



STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**  
June 30, 2014

**De'Aun Willoughby CPA, PC**  
Certified Public Accountant  
Clovis, New Mexico



STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
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**PECOS INDEPENDENT SCHOOL DISTRICT**  
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STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
Official Roster  
June 30, 2014

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**BOARD OF EDUCATION**

Lawrence Vigil	President
Eileen Griego-Vigil	Vice-President
Michael Flores	Secretary
Eddie Roy Duran	Member
Patrick Sandoval	Member

**SCHOOL OFFICIALS**

Fred Trujillo	Superintendent
Brenda Gallegos	Business Manager

Independent Auditor's Report

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the Pecos Independent School District

Mr. Balderas and Members of the Board

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Pecos Independent School District (District), as of and for the year ended June 30, 2014, 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 also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for the major capital projects fund and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the 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, 2014, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the major capital projects and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

Management has omitted the Management's Discussion and Analysis which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

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

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2014, 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.



Clovis, New Mexico  
August 19, 2014

## **FINANCIAL SECTION**



STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 Government-Wide Statement of Net Position  
 June 30, 2014

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ASSETS	<u>Governmental Activities</u>
Current Assets	
Cash and Cash Equivalents	\$ 3,478,046
Investments	167,767
Taxes Receivable	6,755
Due from Grantor	716,248
Inventory	2,128
Total Current Assets	<u>4,370,944</u>
Noncurrent Assets	
Capital Assets	23,703,444
Less: Accumulated Depreciation	<u>(11,134,387)</u>
Total Noncurrent Assets	<u>12,569,057</u>
Total Assets	<u>16,940,001</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	17,081
Accrued Interest	73,390
Compensated Absences	50,776
Current Portion Due of Long-Term Debt	190,000
Total Current Liabilities	<u>331,247</u>
Noncurrent Liabilities	
Bonds and Notes, Net	<u>5,663,407</u>
Total Noncurrent Liabilities	<u>5,663,407</u>
Total Liabilities	<u>5,994,654</u>
NET POSITION	
Net Investment in Capital Assets	6,905,650
Restricted for:	
Capital Projects	3,386,145
Debt Service	346,676
Unrestricted	306,876
Total Net Position	<u>\$ 10,945,347</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 Government-Wide Statement of Activities  
 For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 5,169,216	41,329	\$ 1,515,333	\$ 0	\$ (3,612,554)
Support Services					
Students	835,553	18,150	132,418	0	(684,985)
Instruction	189,804	0	105,431	0	(84,373)
General Administration	425,083	0	21,491	0	(403,592)
School Administration	548,821	0	41,475	0	(507,346)
Central Services	253,412	0	6,131	0	(247,281)
Operation of Plant	1,344,929	27,897	0	0	(1,317,032)
Student Transportation	411,217	0	396,983	0	(14,234)
Other	7,897	0	0	0	(7,897)
Food Services Operations	419,779	17,233	388,180	0	(14,366)
Community Services	15,789	0	15,789	0	0
Interest on Long-Term Obligations	190,983	0	0	0	(190,983)
Total Governmental Activities	<u>\$ 9,812,483</u>	<u>\$ 104,609</u>	<u>\$ 2,623,231</u>	<u>\$ 0</u>	<u>(7,084,643)</u>
<b>General Revenues</b>					
Taxes					
Property Taxes, Levied for General Purposes					
14,599					
Property Taxes, Levied for Capital Projects					
241,417					
Property Taxes, Levied for Debt Service					
465,208					
Federal and State aid not restricted to specific purpose					
General					
5,538,453					
Capital					
284,776					
Interest and investment earnings					
6,842					
Miscellaneous					
40,462					
Subtotal, General Revenues					
<u>6,591,757</u>					
Change in Net Position					
(492,886)					
Net Position - Beginning					
<u>11,438,233</u>					
Net Position - Ending					
<u>\$ 10,945,347</u>					

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2014

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Investments	0	0	0
Receivables			
Taxes	151	0	0
Due From Grantor	0	0	0
Interfund Balance	485,160	26,182	7,098
Inventory	0	0	0
Total Assets	<u>\$ 485,311</u>	<u>\$ 26,182</u>	<u>\$ 7,098</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	15,117	472	631
Total Liabilities	<u>15,117</u>	<u>472</u>	<u>631</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unassigned-General	470,194	25,710	6,467
Total Fund Balances	<u>470,194</u>	<u>25,710</u>	<u>6,467</u>
Total Liabilities and Fund Balances	<u>\$ 485,311</u>	<u>\$ 26,182</u>	<u>\$ 7,098</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2014

	General Fund		
	Instructional Materials 14000	Title I 24101	Title I Section 1003(g) 24124
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Investments	0	0	0
Receivables			
Taxes	0	0	0
Due From Grantor	0	169,047	243,979
Interfund Balance	13,941	0	0
Inventory	0	0	0
<b>Total Assets</b>	<b>\$ 13,941</b>	<b>\$ 169,047</b>	<b>\$ 243,979</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balance	\$ 0	\$ 169,047	\$ 243,577
Accounts Payable	0	0	402
<b>Total Liabilities</b>	<b>0</b>	<b>169,047</b>	<b>243,979</b>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unassigned-General	13,941	0	0
<b>Total Fund Balances</b>	<b>13,941</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 13,941</b>	<b>\$ 169,047</b>	<b>\$ 243,979</b>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2014

	<u>Capital Projects</u>		
	<u>Bond Building 31100</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,909,530	\$ 568,516	\$ 3,478,046
Investments	140,900	26,867	167,767
Receivables			
Taxes	0	6,604	6,755
Due From Grantor	0	303,222	716,248
Interfund Balance	0	165,691	698,072
Inventory	0	2,128	2,128
Total Assets	<u>\$ 3,050,430</u>	<u>\$ 1,073,028</u>	<u>\$ 5,069,016</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balance	\$ 0	\$ 285,448	\$ 698,072
Accounts Payable	0	459	17,081
Total Liabilities	<u>0</u>	<u>285,907</u>	<u>715,153</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	2,128	2,128
Restricted for, reported in			
Special Revenue Funds	0	102,602	102,602
Capital Improvements	3,050,430	335,715	3,386,145
Debt Service	0	346,676	346,676
Unassigned-General	0	0	516,312
Total Fund Balances	<u>3,050,430</u>	<u>787,121</u>	<u>4,353,863</u>
Total Liabilities and Fund Balances	<u>\$ 3,050,430</u>	<u>\$ 1,073,028</u>	<u>\$ 5,069,016</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 Reconciliation of the Governmental Funds  
 Balance Sheet to the Statement of Net Position  
 June 30, 2014

