</u> |

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

STATE OF NEW MEXICO
ZUNI 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 | | Actual | Variance |
|--|------------------|-----------------|---------------------|-------------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | 60 | 60 |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>60</u> | <u>60</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 | 68,159 | 68,159 | 197,777 | (129,618) |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>68,159</u> | <u>68,159</u> | <u>197,777</u> | <u>(129,618)</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(68,159)</u> | <u>(68,159)</u> | <u>(197,717)</u> | <u>(129,558)</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | 68,159 | 68,159 | - | (68,159) |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>68,159</u> | <u>68,159</u> | <u>-</u> | <u>(68,159)</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(197,717)</u> | <u>(197,717)</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 703,552 | 703,552 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>703,552</u> | <u>703,552</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 505,835</u> | <u>\$ 505,835</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ (197,717) | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | (3,352) | |
| Net change in fund balance (GAAP basis) | | | <u>\$ (201,069)</u> | |

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

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECT FUND (31200)
 FOR THE YEAR ENDING JUNE 30, 2015

Statement C-4

| | 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 | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | - | - |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted 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 | | | 5,931,635 | |
| Adjustments to expenditures | | | (5,931,635) | |
| Net change in fund balance (GAAP basis) | | | <u>\$ -</u> | |

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
SPECIAL CAPITAL OUTLAY -LOCAL CAPITAL PROJECT FUND (31300)
FOR THE YEAR ENDING JUNE 30, 2015

Statement C-5

| | 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 | - | - | - | - |
| 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 | 54,236 | 54,236 | 8,122 | 46,114 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>54,236</u> | <u>54,236</u> | <u>8,122</u> | <u>46,114</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(54,236)</u> | <u>(54,236)</u> | <u>(8,122)</u> | <u>46,114</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | 54,236 | 54,236 | - | (54,236) |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>54,236</u> | <u>54,236</u> | <u>-</u> | <u>(54,236)</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(8,122)</u> | <u>(8,122)</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 54,237 | 54,237 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>54,237</u> | <u>54,237</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 46,115</u> | <u>\$ 46,115</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ (8,122) | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ (8,122)</u> | |

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

STATE OF NEW MEXICO
 ZUNI 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-6

| | 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> | | | | |
| Current: | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | 51,168 | 51,168 | - | 51,168 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>51,168</u> | <u>51,168</u> | <u>-</u> | <u>51,168</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(51,168)</u> | <u>(51,168)</u> | <u>-</u> | <u>51,168</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | 51,168 | 51,168 | - | (51,168) |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>51,168</u> | <u>51,168</u> | <u>-</u> | <u>(51,168)</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 51,168 | 51,168 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>51,168</u> | <u>51,168</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 51,168</u> | <u>\$ 51,168</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
 ZUNI PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 SPECIAL CAPITAL OUTLAY - FEDERAL CAPITAL PROJECT FUND (31500)
 FOR THE YEAR ENDING JUNE 30, 2015

Statement C-7

| | Budgeted Amounts | | Actual | Variance |
|--|------------------|------------------|-------------------|-------------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| State grants | - | - | - | - |
| Federal grants | - | - | 148,506 | 148,506 |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>-</u> | <u>-</u> | <u>148,506</u> | <u>148,506</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 | 178,094 | 178,094 | 40,816 | 137,278 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>178,094</u> | <u>178,094</u> | <u>40,816</u> | <u>137,278</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(178,094)</u> | <u>(178,094)</u> | <u>107,690</u> | <u>285,784</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | 178,094 | 178,094 | - | (178,094) |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>178,094</u> | <u>178,094</u> | <u>-</u> | <u>(178,094)</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>107,690</u> | <u>107,690</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 178,092 | 178,092 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>178,092</u> | <u>178,092</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 285,782</u> | <u>\$ 285,782</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ 107,690 | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | (20,619) | |
| Net change in fund balance (GAAP basis) | | | <u>\$ 87,071</u> | |

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

STATE OF NEW MEXICO
ZUNI 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-8

| | <u>Budgeted Amounts</u> | | | |
|--|-------------------------|---------------------|--------------------|--------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ 4,411 | \$ 4,411 | \$ 4,478 | \$ 67 |
| State grants | 265,965 | 1,483,217 | 971,329 | (511,888) |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total revenues</i> | <u>270,376</u> | <u>1,487,628</u> | <u>975,807</u> | <u>(511,821)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | 45 | 545 | 45 | 500 |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | 270,331 | 1,487,083 | 1,053,197 | 433,886 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>270,376</u> | <u>1,487,628</u> | <u>1,053,242</u> | <u>434,386</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>(77,435)</u> | <u>(77,435)</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(77,435)</u> | <u>(77,435)</u> |
| <i>Cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(18,414)</u> | <u>(18,414)</u> |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>(18,414)</u> | <u>(18,414)</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (95,849)</u> | <u>\$ (95,849)</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ (77,435) | |
| Adjustments to revenues | | | (105,664) | |
| Adjustments to expenditures | | | 136,395 | |
| Net change in fund balance (GAAP basis) | | | <u>\$ (46,704)</u> | |

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

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOLS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 PUBLIC SCHOOL CAPITAL OUTLAY 20% CAPITAL PROJECT FUND (32100)
 FOR THE YEAR ENDING JUNE 30, 2015

Statement C-9

| | 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 | - | - | - | - |
| 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 | 92,862 | 92,862 | 36,166 | 56,696 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>92,862</u> | <u>92,862</u> | <u>36,166</u> | <u>56,696</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(92,862)</u> | <u>(92,862)</u> | <u>(36,166)</u> | <u>56,696</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | 92,862 | 92,862 | - | (92,862) |
| Operating transfers | - | - | - | - |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>92,862</u> | <u>92,862</u> | <u>-</u> | <u>(92,862)</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(36,166)</u> | <u>(36,166)</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 92,863 | 92,863 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>92,863</u> | <u>92,863</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 56,697</u> | <u>\$ 56,697</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance (cash basis) | | | \$ (36,166) | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Net change in fund balance (GAAP basis) | | | <u>\$ (36,166)</u> | |

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

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DEBT SERVICE FUNDS

DEBT SERVICE FUNDS

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

Educational Technology Debt Service Fund (43000) is used to account for the debt repayment of the debt incurred through the Education Technology Equipment Act (Capital Projects Fund) (Section 6-15A-1 to 6-15A-16 NMSA 1978).