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Total Fund Balance - Governmental Funds \$ 4,353,863

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$ 23,703,444	
Accumulated depreciation	<u>(11,134,387)</u>	12,569,057

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Bond Payable	(5,400,000)	
Bond Premium	(522,949)	
Accumulated Amortization	28,326	
Bond Issue Costs	43,577	
Accumulated Amortization	(2,361)	
Accrued Interest	(73,390)	
Compensated Absences	<u>(50,776)</u>	<u>(5,977,573)</u>

Total Net Position - Governmental Activities	\$	<u><u>10,945,347</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and Changes  
in Fund Balance  
For the Year Ended June 30, 2014

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
<b>Revenues</b>			
Property Taxes	\$ 14,599	\$ 0	\$ 0
Interest Income	6,666	0	0
Fees	1,662	27,897	0
State & Local Grants	5,513,741	0	388,128
Federal Grants	24,712	0	0
Miscellaneous	40,462	0	0
<b>Total Revenues</b>	<b>5,601,842</b>	<b>27,897</b>	<b>388,128</b>
<b>Expenditures</b>			
Current			
Instruction	2,790,621	0	0
Support Services			
Students	678,260	0	0
Instruction	49,335	0	0
General Administration	380,032	0	0
School Administration	506,194	0	0
Central Services	204,515	0	0
Operation of Plant	1,072,569	7,420	0
Student Transportation	1,281	0	398,085
Other	7,897	0	0
Food Service Operations	0	0	0
Community Service	0	0	0
Capital Outlay	0	37,755	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
<b>Total Expenditures</b>	<b>5,690,704</b>	<b>45,175</b>	<b>398,085</b>
Excess (Deficiency) of Revenues Over Expenditures	(88,862)	(17,278)	(9,957)
Fund Balances at Beginning of Year	559,056	42,988	16,424
Fund Balance End of Year	\$ 470,194	\$ 25,710	\$ 6,467

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and Changes  
in Fund Balance  
For the Year Ended June 30, 2014

	General		
	Fund	Special Revenue	
	Instructional Materials 14000	Title I 24101	Title I Section 1003(g) 24124
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	41,566	0	0
Federal Grants	0	294,322	643,380
Miscellaneous	0	0	0
<b>Total Revenues</b>	<b>41,566</b>	<b>294,322</b>	<b>643,380</b>
<b>Expenditures</b>			
Current			
Instruction	59,271	256,991	582,413
Support Services			
Students	0	0	8,503
Instruction	0	26,384	0
General Administration	0	10,947	0
School Administration	0	0	41,475
Central Services	0	0	6,131
Operation of Plant	0	0	0
Student Transportation	0	0	2,854
Other	0	0	0
Food Service Operations	0	0	2,004
Community Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
<b>Total Expenditures</b>	<b>59,271</b>	<b>294,322</b>	<b>643,380</b>
Excess (Deficiency) of Revenues Over Expenditures	(17,705)	0	0
Fund Balances at Beginning of Year	31,646	0	0
Fund Balance End of Year	\$ 13,941	\$ 0	\$ 0

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



STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and Changes  
in Fund Balance  
For the Year Ended June 30, 2014

	Capital Projects		
	Bond Building 31100	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 706,625	\$ 721,224
Interest Income	148	28	6,842
Fees	0	75,050	104,609
State & Local Grants	0	530,940	6,474,375
Federal Grants	0	1,009,671	1,972,085
Miscellaneous	0	0	40,462
Total Revenues	<u>148</u>	<u>2,322,314</u>	<u>9,319,597</u>
<b>Expenditures</b>			
Current			
Instruction	184,232	758,499	4,632,027
Support Services			
Students	0	148,790	835,553
Instruction	0	79,047	154,766
General Administration	0	17,682	408,661
School Administration	0	0	547,669
Central Services	0	0	210,646
Operation of Plant	0	199,469	1,279,458
Student Transportation	0	6,001	408,221
Other	0	0	7,897
Food Service Operations	0	417,775	419,779
Community Service	0	15,789	15,789
Capital Outlay	2,646,369	315,546	2,999,670
Debt Service			
Principal	0	0	0
Interest	0	154,710	154,710
Bond Issue Costs	0	0	0
Total Expenditures	<u>2,830,601</u>	<u>2,113,308</u>	<u>12,074,846</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,830,453)	209,006	(2,755,249)
Fund Balances at Beginning of Year	<u>5,880,883</u>	<u>578,115</u>	<u>7,109,112</u>
Fund Balance End of Year	<u>\$ 3,050,430</u>	<u>\$ 787,121</u>	<u>\$ 4,353,863</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 Reconciliation of the Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 To the Statement of Activities  
 June 30, 2014

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Excess (Deficiency) of Revenues Over Expenditures-Governmental Funds \$ (2,755,249)

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

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 Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Depreciation expense	\$ (697,271)	
Capital Outlays	<u>2,999,670</u>	2,302,399

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

0

Bond Premiums are amortized in the Statement of Activities but are recognized as proceeds from bond issue in the governmental funds.

26,147

Bond issue costs are amortized in the Statement of Activities but are an expenditure in the governmental funds.

(2,179)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

Accrued Interest, June 30, 2013	13,149	
Accrued Interest, June 30, 2014	<u>(73,390)</u>	(60,241)

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences, June 30, 2013	47,013	
Compensated Absences, June 30, 2014	<u>(50,776)</u>	<u>(3,763)</u>

Changes in Net Position of Governmental Activities \$ (492,886)

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
GENERAL FUND-OPERATIONAL-11000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 13,915	\$ 13,915	\$ 14,816	\$ 901
Interest Income	1,700	1,700	6,665	4,965
Fees	1,500	1,500	1,662	162
State Grant	5,503,784	5,503,784	5,513,741	9,957
Federal Grant	24,712	24,712	24,712	0
Miscellaneous	0	0	40,462	40,462
Total Revenues	<u>5,545,611</u>	<u>5,545,611</u>	<u>5,602,058</u>	<u>56,447</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	1,982,073	1,936,387	1,882,252	54,135
Employee Benefits	795,001	791,056	755,905	35,151
Professional & Tech Services	16,700	20,194	13,119	7,075
Purchased Services	34,500	60,449	50,586	9,863
Supplies	81,968	102,678	83,038	19,640
Supply Assets	5,412	12,412	7,373	5,039
Total Instruction	<u>2,915,654</u>	<u>2,923,176</u>	<u>2,792,273</u>	<u>130,903</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	428,109	370,840	359,839	11,001
Employee Benefits	146,082	133,464	118,490	14,974
Professional & Tech Services	103,000	202,049	192,280	9,769
Purchased Services	2,000	5,749	1,748	4,001
Supplies	5,000	5,900	5,267	633
Supply Assets	0	1,478	1,359	119
Total Students	<u>684,191</u>	<u>719,480</u>	<u>678,983</u>	<u>40,497</u>
<b>Instruction</b>				
Personnel Services	13,321	28,642	28,640	2
Employee Benefits	4,282	7,521	7,293	228
Professional & Tech Services	600	1,094	1,094	0
Purchased Services	1,000	2,810	2,809	1
Supplies	8,189	9,557	9,306	251
Total Instruction	<u>27,392</u>	<u>49,624</u>	<u>49,142</u>	<u>482</u>
<b>General Administration</b>				
Personnel Services	233,560	226,947	226,127	820
Employee Benefits	78,384	74,410	72,393	2,017
Professional & Tech Services	46,200	38,953	27,299	11,654
Purchased Property Services	1,500	1,500	1,120	380
Purchased Services	27,000	48,773	44,966	3,807
Supplies	14,500	13,000	10,676	2,324
Supply Assets	2,000	3,600	3,577	23
Total General Administration	<u>\$ 403,144</u>	<u>\$ 407,183</u>	<u>\$ 386,158</u>	<u>\$ 21,025</u>

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
GENERAL FUND-OPERATIONAL-11000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>School Administration</b>				
Personnel Services	\$ 366,070	\$ 366,702	\$ 359,410	\$ 7,292
Employee Benefits	124,627	120,807	116,709	4,098
Professional & Tech Services	1,300	1,734	1,434	300
Purchased Services	3,000	15,800	14,014	1,786
Supplies	20,000	13,316	11,547	1,769
Supply Assets	0	682	682	0
Total School Administration	<u>514,997</u>	<u>519,041</u>	<u>503,796</u>	<u>15,245</u>
<b>Central Services</b>				
Personnel Services	139,539	147,381	147,381	0
Employee Benefits	49,684	49,302	48,513	789
Professional & Tech Services	1,500	1,570	645	925
Purchased Services	10,000	7,186	6,468	718
Supplies	11,500	11,587	11,586	1
Supply Assets	0	3,335	3,130	205
Total Central Services	<u>212,223</u>	<u>220,361</u>	<u>217,723</u>	<u>2,638</u>
<b>Operation of Plant</b>				
Personnel Services	328,951	343,107	326,165	16,942
Employee Benefits	138,035	139,698	135,366	4,332
Professional & Tech Services	500	500	0	500
Purchased Property Services	394,000	525,284	414,843	110,441
Purchased Services	126,875	155,186	154,859	327
Supplies	48,658	51,866	48,668	3,198
Supply Assets	3,000	11,915	11,844	71
Total Operation of Plant	<u>1,040,019</u>	<u>1,227,556</u>	<u>1,091,745</u>	<u>135,811</u>
<b>Student Transportation</b>				
Purchased Property Services	<u>3,500</u>	<u>3,500</u>	<u>1,281</u>	<u>2,219</u>
Total Student Transportation	<u>3,500</u>	<u>3,500</u>	<u>1,281</u>	<u>2,219</u>
<b>Other Support Service</b>				
Professional & Tech Services	<u>86,367</u>	<u>88,454</u>	<u>8,952</u>	<u>79,502</u>
Total Other Support Service	<u>86,367</u>	<u>88,454</u>	<u>8,952</u>	<u>79,502</u>
Total Support Services	<u>2,971,833</u>	<u>3,235,199</u>	<u>2,937,780</u>	<u>297,419</u>
Total Expenditures	<u>5,887,487</u>	<u>6,158,375</u>	<u>5,730,053</u>	<u>428,322</u>
Excess (Deficiency) of Revenues Over Expenditures	(341,876)	(612,764)	(127,995)	484,769
Cash Balance Beginning of Year	\$ <u>613,155</u>	\$ <u>613,155</u>	\$ <u>613,155</u>	\$ <u>0</u>

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
GENERAL FUND-OPERATIONAL-11000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Cash Balance End of Year	\$ <u>271,279</u>	\$ <u>391</u>	\$ <u>485,160</u>	\$ <u>484,769</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (127,995)	
Net change in Taxes Receivable			(216)	
Net change in Accounts Payable			39,349	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(88,862)</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
GENERAL FUND-TEACHERAGE-12000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 24,000	\$ 24,000	\$ 27,897	\$ 3,897
Total Revenues	<u>24,000</u>	<u>24,000</u>	<u>27,897</u>	<u>3,897</u>
Expenditures				
Support Services				
Operation of Plant				
Purchased Property Services	30,000	21,000	9,417	11,583
Supplies	15,000	4,000	1,853	2,147
Supply Assets	10,000	8,000	538	7,462
Total Operation of Plant	<u>55,000</u>	<u>33,000</u>	<u>11,808</u>	<u>21,192</u>
Total Support Services	<u>55,000</u>	<u>33,000</u>	<u>11,808</u>	<u>21,192</u>
Capital Outlay				
Capital Outlay	57,922	38,848	37,755	1,093
Total Capital Assets	<u>57,922</u>	<u>38,848</u>	<u>37,755</u>	<u>1,093</u>
Total Expenditures	<u>112,922</u>	<u>71,848</u>	<u>49,563</u>	<u>22,285</u>
Excess (Deficiency) of Revenues Over Expenditures	(88,922)	(47,848)	(21,666)	26,182
Cash Balance Beginning of Year	<u>47,848</u>	<u>47,848</u>	<u>47,848</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (41,074)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 26,182</u></u>	<u><u>\$ 26,182</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (21,666)	
Net change in Accounts Payable			<u>4,388</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ (17,278)</u></u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
GENERAL FUND-TRANSPORTATION-13000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 396,543	\$ 396,543	\$ 396,543	\$ 0
Total Revenues	<u>396,543</u>	<u>396,543</u>	<u>396,543</u>	<u>0</u>
<b>Expenditures</b>				
<b>Student Transportation</b>				
Personnel Services	205,024	196,991	194,508	2,483
Employee Benefits	100,059	104,783	103,027	1,756
Professional & Tech Services	3,500	4,050	3,848	202
Purchased Property Services	45,539	15,478	15,002	476
Purchased Services	22,029	23,521	21,629	1,892
Supplies	82,000	57,176	56,887	289
Supply Assets	10,000	2,959	2,959	0
Total Student Transportation	<u>468,151</u>	<u>404,958</u>	<u>397,860</u>	<u>7,098</u>
Total Expenditures	<u>468,151</u>	<u>404,958</u>	<u>397,860</u>	<u>7,098</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(71,608)</u>	<u>(8,415)</u>	<u>(1,317)</u>	<u>7,098</u>
<b>Other Financing Sources (Uses)</b>				
Return to State	0	0	(8,415)	(8,415)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(8,415)</u>	<u>(8,415)</u>
Net Change in Fund Balance	(71,608)	(8,415)	(9,732)	(1,317)
Cash Balance Beginning of Year	<u>16,830</u>	<u>16,830</u>	<u>16,830</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(54,778)</u>	\$ <u>8,415</u>	\$ <u>7,098</u>	\$ <u>(1,317)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (9,732)	
Net change in Accounts Payable			(225)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(9,957)</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 31,395	\$ 31,395	\$ 41,566	\$ 10,171
Total Revenues	<u>31,395</u>	<u>31,395</u>	<u>41,566</u>	<u>10,171</u>
Expenditures				
Instruction				
Supplies	63,040	63,040	59,271	3,769
Total Instruction	<u>63,040</u>	<u>63,040</u>	<u>59,271</u>	<u>3,769</u>
Total Expenditures	<u>63,040</u>	<u>63,040</u>	<u>59,271</u>	<u>3,769</u>
Excess (Deficiency) of Revenues Over Expenditures	(31,645)	(31,645)	(17,705)	13,940
Cash Balance Beginning of Year	<u>31,646</u>	<u>31,646</u>	<u>31,646</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 13,941</u>	<u>\$ 13,940</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (17,705)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (17,705)</u>	