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 JUNE 30, 2015

Statement D-1

| | Ed. Technology Debt Service <u>43000</u> |
|--|--|
| ASSETS | |
| <i>Current assets:</i> | |
| Cash and temporary investments | \$ 2,882 |
| Accounts receivable | |
| Taxes | 4,537 |
| Due from other governments | - |
| Interfund receivables | - |
| Other | - |
| Inventory | <u>-</u> |
| <i>Total assets</i> | <u><u>7,419</u></u> |
| LIABILITIES | |
| <i>Current Liabilities:</i> | |
| Accounts payable | - |
| Accrued payroll liabilities | - |
| Interfund payables | - |
| Unearned revenue | <u>-</u> |
| <i>Total liabilities</i> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Unavailable revenues - property taxes | 4,537 |
| Unavailable revenues - other | <u>-</u> |
| <i>Total deferred inflows of resources</i> | <u><u>4,537</u></u> |
| FUND BALANCES | |
| Nonspendable | - |
| Restricted for: | |
| Grant mandates | - |
| Capital projects | - |
| Debt service | 2,882 |
| Assigned | - |
| Unassigned | <u>-</u> |
| <i>Total fund balances</i> | <u><u>2,882</u></u> |
| <i>Total liabilities, deferred inflows of resources, and fund balances</i> | <u><u>\$ 7,419</u></u> |

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

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

| | Education Technology Debt Service 43000 |
|---|--|
| <i>Revenues:</i> | |
| Property taxes | \$ - |
| State grants | - |
| Federal grants | - |
| Miscellaneous | - |
| Charges for services | - |
| Investment Income | - |
| <i>Total revenues</i> | <u>-</u> |
| <i>Expenditures:</i> | |
| Current: | |
| Instruction | - |
| Support services | |
| Students | - |
| Instruction | - |
| General administration | - |
| School administration | - |
| Central services | - |
| Operation & maintenance of plant | - |
| Student transportation | - |
| Other support services | - |
| Food services operations | - |
| Community service | - |
| Capital outlay | - |
| Debt service | |
| Principal | - |
| Interest | - |
| <i>Total expenditures</i> | <u>-</u> |
| <i>Excess (deficiency) of revenues</i> | |
| <i>over (under) expenditures</i> | <u>-</u> |
| <i>Other financing sources (uses):</i> | |
| Operating transfers | (57,000) |
| Proceeds from bond issues | - |
| <i>Total other financing sources (uses)</i> | <u>(57,000)</u> |
| <i>Net changes in fund balances</i> | <u>(57,000)</u> |
| <i>Fund balances - beginning of year</i> | 59,882 |
| <i>Prior period adjustment</i> | - |
| <i>Adjusted fund balances - beginning of year</i> | <u>59,882</u> |
| <i>Fund balances - end of year</i> | <u>\$ 2,882</u> |

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

STATE OF NEW MEXICO
ZUNI 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

Statement D-3

| | Budgeted Amounts | | Actual | Variance |
|---|------------------|------------------|--------------------|-------------------|
| | Original Budget | Final Budget | | |
| <i>Revenues:</i> | | | | |
| Property taxes | \$ 1,000 | \$ 1,000 | \$ 64 | \$ (936) |
| State grants | - | - | - | - |
| Federal grants | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Charges for services | - | - | - | - |
| Interest | 9,895 | 9,895 | 75 | (9,820) |
| <i>Total revenues</i> | <u>10,895</u> | <u>10,895</u> | <u>139</u> | <u>(10,756)</u> |
| <i>Expenditures:</i> | | | | |
| <i>Current:</i> | | | | |
| Instruction | - | - | - | - |
| Support services | | | | |
| Students | - | - | - | - |
| Instruction | - | - | - | - |
| General administration | 297 | 297 | - | 297 |
| School administration | - | - | - | - |
| Central services | - | - | - | - |
| Operation & maintenance of plant | - | - | - | - |
| Student transportation | - | - | - | - |
| Other support services | - | - | - | - |
| Food services operations | - | - | - | - |
| Community services | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service | | | | |
| Reserve | - | - | - | - |
| Principal | 435,000 | 435,000 | 435,000 | - |
| Interest | 269,698 | 269,698 | 269,697 | 1 |
| <i>Total expenditures</i> | <u>704,995</u> | <u>704,995</u> | <u>704,697</u> | <u>298</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>(694,100)</u> | <u>(694,100)</u> | <u>(704,558)</u> | <u>(10,458)</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | 683,067 | 683,067 |
| Proceeds from bond issues | 694,100 | 694,100 | - | (694,100) |
| <i>Total other financing sources (uses)</i> | <u>694,100</u> | <u>694,100</u> | <u>683,067</u> | <u>(11,033)</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(21,491)</u> | <u>(21,491)</u> |
| <i>Cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>813,241</u> | <u>813,241</u> |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>813,241</u> | <u>813,241</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 791,750</u> | <u>\$ 791,750</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance | | | \$ (21,491) | |
| Adjustments to revenues | | | (54) | |
| Adjustments to expenditures | | | - | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP basis) | | | <u>\$ (21,545)</u> | |

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
EDUCATION TECHNOLOGY DEBT SERVICE FUND (43000)
FOR THE YEAR ENDING JUNE 30, 2015

Statement D-4

| | 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 | - | - | - | - |
| 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 | | | | |
| Reserve | - | - | - | - |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| <i>Total expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Excess (deficiency) of revenues over (under) expenditures</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Other financing sources (uses):</i> | | | | |
| Designated cash | - | - | - | - |
| Operating transfers | - | - | (57,000) | (57,000) |
| Proceeds from bond issues | - | - | - | - |
| <i>Total other financing sources (uses)</i> | <u>-</u> | <u>-</u> | <u>(57,000)</u> | <u>(57,000)</u> |
| <i>Net changes in fund balances</i> | <u>-</u> | <u>-</u> | <u>(57,000)</u> | <u>(57,000)</u> |
| <i>Cash or fund balances - beginning of year</i> | - | - | 59,882 | 59,882 |
| Prior period adjustments | - | - | - | - |
| <i>Adjusted cash or fund balances - beginning of year</i> | <u>-</u> | <u>-</u> | <u>59,882</u> | <u>59,882</u> |
| <i>Cash or fund balances - end of year</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,882</u> | <u>\$ 2,882</u> |
| <i>Reconciliation to GAAP basis:</i> | | | | |
| Net changes in fund balance | | | \$ (57,000) | |
| Adjustments to revenues | | | - | |
| Adjustments to expenditures | | | - | |
| Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP basis) | | | <u>\$ (57,000)</u> | |

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

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OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
AGENCY FUNDS

Schedule I

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDING JUNE 30, 2015

| | Balance June 30, 2014 | Additions | Deletions | Adjustments | Balance June 30, 2015 |
|--------------------------------------|--------------------------|-------------------|-------------------|-------------|--------------------------|
| Dowa Yalanne Elementary | \$ 14,969 | \$ 16,603 | \$ 19,959 | \$ - | \$ 11,613 |
| A:Shiwi Elementary | 11,356 | 12,979 | 14,282 | - | 10,053 |
| Zuni Middle School | 11,071 | 9,861 | 11,446 | - | 9,486 |
| Zuni High School | 41,933 | 65,100 | 57,387 | - | 49,646 |
| Twin Buttes High School | 5,581 | 3,771 | 2,268 | - | 7,084 |
| Stephanie Anton Memorial Scholarship | 84,588 | 5,784 | - | - | 90,372 |
| Stephanie Anton Memorial Fund | 12,452 | 1 | - | - | 12,453 |
| Total All Schools | <u>\$ 181,950</u> | <u>\$ 114,099</u> | <u>\$ 105,342</u> | <u>\$ -</u> | <u>\$ 190,707</u> |