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



STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-TITLE I-24101  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 403,616	\$ 489,821	\$ 283,030	\$ (206,791)
Total Revenues	<u>403,616</u>	<u>489,821</u>	<u>283,030</u>	<u>(206,791)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	125,060	174,409	161,842	12,567
Employee Benefits	43,998	60,643	51,838	8,805
Professional & Tech Services	8,874	8,874	6,359	2,515
Purchased Services	13,000	6,969	2,361	4,608
Supplies	20,112	42,947	34,591	8,356
Total Instruction	<u>211,044</u>	<u>293,842</u>	<u>256,991</u>	<u>36,851</u>
<b>Support Services</b>				
<b>Instruction</b>				
Personnel Services	17,378	18,174	18,174	0
Employee Benefits	6,493	7,381	6,556	825
Supplies	0	1,723	1,655	68
Total Instruction	<u>23,871</u>	<u>27,278</u>	<u>26,385</u>	<u>893</u>
<b>General Administration</b>				
Professional & Tech Services	10,947	10,947	10,947	0
Total General Administration	<u>10,947</u>	<u>10,947</u>	<u>10,947</u>	<u>0</u>
Total Support Services	<u>34,818</u>	<u>38,225</u>	<u>37,332</u>	<u>893</u>
Total Expenditures	<u>245,862</u>	<u>332,067</u>	<u>294,323</u>	<u>37,744</u>
Excess (Deficiency) of Revenues Over Expenditures	157,754	157,754	(11,293)	(169,047)
Cash Balance Beginning of Year	<u>(157,754)</u>	<u>(157,754)</u>	<u>(157,754)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(169,047)</u>	\$ <u>(169,047)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (11,293)	
Net change in Due from Grantor			11,293	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-TITLE I-SECTION 1003G-24124  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 128,340	\$ 897,460	\$ 527,741	\$ (369,719)
Total Revenues	<u>128,340</u>	<u>897,460</u>	<u>527,741</u>	<u>(369,719)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	295,336	288,191	7,145
Employee Benefits	0	83,551	82,685	866
Professional & Tech Services	0	44,555	39,752	4,803
Purchased Services	0	62,000	58,797	3,203
Supplies	0	149,059	67,763	81,296
Supply Assets	0	63,167	45,225	17,942
Total Instruction	<u>0</u>	<u>697,668</u>	<u>582,413</u>	<u>115,255</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	0	7,802	7,311	491
Employee Benefits	0	1,313	1,192	121
Total Students	<u>0</u>	<u>9,115</u>	<u>8,503</u>	<u>612</u>
<b>School Administration</b>				
Personnel Services	0	31,376	30,801	575
Employee Benefits	0	6,190	5,999	191
Professional & Tech Services	0	5,000	1,978	3,022
Purchased Services	0	5,000	2,296	2,704
Total School Administration	<u>0</u>	<u>47,566</u>	<u>41,074</u>	<u>6,492</u>
<b>Central Services</b>				
Personnel Services	0	5,000	5,000	0
Employee Benefits	0	1,141	1,131	10
Total Central Services	<u>0</u>	<u>6,141</u>	<u>6,131</u>	<u>10</u>
<b>Student Transportation</b>				
Personnel Services	0	4,929	2,332	2,597
Employee Benefits	0	1,124	521	603
Total Student Transportation	<u>0</u>	<u>6,053</u>	<u>2,853</u>	<u>3,200</u>
Total Support Services	\$ <u>0</u>	\$ <u>68,875</u>	\$ <u>58,561</u>	\$ <u>10,314</u>

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-TITLE I-SECTION 1003G-24124  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Food Services Operations				
Personnel Services	\$ 0	\$ 2,099	\$ 1,632	\$ 467
Employee Benefits	0	478	372	106
Total Food Service Operations	<u>0</u>	<u>2,577</u>	<u>2,004</u>	<u>573</u>
Total Expenditures	<u>0</u>	<u>769,120</u>	<u>642,978</u>	<u>126,142</u>
Excess (Deficiency) of Revenues Over Expenditures	128,340	128,340	(115,237)	(243,577)
Cash Balance Beginning of Year	<u>(128,340)</u>	<u>(128,340)</u>	<u>(128,340)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (243,577)</u>	<u>\$ (243,577)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (115,237)	
Net change in Due from Grantor			115,639	
Net Change in Accounts Payable			<u>(402)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
Statement of Fiduciary Assets and Liabilities-Agency Funds  
June 30, 2014

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	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ <u>75,966</u>
Total Assets	\$ <u><u>75,966</u></u>
Liabilities	
Deposits Held for Others	\$ <u>75,966</u>
Total Liabilities	\$ <u><u>75,966</u></u>

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

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Pecos Independent School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**Financial Reporting Entity**

The Pecos Independent School District has been in existence since the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education - superintendent form of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The District has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

***Governmental Funds***

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 capital assets and the servicing of general long-term debt.