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

STATE OF NEW MEXICO
ZUNI 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 Bank | | | | |
| | FNMA | 1/1/2041 | 3138A4AM7 | \$ 17,508 |
| | FNMA | 4/1/2041 | 3138ABXC8 | 270,309 |
| | FNMA | 3/1/2043 | 3138W6482 | 151,908 |
| | FNMA | 8/1/2043 | 3138WW8H1 | 184,021 |
| | FNMA | 7/1/2043 | 3138XOA24 | 407,298 |
| | FNMA | 1/1/2043 | 35417EXV2 | 337,035 |
| | FNMA | 3/1/2041 | 31417YXXO | 69,242 |
| | FNMA | 9/1/2040 | 31419ANB9 | 18,406 |
| | FNMA | 2/1/2040 | 31419FC38 | 3,710 |
| Total Wells Fargo Bank | | | | <u>\$ 1,459,437</u> |
| The securities are held, not in the District's name, at: | | | | |
| Bank of New York Mellon | | | | |
| 385 Rifle Camp Road - 6th Floor | | | | |
| West Paterson, NJ 07424 | | | | |
| Bank of Albuquerque | | | | |
| | FNR 2013-57 HC | 6/25/2028 | 3136AEHF7 | \$ 9,131,415 |
| | fnr 2010-126 PC | 11/25/2025 | 31398SAFO | 4,473,918 |
| Total Bank of Albuquerque | | | | <u>\$ 13,605,333</u> |
| The securities are held, not in the District's name, at: | | | | |
| Federal Home Loan Bank | | | | |
| 1 Security Benefit Pl Ste. 100 | | | | |
| Topeka, KS 66606 | | | | |

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

STATE OF NEW MEXICO
ZUNI 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. | | | | | | |
| Athletics | Checking | \$ 8,325 | \$ - | \$ - | \$ - | \$ 8,325 |
| Federal Programs | Checking | 147,392 | - | (77,763) | - | 69,629 |
| Food Service | Checking | 53,277 | - | (629) | - | 52,648 |
| Operational | Checking | 1,327,533 | - | (66,958) | - | 1,260,575 |
| Payroll | Checking | 544,636 | - | (547,894) | 382,445 | 379,187 |
| Teachergage | Checking | 132,372 | - | (8,818) | - | 123,554 |
| Savings | Savings | 26,169 | - | - | - | 26,169 |
| Ashiwi Elementary School | Checking | 10,246 | 60 | (253) | - | 10,053 |
| Dowa Yalanne Elementary School | Checking | 12,460 | 16 | (863) | - | 11,613 |
| Stephanie Anton Memorial Scholarship Fund | Checking | 90,372 | - | - | - | 90,372 |
| Stephanie Anton Memorial Fund | Checking | 12,453 | - | - | - | 12,453 |
| Twin Buttes High School | Checking | 7,084 | - | - | - | 7,084 |
| Zuni High School | Checking | 51,736 | - | (2,090) | - | 49,646 |
| Zuni Middle School | Checking | 9,615 | 30 | (159) | - | 9,486 |
| Total Wells Fargo Bank | | \$ 2,433,670 | \$ 106 | \$ (705,427) | \$ 382,445 | \$ 2,110,794 |

| Bank Name/Account Type | Account Type | Bank Balance | Deposits in Transit | Outstanding Checks | Other Adjustments | Book Balance |
|--------------------------------------|--------------|---------------------|---------------------|---------------------|-------------------|---------------------|
| Bank of Albuquerque | | | | | | |
| NM Zuni Sch Teach Hsg Bd 2012a Dsr | Trust | \$ 443,240 | \$ - | \$ - | \$ - | \$ 443,240 |
| NM Zuni Sch Teach Hsg Bd 2012 Ds Res | Trust | 300,500 | - | - | - | 300,500 |
| NM Zuni School | Trust | 11,531 | - | - | - | 11,531 |
| NM Zuni Sch Teach Hsg 2012 Project | Trust | 437,618 | - | - | - | 437,618 |
| Total Bank of Albuquerque | | \$ 1,192,889 | \$ - | \$ - | \$ - | \$ 1,192,889 |
| Total | | \$ 3,626,559 | \$ 106 | \$ (705,427) | \$ 382,445 | 3,303,683 |

| | | | | | | |
|---|--|--|--|--|--|----------------------------|
| Cash per financial statements | | | | | | |
| Cash and cash equivalents - Government Activities Exhibit A-1 | | | | | | 3,112,976 |
| Fiduciary funds - Exhibit D-1 | | | | | | 190,707 |
| | | | | | | <u><u>\$ 3,303,683</u></u> |

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2015

Schedule IV
(Page 1 of 5)

Primary Government

| | Operational Account 11000 | Teachorage Account 12000 | Transportation Account 13000 | Instructional Materials 14000 | Food Services Account 21000 |
|---------------------------|---------------------------------|--------------------------------|------------------------------------|-------------------------------------|-----------------------------------|
| Cash, June 30, 2014 | \$ 462,192 | \$ 114,430 | \$ 122,552 | \$ 83,558 | \$ (66,280) |
| Add: | | | | | |
| Current year revenues | 12,600,703 | 350,995 | 436,718 | 95,478 | 949,825 |
| Permanent cash transfers | - | - | - | - | 102,000 |
| Prior period adjustment | - | - | - | - | - |
| Loans from other funds | 3,250 | - | - | - | - |
| Total cash available | 13,066,145 | 465,425 | 559,270 | 179,036 | 985,545 |
| Less: | | | | | |
| Current year expenditures | (11,388,338) | (241,871) | (475,847) | (60,883) | (930,433) |
| Permanent cash transfers | (844,056) | (100,000) | (61,276) | - | - |
| Prior period adjustment | - | - | - | - | - |
| Loans to other funds | (833,732) | - | - | - | - |
| Cash, June 30, 2015 | <u>\$ 19</u> | <u>\$ 123,554</u> | <u>\$ 22,147</u> | <u>\$ 118,153</u> | <u>\$ 55,112</u> |

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2015

Schedule IV
(Page 2 of 5)

Primary Government

| | Athletics Account 22000 | Skolnick Foundation 23000 | Federal Flowthrough 24000 | Federal Direct 25000 | Local Grants 26000 |
|---------------------------|-------------------------------|---------------------------------|---------------------------------|----------------------------|--------------------------|
| Cash, June 30, 2014 | \$ 9,138 | \$ 14,796 | \$ (843,039) | \$ 774,363 | \$ (56,880) |
| Add: | | | | | |
| Current year revenues | 42,884 | 25,000 | 1,933,966 | 2,110,796 | 313,167 |
| Permanent cash transfers | - | - | 210,421 | - | 2,131 |
| Prior period adjustment | - | - | - | - | - |
| Loans from other funds | - | - | 657,925 | 23,503 | - |
| Total cash available | 52,022 | 39,796 | 1,959,273 | 2,908,662 | 258,418 |
| Less: | | | | | |
| Current year expenditures | (43,697) | (32,228) | (1,953,267) | (2,104,116) | (79,928) |
| Permanent cash transfers | - | - | - | (45,000) | - |
| Prior period adjustment | - | - | - | - | - |
| Loans to other funds | - | - | (3,250) | - | - |
| Cash, June 30, 2015 | <u>\$ 8,325</u> | <u>\$ 7,568</u> | <u>\$ 2,756</u> | <u>\$ 759,546</u> | <u>\$ 178,490</u> |

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2015

Schedule IV
(Page 3 of 5)

| Primary Government | State Flowthrough 27000 | State Direct 28000 | Local / State 29000 | Bond Building 31100 | Public School Capital Outlay 31200 |
|---------------------------|-------------------------------|--------------------------|---------------------------|---------------------------|---|
| Cash, June 30, 2014 | \$ (37,386) | \$ 1,965 | \$ 20,471 | \$ 703,552 | \$ - |
| Add: | | | | | |
| Current year revenues | 237,032 | 21,382 | 3,000 | 60 | - |
| Permanent cash transfers | 48,437 | - | - | - | - |
| Prior period adjustment | - | - | - | - | - |
| Loans from other funds | 56,455 | - | - | - | - |
| Total cash available | 304,538 | 23,347 | 23,471 | 703,612 | - |
| Less: | | | | | |
| Current year expenditures | (252,392) | - | (1,887) | (197,777) | - |
| Permanent cash transfers | - | - | - | - | - |
| Prior period adjustment | - | - | - | - | - |
| Loans to other funds | - | - | - | - | - |
| Cash, June 30, 2015 | <u>\$ 52,146</u> | <u>\$ 23,347</u> | <u>\$ 21,584</u> | <u>\$ 505,835</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2015

Schedule IV
(Page 4 of 5)

Primary Government

| | Spec. Capital Outlay-Local 31300 | Spec. Capital Outlay-State 31400 | Spec. Capital Outlay-Federal 31500 | Capital Improvements HB-33 31600 | Cap. Improv. SB 9 31700 |
|---------------------------|--|--|--|---|-------------------------------|
| Cash, June 30, 2014 | \$ 54,237 | \$ 51,168 | \$ 178,092 | \$ - | \$ (18,414) |
| Add: | | | | | |
| Current year revenues | - | - | 148,506 | - | 975,807 |
| Permanent cash transfers | - | - | - | - | - |
| Prior period adjustment | - | - | - | - | - |
| Loans from other funds | - | - | - | - | 95,849 |
| Total cash available | 54,237 | 51,168 | 326,598 | - | 1,053,242 |
| Less: | | | | | |
| Current year expenditures | (8,122) | - | (40,816) | - | (1,053,242) |
| Permanent cash transfers | - | - | - | - | - |
| Prior period adjustment | - | - | - | - | - |
| Loans to other funds | - | - | - | - | - |
| Cash, June 30, 2015 | <u>\$ 46,115</u> | <u>\$ 51,168</u> | <u>\$ 285,782</u> | <u>\$ -</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
CASH RECONCILIATION
JUNE 30, 2015

Schedule IV
(Page 5 of 5)

| Primary Government | Educational Tech Equip 31900 | Public School Capital Outlay 20% 32100 | Debt Service Fund 41000 | Education Tech Debt Service Fund 43000 | Total |
|---------------------------|---|---|--|---|---------------------|
| Cash, June 30, 2014 | \$ - | \$ 92,863 | \$ 813,241 | \$ 59,882 | \$ 2,534,501 |
| Add: | | | | | |
| Current year revenues | - | - | 139 | - | 20,245,458 |
| Permanent cash transfers | - | - | 683,067 | - | 1,046,056 |
| Prior period adjustment | - | - | - | - | - |
| Loans from other funds | - | - | - | - | 836,982 |
| Total cash available | - | 92,863 | 1,496,447 | 59,882 | 24,662,997 |
| Less: | | | | | |
| Current year expenditures | - | (36,166) | (704,697) | - | (19,605,707) |
| Permanent cash transfers | - | - | - | (57,000) | (1,107,332) |
| Prior period adjustment | - | - | - | - | - |
| Loans to other funds | - | - | - | - | (836,982) |
| Cash, June 30, 2015 | <u>\$ -</u> | <u>\$ 56,697</u> | <u>\$ 791,750</u> | <u>\$ 2,882</u> | <u>\$ 3,112,976</u> |

The accompanying notes are an integral part of these financial statements

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

Schedule V

| | 2015 |
|---|--------------|
| Zuni Public Schools' proportion of the net pension liability | 0.35894% |
| Zuni Public Schools' proportionate share of the net pension liability | \$20,480,141 |
| Zuni Public Schools' covered-employee payroll | \$ 9,893,605 |
| Zuni 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 Zuni 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
ZUNI PUBLIC SCHOOLS
SCHEDULE OF PENSION CONTRIBUTIONS
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
LAST 10 FISCAL YEARS*
JUNE 30, 2015

Schedule VI

| | 2015 |
|--|--------------|
| Contractually required contribution | 1,368,177 |
| Contributions in relation to the contractually required contribution | 1,368,177 |
| Contribution deficiency (excess) | \$ - |
| Zuni Public Schools' covered-employee payroll | \$ 9,893,605 |
| Contributions as a percentage of covered-employee payroll | 13.83% |

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the Zuni 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
 ZUNI PUBLIC SCHOOLS
 SCHEDULE OF VENDOR INFORMATION
 FOR THE YEAR ENDED JUNE 30, 2015

Schedule VIII

| Bid/RFP # | Names of Respondents | Physical Address of Vendor | Winning Vendor | Vendor Location | | Vendor Selected Preference | |
|---------------------------|---|---|----------------|-----------------|--------------|----------------------------|---------|
| | | | | In-State | Out-of-State | In-State | Veteran |
| 2015-089-001 | HB Construction | 5301 Beverly Hills Ave., NE Alb, NM 87113 | X | X | | X | |
| | Jaynes Corp | 2906 Broadway NE Alb, NM 87125 | | X | | X | |
| | Bradbury Stamm | 7110 2nd St., NW Alb, NM 87107 | | X | | X | |
| | Flintco | 6020 Indian School Rd., NE Alb, NM 87110 | | X | | X | |
| | FCI | 1427 W. Aztec Blvd., Ste C3 Aztec, NM 87410 | | X | | X | |
| | | | | | | | |
| Value of Contract: | \$ 24,969,893.00 | | | | | | |
| Scope of Work: | New elementary school construction | | | | | | |
| 2015-089-004 | Foster Wheeler AMEC | 615 Rylandon Rd. Gallup, NM 87301 | X | X | | X | |
| | Terracon Consultants, Inc | 1213 A North US Hwy 491 Gallup, NM 87301 | | X | | X | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Value of Contract: | \$ 85,762.00 | | | | | | |
| Scope of Work: | Provide Quality Control Testing services for Zuni Elementary School Construction project. | | | | | | |

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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
Zuni Public Schools
Zuni, 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 Zuni 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 2013-002, FS 2014-006, 2015-002, and 2015-003)

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 2012-005, FS 2014-001, FS 2014-002, FS 2014-008, FS 2014-013, and FS 2015-001.