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Debt Service Fund - The Debt Service Fund is used to account for all resources for, and the payment of, principal, interest and related costs.

***Fiduciary Fund Type***

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

**MAJOR FUNDS**

The District reports the following major governmental funds:

**GENERAL FUND (11000)(12000)(13000)(14000).**The General Fund consist of four sub funds. The first is the Operational Fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Teacherage Fund is to provide teachers affordable housing to entice them to teach there. The Transportation Fund includes a state grant to provide transportation for students in the District. The Instructional Materials Fund accounts for a state grant to provide text books for students in the District.

**SPECIAL REVENUE FUNDS**

**Title I (24101).**To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

**Title I Section 1003(g) (24124).** To provide funding that addresses the needs of schools in improvement, corrective action, and restructuring in order to improve student achievement targeting activities towards measurable outcomes.

**CAPITAL PROJECT FUNDS**

**Bond Building (31100).** The revenues are derived from a School Building Bond Issue. The expenditures are restricted to major capital improvements.

**Measurement Focus and Basis of Accounting**  
***Government-Wide Financial Statements (GWFS)***

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants and contributions, Transportation, Food Service, Special Revenue Funds such as special education as well as others., and 3) program specific capital grants and contributions.

***Fund Financial Statements (FFS)***

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

*Entitlement and shared revenues* (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are 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.

*Other receipts* become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

*Salaries* are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Basis of Budgeting

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on the non-GAAP budgetary basis.

The District follows the following procedures in establishing data reflected in the financial statements:

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. 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 SBFAU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBFAU.
7. Legal budget control for expenditures is by function.
8. 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 of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.



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Cash and Cash Equivalents

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.

The District is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the District may be invested in :

(a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or

(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

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Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings & Improvements	20-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 Years

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

Short -Term Debt

Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans. The District does not have any activity in short-term debt.

Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Restricted Net Position

For the government-wide statement of net position, net positions are reported as restricted when constraints placed use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

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When an expense is incurred for purposes for which both restricted and unrestricted net position are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Nonspendable fund balance indicates that portion of fund equity is not spendable such as inventory.

The restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resources providers, or through enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance is the residual amount that is not restricted or committed.

Interfund Transfers

In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Deferred Revenue

The District reports deferred revenues on its Statement of Net Position and Fund Balance Sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

Compensated Absences

After a non-certified employee has been with the District for a period of at least six months, the employee is entitled to a one-week paid vacation; when employed twelve months, the employee is entitled to a two week paid vacation accumulative to no more than 20 contract days. Vacation is to be scheduled at an appropriate time and approved by the supervisor. If an employee is discharged because of lack of work, and through no fault of the employee, the employee shall receive commensurate vacation pay.

The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both the following conditions are met:

- (a) The employees' right to receive compensation is attributable to services already rendered.
- (b) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

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Estimates

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

**NOTE B: DEPOSITS AND INVESTMENTS**

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

**The Southwest Capital Bank**

<u>Name of Account</u>	Balance Per Bank 6/30/14	Reconciled Balance	Type
General Fund Account	\$ 4,228,464	\$ 3,554,012	Interest
TOTAL Deposited	4,228,464	<u>3,554,012</u>	Checking
Less: FDIC Coverage	(250,000)		
Uninsured Amount	3,978,464		
50% collateral requirement	1,989,232		
Pledged securities	3,325,998		
Over (Under) requirement	<u>\$ 1,336,766</u>		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

The following securities are pledged at **The Southwest Capital Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FFCB	31331GMK2	\$ 509,681	02/05/2015	Dallas, TX
FNMA	3136G15G0	747,110	06/27/2017	Dallas, TX
FHLB	313381TD7	717,214	01/30/2023	Dallas, TX
FHLB	313382DM2	954,500	03/14/2025	Dallas, TX
MBS	36179MBP4	397,493	04/20/2042	Dallas, TX
		<u>\$ 3,325,998</u>		

**Custodial Credit Risk-Deposits**

<u>Depository Account</u>	Bank Balance
Insured	\$ 250,000
Collateralized:	
Collateral held by the pledging bank in District's name	3,325,998
Over insured or over collateralized	652,466
Total Deposits	<u>\$ 4,228,464</u>

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. As of June 30, 2014 \$652,466 of the District's balance of \$4,228,464 was exposed to custodial risk.

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**New Mexico State Treasurer**

<u>Name of Account</u>	Balance Per Bank 6/30/14	Reconciled Balance	<u>Type</u>
Pecos Independent School District	\$ 167,492	\$ 167,492	Investment
Pecos Reserve Account	275	275	Investment
TOTAL Deposited	<u>\$ 167,767</u>	<u>\$ 167,767</u>	

GASB Statement No. 40, Deposit and Investment Risk Disclosures, relates to how deposits and investments are reported in the annual financial statements of governmental entities. GASB Statement No. 40 disclosures inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 requires governments to disclose deposit and investment risks related to credit risk (including custodial credit risk), concentration of credit risk, interest rate risk, and foreign currency risk. The State Treasurer's Office provides the following information regarding the LGIP:

1. With respect to credit risk, the LGIP, a government investment pool, is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.
2. GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as the LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure. However, our investment portfolio is posted on the State Treasurer's Office website, [www.nmsto.gov](http://www.nmsto.gov), and available for review by participants at any time.
3. GASB Statement No. 40 defines interest rate risk as the risk that interest rate variations may adversely affect the fair value of an investment. According to GASB Statement No. 40, an acceptable method for reporting interest rate risk is weighted average maturity ("WAM"). The State Treasurer's Office uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at [www.nmsto.gov](http://www.nmsto.gov). As of June 30, 2014, the LGIP WAM(R) is 59 days and WAM(F) is 96 days.
4. Finally, with respect to foreign currency risk, all investments in the LGIP are in U.S. dollar denominated assets. Therefore, the LGIP has no foreign currency risk.

**NOTE C: INTERFUND BALANCES, RECEIVABLES, AND TRANSFERS**

Interfund balances during the year ending June 30, 2014 were as follows:

Due to General Fund from:	
Title I-24101	\$ 169,047
21st Century-24119	243,577
Other Governmental Funds	<u>285,448</u>
Totals	<u>\$ 698,072</u>

Short term loans from the General Fund to the above fund were to cover costs during the year until the grant revenue is received, the loans will be repaid within one year.