Zuni 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
Zuni Public Schools
Zuni, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the Zuni 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 auditors' 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 2015-001. 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 responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

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
ZUNI PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Schedule IX
(Page 1 of 2)

| 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 | \$ 378,718 |
| IDEA-B Preschool (1) | 24109 | 84.173 | 3,317 |
| Total Special Education Cluster (IDEA) | | | <u>382,035</u> |
| Other Programs (Treated individually for major program determination) | | | |
| Title I IASA (1) | 24101 | 84.010 | \$ 1,257,089 |
| English Language Acquisition | 24153 | 84.365 | 21,946 |
| Teacher / Principal Training & Recruiting | 24154 | 84.367 | 116,205 |
| Rural & Low Income Schools | 24160 | 84.358 | 16,252 |
| Carl D. Perkins - Special Projects - Current | 24171 | 84.048 | 26,313 |
| Total Other Programs | | | <u>1,437,805</u> |
| <i>Subtotal - Passthrough State of New Mexico Public Education Department</i> | | | <u>1,819,840</u> |
| <i>Direct U.S. Department of Education</i> | | | |
| Impact Aid Cluster | | | |
| Impact Aid (1) | 11000 | 84.041 | 6,180,050 |
| Impact Aid - Special Education (1) | 25145 | 84.041 | 316,749 |
| Impact Aid - Indian Education (1) | 25147 | 84.041 | 1,373,556 |
| Impact Aid - Construction (1) | 31500 | 84.041 | 61,435 |
| Total Impact Aid Cluster | | | <u>7,931,790</u> |
| Other Programs (Treated individually for major program determination) | | | |
| Indian Education Formula Grant | 25184 | 84.060 | 187,685 |
| <i>Subtotal - Direct U.S. Department of Education</i> | | | <u>8,119,475</u> |
| Total U.S. Department of Education | | | <u>9,939,315</u> |
| U.S. Department of Interior | | | |
| <i>Direct U.S. Department of Interior</i> | | | |
| Johnson O'Malley | 25131 | 15.130 | 111,380 |
| Total U.S. Department of Interior | | | <u>111,380</u> |
| U.S. Department of Agriculture | | | |
| <i>Direct U.S. Department of Agriculture</i> | | | |
| Other Programs (Treated individually for major program determination) | | | |
| Forest Reserve | 11000 | 10.672 | 16,056 |
| <i>Subtotal - Direct U.S. Department of Agriculture</i> | | | <u>16,056</u> |
| <i>Passthrough State of New Mexico Public Education Department</i> | | | |
| Other Programs (Treated individually for major program determination) | | | |
| Fresh Fruit and Vegetables | 24118 | 10.582 | 31,023 |
| Child Nutrition Cluster | | | |
| USDA School Breakfast Program | 21000 | 10.553 | 337,038 |
| National School Lunch Program | 21000 | 10.555 | 644,485 |
| <i>Passthrough State of New Mexico Department of Health and Human Services</i> | | | |
| Food Distribution (Commodities) | 21000 | 10.553/10.555 | 53,222 |
| Total Child Nutrition Cluster | | | <u>1,034,745</u> |
| <i>Subtotal - Passthrough State of New Mexico Public Education Department</i> | | | <u>1,012,546</u> |
| <i>Subtotal - Passthrough State of Department of Health and Human Services</i> | | | <u>53,222</u> |
| Total U.S. Department of Agriculture | | | <u>1,081,824</u> |
| Total Federal Financial Assistance | | | <u>\$ 11,132,519</u> |

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

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

Schedule IX
(Page 2 of 2)

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 Zuni 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 \$53,222 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 | \$ 11,132,519 |
| Total expenditures funded by other sources | <u>14,364,471</u> |
| Total expenditures | <u><u>\$ 25,496,990</u></u> |

(1) Denotes Major Federal Financial Assistance Program

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

Schedule X

Section I – Summary of Audit Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors' 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 |
|-------------------|----------------------------------|
| 84.010 | Title I – IASA |
| 84.027 and 84.173 | Special Education Cluster (IDEA) |
| 84.041 | Impact Aid Cluster |

- | | |
|---|-----------|
| 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
ZUNI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

Section II – Financial Statement Findings

FS 2012-005 [2012-05] – 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 incurred expenditures in excess of budgetary authority in the following funds and functions:

| Fund & Function | Amount |
|--------------------------------------|-------------------|
| Operational – General Administration | \$ 568 |
| Save the Children – Instruction | 223 |
| Bond Building – Capital Outlay | <u>129,618</u> |
| Total | <u>\$ 130,409</u> |

During the previous year, the District had six funds with expenditures in excess of budgets amounting to \$1,414,081. However, the amounts in the Operational Fund in the previous year of \$535,800 were not due to the District but due to a correcting entry that had to be made to correct an error in the previous year.

Cause: The deficit budgets were due to an oversight when all budget adjustments were done at year-end. Multiple deficit line items were corrected; however, these two lines were missed.

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.

Auditor’s Recommendation: We recommend that the District adhere to their policy of obtaining budgets and maintaining those budgets during the year as prescribed by State statutes.

Responsible Official’s Plan:

- Specific corrective action plan for finding: **The Director of Finance will continue to monitor funds throughout the year to ensure that expenditures do not exceed budget authority**
- Timeline for completion of corrective action plan: **June 30, 2016**
- Employee position(s) responsible for meeting the timeline: **Director of Finance**

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

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2013-002 [FS 2013-02] – 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.

Additionally, 6.20.2.14 NMAC states:

- A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.
- B. The school district shall issue a factory pre-numbered receipt for all money received. Pre-numbered receipts are to be controlled and secured. If a receipt is voided, all copies shall be marked "VOID" and retained in the receipt book.
- 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 testing of credit card purchases we identified three instances in which proper procedures were not followed:

- There were two instances in which there was no receipt to verify the purchase of fuel and no lost receipt voucher was recorded.
- The purchase order for the purchase of a mini-refrigerator and warranty valued at \$218.88 was dated after the purchases were made.

During our review of significant items we noticed the following instances in which proper procedures were not followed.

- In two of 38 items tested there was no signature to verify the goods and or services were received. The value of these purchase were \$2,882.93 and \$238.99.
- In one of 38 items reviewed the District paid the estimated contract amount and not the invoice amount. The invoice was for \$30,967.97 but a payment of \$39,403.00 was issued. The vendor refunded the District \$8,652.32.

During our review of 40 regular disbursements we noted no errors or violations of purchasing guidelines.

In the previous year, in one of 40 cash disbursements tested we noticed that the vendor name on the PO had been manually changed and the Director of Finance had not authorization to pay the invoice.

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.

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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Schedule X

Section II – Financial Statement Findings (Continued)

FS 2013-002 [FS 2013-02] – Purchase Orders and Payment Authorization (Significant Deficiency) Repeated and Revised (continued)

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 authorization. Additionally, when goods and services are received by the District, someone must sign and date when the product or service was received or a receipt must be recorded.

Responsible Official's Plan:

- Specific corrective action plan for finding: **The district will continue to train employees who make purchases that the purchase order has to be in place before any purchase can be made.**

- Timeline for completion of corrective action plan: **Ongoing**

- Employee position(s) responsible for meeting the timeline: **Director of Finance**

:

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOLS
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Schedule X

Section II – Financial Statement Findings (Continued)

FS 2014-001 – Timeliness of Deposits (Non-Compliance) Repeated and Revised

Criteria: NMAC 6.20.2.14 1978:

A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

B. The school district shall issue a factory pre-numbered receipt for all money received. Pre-numbered receipts are to be controlled and secured. If a receipt is voided, all copies shall be marked "VOID" and retained in the receipt book.

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.

K. All bank accounts shall be reconciled on a monthly basis. Reconciled bank statements are to be reviewed by the business manager and/or assistant superintendent for business administration. The bank statement, deposit slips, and canceled checks shall be made available to the district's auditor during the annual audit.

Condition: During our review of receipts, we noted several instances in which proper procedures were not being followed:

- In 14 out of 40 items tested monies received were not deposited within 24 hours of receipt. The amount of these deposits ranged from \$6.00 to \$12,318.00.

In the previous year, 6 of 40 operational receipts tested were not deposited timely, 5 from food services & 1 from operations; 8 of 23 tested in activity receipts were not deposited timely.

Cause: The District did not deposit the funds received within 24 hours after receipt. Proper procedures relating to cash receipts were not followed.

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.

Auditors' Recommendations: We recommend that the District emphasize the importance of timely deposits of receipts. The District should cross-train employees so that more than one individual is able to make deposits to ensure timely deposits are possible. Finally, as the District is remote, has not bank branch within the community, and does not collect large amounts of cash, the District should request a waiver of the 24 hour rule to allow it sufficient time to get deposits to the bank considering its location..

Responsible Official's Plan:

- Specific corrective action plan for finding: **The district has requested and received a letter of waiver from NMPED extending the deposit time frame from 24 to 72 hours. The request will be renewed upon expiration of the current agreement. The district will also implement a record keeping tool to compare the dates that the deposits were placed in the local drop box with the date the deposits clear the bank.**
- Timeline for completion of corrective action plan: **Annually**
- Employee position(s) responsible for meeting the timeline: **Director of Finance**

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Schedule X

Section II – Financial Statement Findings (Continued)

FS 2014-002 – Improper Recording and Timeliness of Cash Receipts – Activity Funds (Non-Compliance) Repeated and Revised

Criteria: NMAC 6.20.2.14 1978:

A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

B. The school district shall issue a factory pre-numbered receipt for all money received. Pre-numbered receipts are to be controlled and secured. If a receipt is voided, all copies shall be marked "VOID" and retained in the receipt book.

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.

K. All bank accounts shall be reconciled on a monthly basis. Reconciled bank statements are to be reviewed by the business manager and/or assistant superintendent for business administration. The bank statement, deposit slips, and canceled checks shall be made available to the district's auditor during the annual audit.

Condition: During our review of activity receipts, we noted several instances in which proper procedures were not being followed:

- In 4 out of 25 items tested, monies received were not deposited within 24 hours of receipt. The amount of these deposits ranged from \$20.00 to \$443.95. The time between the school receiving the funds and deposit in the bank ranged from 3 business days to 6 months.
- In 3 out of 25 items tested, the monies received did not have an accompanying receipt. The value of the monies received ranged from \$40.00 to \$3,017.00.
- In 1 out of 25 items tested the monies received were deposited prior to a receipt being written. The amount of this deposit was \$57.87.

In the previous year, 8 of 23 items tested funds were not deposited within 24 hours of receipt; 1 of 23 items tested the monies were deposited before a receipt was written; and in 2 of 23 items tested the receipt amount and the deposit amount did not agree.

Cause: The schools did not deposit the funds received within 24 hours after receipt and proper recording of monies received was not done. Proper procedures relating to cash receipts were not followed.

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.

Auditors' Recommendations: We recommend that the District emphasize the importance of timely deposits of receipts, and monitor receipts more closely 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. Additionally when large amounts of cash are received good internal controls would have two people verify amounts received.

STATE OF NEW MEXICO
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Schedule X

Section II – Financial Statement Findings (Continued)

**FS 2014-002 – Improper Recording and Timeliness of Cash Receipts – Activity Funds (Non-Compliance)
Repeated and Revised (continued)**

Responsible Official's Plan:

- Specific corrective action plan for finding: **Ongoing training to include principals and sponsors so that all parties are instructed in the regulations regarding cash handling of activity funds. The Director of Finance will implement an internal audit process to complete spot checks during the year.**

- Timeline for completion of corrective action plan: **December 31, 2015**

- Employee position(s) responsible for meeting the timeline: **Director of Finance**

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ZUNI PUBLIC SCHOOLS
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Schedule X

Section II – Financial Statement Findings (Continued)

FS 2014-006 – Purchase Orders and Payment Authorization – Activity Accounts (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.

Additionally, 6.20.2.14 NMAC states:

- A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.
- B. The school district shall issue a factory pre-numbered receipt for all money received. Pre-numbered receipts are to be controlled and secured. If a receipt is voided, all copies shall be marked "VOID" and retained in the receipt book.
- 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 disbursements we noted several instances in which proper procedures were not followed:

- In 7 out of 25 items tested the purchase order was created after the purchase. The value of these purchases ranged from \$35.00 to \$604.75
- In 11 out of 25 items tested there was no documentation to verify items were properly received by the school. The value of these purchases ranged from \$60.00 to \$1,087.20.
- In 1 out of 25 items tested there was no purchase order created for a purchase. The value of this purchase was \$120.00

In the previous year, 16 of 25 items tested contained no receiving; 2 of 25 items tested did not have approving signature for the PO; 3 of 25 items tested had no PO on file; 3 of 25 items tested lacked a detailed invoice or receipt for goods; 2 of 25 items tested the PO’s was less than the value of the products purchased; 3 of 25 items tested the invoice was received prior to the creation of the PO; 2 of 25 items tested the vendor invoices were incomplete making it difficult to verify the quantity of t-shirts purchased and students and coaches attending a camp making it impossible to determine the number of participants as the cost of the camp was determined by number of participants; 2 of 23 items tested had no receipt to verify the goods purchased and were using concession sales and gate funds to replenish concession for the next event without recording and depositing original funds received.

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

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Schedule X

Section II – Financial Statement Findings (Continued)

**FS 2014-006 – Purchase Orders and Payment Authorization – Activity Accounts (Significant Deficiency)
Repeated and Revised (continued)**

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 authorization for payment. When goods and services are received by the District, someone must sign and date when the product or service was received.

Responsible Official's Plan:

- Specific corrective action plan for finding: **The district will continue to train personnel in charge of activity accounts in proper accounting procedures. This training will include principals in order that they better understand the required processes.**

- Timeline for completion of corrective action plan: **Ongoing throughout school year**

- Employee position(s) responsible for meeting the timeline: **Director of Finance**

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Schedule X

Section II – Financial Statement Findings (Continued)

FS 2014-008 – Background Checks (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.

Condition: During our review of 40 personnel files we noted the following instance in which proper procedures were not followed:

- In 2 of 40 files reviewed there was not an FBI background check in the file. Fingerprints and applications had been filled out and report had been requested but not received yet.

In the previous year 3 of 40 employees tested did not have a valid FBI background check in their file, and 1 of 40 employees tested had an expired work permit.

Cause: Zuni Schools has not followed state guidelines in regards to documentation of background checks.

Effect: The District's failure to maintain a background check report in the employee file is a violation of state statute and puts the District at additional risk of liability for any actions that may arise regarding employee conduct and does not comply with state regulations.

Auditor's Recommendation: We recommend that Zuni Public Schools adhere to its policy regarding background checks and ensure that they are properly maintained within the employee personnel file.

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Schedule X

Section II – Financial Statement Findings (Continued)

Responsible Official's Plan:

- Specific corrective action plan for finding: **The background checks that were not found were for two employees who completed and filed the proper documents but the response was never received from the vendor. The district will create a document to track background checks that have been transmitted and the date that the response was received in the district.**

- Timeline for completion of corrective action plan: **December 31, 2015**

- Employee position(s) responsible for meeting the timeline: **Director of Human Resources**

STATE OF NEW MEXICO
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Schedule X

Section II – Financial Statement Findings (Continued)

FS 2014-013 – Recording of Warehouse Inventory (Non-Compliance) Repeated and Revised

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.

Additionally, the New Mexico Manual of Procedures for Public School Accounting and Budgeting (PSAB), Supplement 10 Warehouse/Supply Inventory, identifies procedures and practices which districts should implement to be in compliance with required control procedures.