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**NOTE D: TAXES RECEIVABLE**

Following is a schedule of property taxes receivable as of June 30, 2014:

	General Fund	Other Governmental	Total
Property Tax Available	\$ 151	\$ 6,604	\$ 6,755
Total Property Taxes Receivable	<u>\$ 151</u>	<u>\$ 6,604</u>	<u>\$ 6,755</u>

**NOTE E: DUE FROM OTHER GOVERNMENT UNITS**

Amounts due from other agencies and units of government were as follows as of June 30, 2014:

	Title I 24101	Title I Section 1003(g) 24124	Other Governmental	Total
Federal Agencies	\$ 169,047	\$ 243,979	\$ 340,630	\$ 584,609
State Agencies	0	0	131,639	131,639
Total	<u>\$ 169,047</u>	<u>\$ 243,979</u>	<u>\$ 472,269</u>	<u>\$ 716,248</u>

**NOTE F: CAPITAL ASSETS**

Capital Assets Balances and Activity for the Year Ended June 30, 2014, is as follows:

	Balance 6/30/13	Increases	Decreases	Balance 6/30/14
<b>Governmental Activities</b>				
Capital Assets not being Depreciated				
Land	\$ 228,257	\$ 0	\$ 0	\$ 228,257
Total Capital Assets not being Depreciated	<u>\$ 228,257</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 228,257</u>
Capital Assets, being Depreciated				
Buildings & Improvements	\$ 16,088,596	\$ 2,227,930	\$ 0	\$ 18,316,526
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	4,544,323	771,740	(157,402)	5,158,661
Total Capital Assets, being Depreciated	<u>20,632,919</u>	<u>2,999,670</u>	<u>(157,402)</u>	<u>23,475,187</u>
Total Capital Assets	<u>20,861,176</u>	<u>2,999,670</u>	<u>(157,402)</u>	<u>23,703,444</u>
<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	6,843,470	419,595	0	7,263,065
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3,751,048	277,676	(157,402)	3,871,322
Total Accumulated Depreciation	<u>10,594,518</u>	<u>697,271</u>	<u>(157,402)</u>	<u>11,134,387</u>
Capital Assets, net	<u>\$ 10,266,658</u>	<u>\$ 2,302,399</u>	<u>\$ 0</u>	<u>\$ 12,569,057</u>

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Depreciation expense was charged to governmental activities as follows:

Instruction	\$	537,189
Support Services-Instruction		34,884
Support Services-General Administration		19,448
Central Services		1,011
Operation & Maintenance of Plant		37,018
Student Transportation		65,471
Food Services Operations		2,250
Total Depreciation Expenses	\$	<u>697,271</u>

**NOTE G: LONG TERM DEBT**

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/13	Additions	Reductions	Balance 6/30/14	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 5,760,000	\$ 0	\$ 360,000	\$ 5,400,000	\$ 190,000
Total Bonds	<u>5,760,000</u>	<u>0</u>	<u>360,000</u>	<u>5,400,000</u>	<u>190,000</u>
Other Liabilities					
Compensated					
Absences	47,013	51,182	47,419	50,776	50,776
Total Other Liabilities	<u>47,013</u>	<u>51,182</u>	<u>47,419</u>	<u>50,776</u>	<u>50,776</u>
Long-Term Liabilities	\$ <u>5,807,013</u>	\$ <u>51,182</u>	\$ <u>407,419</u>	\$ <u>5,450,776</u>	\$ <u>240,776</u>

Payments on the general obligation bonds are made by the Debt Service Funds. The compensated absences liability will ultimately be liquidated by several of the District's governmental funds, with most being paid by the General Fund.

General Obligation Bonds.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

Series	Date of Issue	Original Amount	Interest Rate	Balance
2001	7/15/01	2,700,000	4%-5.9%	\$ 0
NMFA 2013	6/13/13	5,400,000	3%-5.9%	5,400,000
				<u>\$ 5,400,000</u>

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The annual requirements to amortize the 2013 NMFA Bond Issue as of June 30, 2014, including interest payments are as follows:

	Principal	Interest	Total
2015	\$ 190,000	\$ 217,224	\$ 407,224
2016	195,000	210,281	405,281
2017	205,000	201,056	406,056
2018	210,000	190,474	400,474
2019	225,000	180,506	405,506
2020-2024	1,275,000	731,601	2,006,601
2025-2029	1,610,000	397,228	2,007,228
2030-2033	1,490,000	104,734	1,594,734
Total	<u>\$ 5,400,000</u>	<u>\$ 2,233,104</u>	<u>\$ 7,633,104</u>

Reconciliation of Long-Term Debt disclosed in Note H to the Long-Term Debt reported in the Statement of Net Position.

Note H	\$ 5,400,000
Net Issue Costs and Premium on Bond Issues	453,407
Statement of Net Position	<u>\$ 5,853,407</u>
Government Wide Statements	
Amount Reported as Current Amount Due	\$ 190,000
Amount Reported as Long-Term Due	5,663,407
Statement of Net Position	<u>\$ 5,853,407</u>

**NOTE H: COMMITMENTS**

The District is involved in small renovations and repairs campus wide.

**NOTE I: PENSION PLAN**

**Plan Description**

Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of state public school districts, colleges and universities and some state agency employees) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

**Funding Policy**

Member Contributions-Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required make the following contributions to the Plan: 10.10% of their gross salary in the fiscal year 2014; and 10.17% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions-The District contributed 13.15% of the gross covered salary in the fiscal year 2014. In fiscal year 2015 the District will contribute 13.9% of gross covered salary.



The contribution requirements of the plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2014, 2013, and 2012, were \$579,899, \$473,958, and \$405,929, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE J: RETIREE HEALTH CARE ACT CONTRIBUTIONS**

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

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

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

**Funding Policy.** The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage 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, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2014, 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 is not a member of the enhanced retirement plan.

The District's contributions to the RHCA for the years ended June 30, 2014, 2013 and 2012 were \$88,198, \$85,792 and \$78,521 respectively, which equal the required contributions for each year.

**NOTE K: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS**

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

The reconciliation of budgetary basis to GAAP basis statements are located at the bottom of each budget actual.

**NOTE L: INSURANCE COVERAGE**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 Notes to the Financial Statements  
 June 30, 2014

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**NOTE M: SURETY BOND**

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

**NOTE N: JOINT POWERS AGREEMENT**

The Pecos Independent School District is part of a joint powers agreement with the Northeast Regional Center Cooperative (NEREC). A regional cooperative center that operates as an agency for seven school districts and provides cooperative services as its primary service. The school districts include, Las Vegas City, Mora, Pecos, Santa Rosa, Wagon Mound, West Las Vegas; and four charter schools: Riverside Charter School, Walatowa High School, Bridge Academy, and Rio Gallinas Charter School.