Finally, good accounting practices require that a physical inventory be taken at year-end for warehouse inventories which are a material item on the financial statements. In the case of the District, the warehouse inventory is a material asset on the financial statements.

Condition: The District did not complete a year end physical inventory of its warehouse inventory valued at approximately \$187,306.

During the previous year, the District had also not completed a physical inventory of their warehouse inventory. Additionally, the District had not had the Board certify its fixed asset inventory, which was done in the current year.

Cause: The District was unable to find employees who were willing to take a physical inventory of the warehouse.

Effect: Inventory is subject to theft and this could also result in misstatements to inventory amounts reported on the District's financial statements.

Auditors' Recommendation: We recommend that the District ensure compliance with NMAC 6.20.2.16 by implementing internal control processes that will safeguard inventory and increase monitoring and control related to inventory. As the District's inventory consists of many items of small individual value, we would recommend that it do periodic tests of its perpetual inventory throughout the year and maintain these results for the auditor. It is also recommended that at or near year-end that the District test the perpetual inventory of at-least 25% of the total recorded value.

During the current year, if the District had tested only the line items valued at \$500 or more, less than 70 line items of its 1,841 line items of inventory, it would have tested 28.7% of its inventory value. This physical inventory, along with periodic tests of its perpetual inventory throughout the year could provide sufficient evidence of the propriety of the value of the inventory on the District's financial statements and provide assurance that the area is not materially misstated.

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FOR THE YEAR ENDED JUNE 30, 2015

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2014-013 – Recording of Warehouse Inventory (Non-Compliance) Repeated and Revised

Responsible Official's Plan:

- Specific corrective action plan for finding: **The district completed an audit of the warehouse inventory during the first quarter of FY 2015-16. ZPSD will be changing warehouse inventory software programs during the current year to better monitor inventory stock levels**

- Timeline for completion of corrective action plan: **December 31, 2015**

- Employee position(s) responsible for meeting the timeline: **Director of Finance, Director of Support Services, Warehouse personnel**

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Schedule X

Section II – Financial Statement Findings (Continued)

FS 2015-001 – 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 ten disbursements from WEX Bank and Bank of America, we noted two instances in which unleaded plus gasoline was purchased in violation of the above statute:

- On June 6, 2014, 13.22 gallons of unleaded plus was purchased, and on June 13, 2014 8.87 gallons of unleaded plus fuel was purchased.

Cause: Individuals within the District were unaware that purchase of high grade fuels is not allowed under 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 findings: **The district will place a reminder in all district vehicles that only unleaded fuel is to be purchased.**

- Timeliness for completion of corrective action plan: **December 31, 2015**

- Employee position(s) responsible for meeting the timeline: **Director of Support Services**

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

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2015-002 – Improper Cash Controls and Outstanding Warrants – Activity Accounts – (Significant Deficiency)

Criteria: 6.20.2.14 NMAC 1978:

A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

I. Vouchers shall be numbered in such a manner as to provide a cross-reference between the voucher, the check, and the check register. All blank checks shall be properly safeguarded and an inventory of unused checks shall be taken periodically. Completed vouchers and supporting documentation is to be placed in numerical sequence, by the month in which they were paid, and filed for future reference and annual audit.

(1) Each warrant or check issued shall have printed on its face the words, "void after one year from date". Whenever any warrant or check is unpaid for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57(A), NMSA 1978.

(2) The fiscal officer shall keep a register of all canceled warrants/checks. The register shall show the number, date and amount, name of payee, fund out of which it was payable, and date of cancellation. The face amount shall revert and be credited to the fund against which the warrant/check was drawn.

J. The school district shall maintain a cash control ledger for each fund/subfund where all transactions affecting cash are recorded. Cash balances reported to the department shall be the same as the district's cash control ledger and annual audit.

K. All bank accounts shall be reconciled on a monthly basis. Reconciled bank statements are to be reviewed by the business manager and/or assistant superintendent for business administration. The bank statement, deposit slips, and canceled checks shall be made available to the district's auditor during the annual audit.

L. The school district shall submit cash reports to the department by the last working day of the month following the end of the reporting period, unless extended to a later date by the secretary of education.

Additionally 6-10-57 NMSA 1978 states:

A. Whenever any warrant issued by the state, county, municipality, school district or special district is unpaid for one year after it becomes payable, the fiscal officer shall cancel it.

B. The fiscal officer shall keep a register of all canceled warrants. The register shall show the number, date and amount of each warrant, the name of the person in whose favor it was drawn, the fund out of which it was payable and the date of cancellation.

C. The face amount of each warrant canceled shall revert and be credited to the fund against which the warrant was drawn.

D. Warrants canceled under Subsection A of this section are void and the indebtedness evidenced thereby is extinguished, which is hereby declared to be an express condition of every contract under which state warrants are issued except that:

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Schedule X

Section II – Financial Statement Findings (Continued)

FS 2015-002 – Improper Cash Controls and Outstanding Warrants – Activity Accounts – Significant Deficiency (continued)

(1) the department of finance and administration may issue a new warrant on a voucher issued by the commissioner of revenue [director of the revenue division of the taxation and revenue department] if a claim for refund was approved under Section 7-1-26 NMSA 1978, and if a warrant was issued and that warrant canceled under Subsection A of this section on or after January 1, 1970; and

(2) any fiscal officer may issue a new warrant for a canceled payroll warrant upon a voucher issued by the responsible employing authority certifying that the services for which the canceled payroll warrant had been issued were in fact rendered and that payment therefor had not been made, if:

(a) there is sufficient money in the fund from which the original payroll warrant was drawn to cover the new warrant; or

(b) if a suspense fund has been established in accordance with the provisions of Subsection E of this section and there is sufficient money in the suspense fund to cover the new warrant.

E. If any payroll warrant payable from an account which reverts at the end of a fiscal year to a general fund is canceled, the fiscal officer shall create a suspense fund in the amount of the total canceled payroll warrants and withhold that amount from reversion. Canceled payroll warrants shall be paid from the suspense fund.

Condition: During our review of activity accounts, we noted the following instances in which proper procedures were not followed:

- We identified that two of the District’s five schools, Dowa Yalanne Elementary and Zuni High School, maintained stale dated checks more than one year old which were not cancelled and credited back to the fund they were written against. The value of the stale dated checks amount to \$211.95 and \$127.20, respectively.
- We noted that two of the District’s five schools, Ashiwi Elementary School and Zuni Middle School, maintained “deposits in transit” more than one year old on their reconciliations. These are “bad checks” which have not been collected or for which their accounts have not been adjusted. The value of the “deposits” is \$60.00 and \$30.00, respectively.
- There is no secondary signature on any of the activity bank accounts indicating they were reviewed and approved by the Finance Director.

Cause: The individuals in charge of the activity accounts have not voided warrants which are more than one year old, have not removed bounced checks from the bank account, and are not using proper internal controls in regards to bank reconciliations being reviewed by the Finance Director.

Effect: The District has not maintained sufficient internal controls to identify warrants more than one year old and checks to the schools which have “bounced” and has not followed proper guidance in the recording and voiding of outstanding warrants. As such, these accounts are not properly stated according to statute, and a lack of secondary review by the Finance Director means improper uses of school funds may be concealed from the District.

Auditor’s Recommendation: We recommend that management adequately monitor outstanding warrants and bounced checks to ensure that internal control procedures are in place to remove outstanding warrants and deposits from the District’s cash accounts. Additionally, the District should institute good internal controls to ensure that bank reconciliations are reviewed and approved by the Finance Director.

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Schedule X

Section II – Financial Statement Findings (Continued)

FS 2015-002 – Improper Cash Controls and Outstanding Warrants – Activity Accounts – Significant Deficiency (continued)

Responsible Official's Plan:

- Specific corrective action plan for finding: **The Director of Finance will assume the duties of reconciling activity bank accounts. This will allow better control regarding stale dated checks and stale outstanding deposits. It will also provide a greater level of separation of duties**

- Timeline for completion of corrective action plan: **December 31, 2015**

- Employee position(s) responsible for meeting the timeline: **Director of Finance**

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ZUNI PUBLIC SCHOOLS
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FOR THE YEAR ENDED JUNE 30, 2015

Schedule X

Section II – Financial Statement Findings (Continued)

FS-2015-003 – 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.**

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

- The payroll clerk 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 an additional individual to insure that all payments are proper or to validate all employees and that all payments are for valid obligations of the district.

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

Schedule X

Section II – Financial Statement Findings (Continued)

FS-2015-003 – Segregation of Duties (Significant Deficiency)

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 payroll clerk 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. Subsequent to year end, the district has segregated the duties whereby an individual from the Human Resources Department sets up the employee and payroll processes the payroll.

Responsible Official's Plan:

- Specific corrective action plan for finding: **The responsibility to enter all new employees and their respective information has been given to an employee who does not have access to process paychecks.**

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

- Employee position(s) responsible for meeting the timeline: **Directors of Human Resources and Finance**

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

Schedule X

Section III – Federal Award Findings

FA 2015-001 – Procurement and Suspension and Debarment (Non-Compliance)

Federal Program Information:

Funding Agency: U.S. Department of Education
Title: Title I - IASA
CFDA Number: 84.010
Passthrough: New Mexico Department of Education
Award Year: 2015

Funding Agency: U.S. Department of Agriculture
Title: USDA School Breakfast Program
CFDA Number: 10.553
Passthrough: New Mexico Department of Education
Award Year: 2015

Funding Agency: U.S. Department of Agriculture
Title: National School Lunch Program
CFDA Number: 10.555
Passthrough: New Mexico Department of Education
Award Year: 2015

Criteria: OMB Circular A-133:

I. Procurement and Suspension and Debarment

States, and governmental subrecipients of States, will use the same State policies and procedures used for procurements from non-Federal funds. They also must ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations.

Local governments and Indian tribal governments that are direct recipients of Federal awards and their subrecipients will use procurement procedures that conform to applicable Federal law and regulations and standards identified in the A-102 Common Rule or OMB Circular A-110 (2 CFR part 215), as applicable.

Suspension and Debarment

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All nonprocurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by (1) checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA) and available at <https://www.sam.gov/portal/public/SAM/> (note: EPLS is no longer a separate system; however, the OMB guidance and agency implementing regulations still refer to it as EPLS), (2) collecting a certification from the entity, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

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

Schedule X

Section III – Federal Award Findings

FA 2015-001 – Procurement and Suspension and Debarment (Non-Compliance)

Additionally, when awarding contracts under normal bidding procedures in excess of \$100,000, non-Federal entities should obtain information related to the entity to verify that it is not suspended or debarred or otherwise excluded from participating in the transaction.

Condition: During our testing of significant disbursements, we identified two vendors which would meet the requirement of verifying that the vendors were not suspended or debarred or otherwise excluded from receiving the contract which was funded through Federal dollars. Those vendors were Sysco Food Services of New Mexico and Dell Marketing L.P., each which received more than \$100,000 in payments from the District from Federal grant sources. Neither of the two vendors are currently suspended or debarred from receiving Federal contracts.

Questioned Costs: None

Cause: District personnel were unaware that they were required to verify that vendors which meet the \$25,000 or \$100,000 threshold are not suspended, debarred, or otherwise excluded from participating in contracts funded through Federal awards.

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 improper grant distributions.

Auditor's Recommendation: We recommend that the District establish a policy and implement procedures regarding large purchases related to Federal grants to insure that vendors who are suspended, debarred, or otherwise excluded from participating in transactions funded through Federal grants. As identified above, there are three methods in which the District can verify the vendors. With a vendor such as Sysco, which the District does significant business with on a continual basis, having Sysco provide an annual certification that it is not currently suspended, debarred, or otherwise prevented from receiving Federal dollars may be a simple way of meeting the criteria. In other occasions in which a single purchase is going to be made, the purchasing procedures should include looking up the vendor on the GSA website, printing a copy of the verification, and placing it in the file with the purchase order. The District has options, and it should establish what method is the least intrusive but also effective in complying with the requirements of OMB Circular A-133.

Responsible Official's Plan:

- Specific corrective action plan for finding: **The district Certified Procurement Officer will check the www.sam.gov portal each year to verify that vendors, whose sales to the district exceed the statutory limits, have not been suspended nor debarred from receiving federal contracts.**

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

- Employee position(s) responsible for meeting the timeline: **Chief Procurement Officer**

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

Schedule X

Section IV – Prior Year Audit Findings

Financial Statement Findings

FS 2012-005 [2012-05] Budgetary Controls – Repeated and Revised
FS 2013-002 [2013-02] Purchase Orders and Payment Authorization – Repeated and Revised
FS 2013-003 [2013-03] Payroll and I-9 Documentation – Resolved
FS 2013-004 [2013-04] Cash Appropriations in Excess of Available Cash Balances – Resolved
FS 2014-001 Timeliness of Deposits – Repeated and Revised
FS 2014-002 Timeliness of Deposits – Activity Funds – Repeated and Revised
FS 2014-003 Payment for Goods and/or Services not Completed Within 30 Days – Activity Accounts – Resolved
FS 2014-004 Improper Use of Credit Card – Resolved
FS 2014-005 Statutory Preferences in Bids and RFPs – Resolved
FS 2014-006 Purchase Orders and Payment Authorization – Activity Accounts – Repeated and Revised
FS 2014-007 Lack of Supporting Documentation for Emergency Purchases – Resolved
FS 2014-008 Background Checks – Repeated and Revised
FS 2014-009 Payment for Goods and/or Services not Completed Within 30 Days – Resolved
FS 2014-010 Accrued Compensated Absences – Resolved
FS 2014-011 Improper Recording of Journal Entries – Resolved
FS 2014-012 Improper Cash Controls – Resolved
FS 2014-013 Recording of Warehouse Inventory – Repeated and Revised

Federal Awards Findings

FA 2014-001 Improper Maintenance of Personnel Activity Reports – Resolved
FA 2014-002 Late Data Collection Form Submission – Resolved

**STATE OF NEW MEXICO
ZUNI 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 Zuni 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.

Zuni Public Schools

Hayes A. Lewis, Superintendent
Martin Romine, Director of Finance
Jerome Haskie, Board President
Carleton Albert, Sr., Board Vice President
Loren Thomas, Community Representative
Susan Griffith, Director of Special Education
Tammie Gerrard, Director of Human Resources
Caroline Ukestine, Director of Federal Programs

Manning Accounting and Consulting Services, LLC

Byron R. Manning, CPA