The purpose of the agreement is to provide supplementary special education services to local education agencies utilizing federal PL 94-142 funds.

The agreement is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The financial statements for the REC were prepared by an IPA. The audit report is available at the REC located in Las Vegas, New Mexico.

**NOTE P: BUDGET VIOLATIONS**

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

The following funds had budget violations as of June 30, 2014.

	Original	Final	Actual	Variance
Senate Bill Nine (31700)				
General Administration	\$ <u>2,300</u>	\$ <u>2,300</u>	\$ <u>2,439</u>	\$ <u>(139)</u>

**SUPPLEMENTAL INFORMATION RELATED TO  
MAJOR FUNDS**

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-BOND BUILDING-31100  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Interest Income	\$ 0	\$ 0	\$ 148	\$ (148)
Total Revenues	<u>0</u>	<u>0</u>	<u>148</u>	<u>(148)</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Building Improvements	5,401,301	5,401,301	2,180,175	3,221,126
Fixed Assets	0	0	466,194	(466,194)
Supply Assets	<u>0</u>	<u>0</u>	<u>184,232</u>	<u>(184,232)</u>
Total Capital Outlay	<u>5,401,301</u>	<u>5,401,301</u>	<u>2,830,601</u>	<u>2,570,700</u>
Total Expenditures	<u>5,401,301</u>	<u>5,401,301</u>	<u>2,830,601</u>	<u>2,570,700</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,401,301)	(5,401,301)	(2,830,453)	2,570,848
Cash Balance Beginning of Year	<u>5,880,883</u>	<u>5,880,883</u>	<u>5,880,883</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 479,582</u>	<u>\$ 479,582</u>	<u>\$ 3,050,430</u>	<u>\$ 2,570,848</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,830,453)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,830,453)</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO  
NON MAJOR FUNDS**

## NONMAJOR SPECIAL REVENUE FUNDS

**Food Service (21000).** To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

**Athletics (22000).** To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

**IDEA Part 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 the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

**IDEA Preschool (24109).** To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

**English Language Acquisition (24153).** To account for revenues and expenditures received from a federal grant provided to develop school-wide programs for limited English proficient students that reform, restructure, and upgrade all relevant programs. The fund was created by the Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A.

**Improving Teacher Quality (24154).** To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

**Impact Aid Special Education (25145).** 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 sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistances 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.

**Medicaid (25153).** To account for a program providing 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. The fund was created by the authority of federal grant provisions. (Title XIX Social Security Act).

#### **NONMAJOR SPECIAL REVENUE FUNDS**

**Gear Up NM Initiative (25205).** Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) New Mexico is a seven-year initiative funded by the U.S. Department of Education and is a division of the New Mexico Higher Education Department. GEAR UP New Mexico is at work in 12 school districts to increase the numbers of students going to postsecondary schools, enhance the college-going culture in those communities and to improve access and opportunities to attend college for all students. The following are the 25 schools that GEAR UP New Mexico services.

**LANL Foundation (26113).** This fund provides for language arts education for direct instruction from local funding by the authority of the State of New Mexico Department of Education, NMSA 22-8-14.

**Dual Credit (27103).** To provide financial assistance to purchased instructional materials for the college classes offered to students who are taking them for dual credits. The fund was created by the authority of state grant provisions.

**2012 GO Library Books (27107).** To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

**NM Reads to Lead K-3 (27114).** To account for revenue and expenditures received from a state grant for the purpose of improving skills of young students in the area of reading. The fund was created by the authority of state grant provisions.

**Pre K Initiative (27149).** To account for revenues and expenditures from a state grant provided for the running of the Pre K program. The fund was created by state grant provisions.

**Laws of New Mexico (27165)** To account for funds from the state to be used for curriculum based or service learning outdoor education programming and projects, transportation of students to outdoor educational sites, or professional development for teachers and/or staff. The fund was created by state grant provisions.

**Science Instructional Materials (27176).** To account for funds from the state to be used for curriculum for science. The fund was created by state grant provisions.

**PreK Classroom (27177).** To account for funds from the state to be used for supplies for the PreK Classroom. The fund was created by state grant provisions.

**School Bus Replacement (27178).** To account for a state grant used to purchase a school bus. The fund was created by the authority of state grant provisions.

**STEM Teacher Initiative (27181).** To account for a state grant used to equipment a science classroom. The fund was created by the authority of state grant provisions.

**Next Generation Assessments (27185).** To account for a state grant used to purchase computer equipment for the science classroom. The fund was created by the authority of state grant provisions.

#### **NONMAJOR CAPITAL PROJECTS FUNDS**

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



**NONMAJOR SPECIAL REVENUE FUNDS**

**Senate Bill Nine (31700)**

The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements, repairs and maintenance, supplies and supply assets used in the upkeep of the facilities.

**NONMAJOR DEBT SERVICE FUND**

**Debt Service Fund (41000).** To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	Food Service	Athletics	IDEA, Part B
	21000	22000	Entitlement 24106
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 13,080	\$ 61,073	\$ 0
Investments	0	0	0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	69,675
Interfund Balance	0	0	0
Inventory	2,128	0	0
Total Assets	<u>15,208</u>	<u>61,073</u>	<u>69,675</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	0	0	69,675
Accounts Payable	0	361	0
Total Liabilities	<u>0</u>	<u>361</u>	<u>69,675</u>
Fund Balances			
Nonspendable-Inventory	2,128	0	0
Restricted for, reported in			
Special Revenue Fund	13,080	60,712	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>15,208</u>	<u>60,712</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 15,208</u>	<u>\$ 61,073</u>	<u>\$ 69,675</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	IDEA Preschool 24109	English Language Acquisition 24153	Improving Teacher Quality 24154
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Investments	0	0	0
Receivables			
Taxes	0	0	0
Due From Grantor	3,234	249	13,420
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>3,234</u>	<u>249</u>	<u>13,420</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	3,234	249	13,420
Accounts Payable	0	0	0
Total Liabilities	<u>3,234</u>	<u>249</u>	<u>13,420</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Fund	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 3,234</u>	<u>\$ 249</u>	<u>\$ 13,420</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	Impact Aid Special Education 25145	Medicaid 25153	Gear Up NM Initiative 25205
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 26,446	\$ 0	\$ 0
Investments	0	0	0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	67,329
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>26,446</u>	<u>0</u>	<u>67,329</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	0	0	67,231
Accounts Payable	0	0	98
Total Liabilities	<u>0</u>	<u>0</u>	<u>67,329</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Fund	26,446	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>26,446</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 26,446</u>	<u>\$ 0</u>	<u>\$ 67,329</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	LANL Foundation 26113	Duel Credit 27103	2012 GO Student Library 27107
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,364	\$ 0	\$ 0
Investments	0	0	0
Receivables			
Taxes	0	0	0
Due From Grantor	0	375	8,857
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>2,364</u>	<u>375</u>	<u>8,857</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	0	375	8,857
Accounts Payable	0	0	0
Total Liabilities	<u>0</u>	<u>375</u>	<u>8,857</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Fund	2,364	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>2,364</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 2,364</u>	<u>\$ 375</u>	<u>\$ 8,857</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	NM Reads to Lead K-3 <u>27114</u>	Pre K Initiative <u>27149</u>	Science Instructional Materials <u>27176</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Investments	0	0	0
Receivables			
Taxes	0	0	0
Due From Grantor	17,150	58,669	0
Interfund Balance	0	0	0
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>17,150</u>	<u>58,669</u>	<u>0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	17,150	58,669	0
Accounts Payable	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>17,150</u>	<u>58,669</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Fund	0	0	0
Capital Improvements	0	0	0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 17,150</u>	<u>\$ 58,669</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Fund		
	Pre-K Classrooms 27177	School Bus Replacement 27178	STEM Teacher Initiative 27181
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Investments	0	0	0
Receivables			
Taxes	0	0	0
Due From Grantor	7,797	0	33,339
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>7,797</u>	<u>0</u>	<u>33,339</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	7,797	0	33,339
Accounts Payable	0	0	0
Total Liabilities	<u>7,797</u>	<u>0</u>	<u>33,339</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Fund	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 7,797</u>	<u>\$ 0</u>	<u>\$ 33,339</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

	Special Revenue Funds	Capital Projects Funds	
	Next Generation Assessments 27185	Special School Capital Outlay State 31400	Senate Bill Nine 31700
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 150,085
Investments	0	0	0
Receivables			
Taxes	0	0	2,263
Due From Grantor	5,452	0	17,676
Interfund Balance	0	0	165,691
Inventory	0	0	0
Total Assets	<u>5,452</u>	<u>0</u>	<u>335,715</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	5,452	0	0
Accounts Payable	0	0	0
Total Liabilities	<u>5,452</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Fund	0	0	0
Capital Improvements	0	0	335,715
Debt Service	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>335,715</u>
Total Liabilities and Fund Balances	<u>\$ 5,452</u>	<u>\$ 0</u>	<u>\$ 335,715</u>

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



STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2014

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	Debt Service 41000	Total
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 315,468	\$ 568,516
Investments	26,867	26,867
Receivables		
Taxes	4,341	6,604
Due From Grantor	0	303,222
Interfund Balance	0	165,691
Inventory	0	2,128
Total Assets	<u>346,676</u>	<u>1,073,028</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Interfund Balance	0	285,448
Accounts Payable	0	459
Total Liabilities	<u>0</u>	<u>285,907</u>
Fund Balances		
Nonspendable-Inventory	0	2,128
Restricted for, reported in		
Special Revenue Fund	0	102,602
Capital Improvements	0	335,715
Debt Service	346,676	346,676
Total Fund Balances	<u>346,676</u>	<u>787,121</u>
Total Liabilities and Fund Balances	<u>\$ 346,676</u>	<u>\$ 1,073,028</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	IDEA, Part B Entitlement 24106
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	17,233	39,667	0
State & Local Grants	0	0	0
Federal Grants	386,176	0	167,394
Total Revenues	<u>403,409</u>	<u>39,667</u>	<u>167,394</u>
<b>Expenditures</b>			
Current			
Instruction	0	57,965	87,830
Support Services			
Students	0	0	79,564
Instruction	0	0	0
General Administration	0	0	0
Operation of Plant	0	0	0
Student Transportation	0	0	0
Food Service Operations	417,775	0	0
Community Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>417,775</u>	<u>57,965</u>	<u>167,394</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,366)	(18,298)	0
Fund Balances at Beginning of Year	<u>29,574</u>	<u>79,010</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 15,208</u>	<u>\$ 60,712</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	IDEA Preschool 24109	English Language Acquisition 24153	Improving Teacher Quality 24154
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	3,234	6,189	50,119
Total Revenues	<u>3,234</u>	<u>6,189</u>	<u>50,119</u>
<b>Expenditures</b>			
Current			
Instruction	3,234	6,189	48,080
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	2,039
Operation of Plant	0	0	0
Student Transportation	0	0	0
Food Service Operations	0	0	0
Community Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>3,234</u>	<u>6,189</u>	<u>50,119</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	Impact Aid Special Education 25145	Medicaid 25153	Gear Up NM Initiative 25205
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	18,150	0
State & Local Grants	0	0	0
Federal Grants	0	0	396,559
Total Revenues	0	18,150	396,559
<b>Expenditures</b>			
Current			
Instruction	0	0	287,037
Support Services			
Students	0	24,875	15,614
Instruction	0	0	69,614
General Administration	0		8,505
Operation of Plant	0	0	0
Student Transportation	0	0	0
Food Service Operations	0	0	0
Community Service	0	0	15,789
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	0	24,875	396,559
<b>Excess (Deficiency) of Revenues Over Expenditures</b>			
	0	(6,725)	0
<b>Fund Balances at Beginning of Year</b>			
	26,446	6,725	0
<b>Fund Balance End of Year</b>			
	\$ 26,446	\$ 0	\$ 0

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	LANL Foundation 26113	Duel Credit 27103	2012 GO Student Library 27107
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	4,565	3,784	8,857
Federal Grants	0	0	0
Total Revenues	<u>4,565</u>	<u>3,784</u>	<u>8,857</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	3,832	3,784	0
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
Operation of Plant	0	0	0
Student Transportation	0	0	0
Food Service Operations	0	0	0
Community Service	0	0	0
Capital Outlay	0	0	8,857
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>3,832</u>	<u>3,784</u>	<u>8,857</u>
Excess (Deficiency) of Revenues Over Expenditures	733	0	0
Fund Balances at Beginning of Year	<u>1,631</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 2,364</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	NM Reads to Lead K-3 27114	Pre K Initiative 27149	Science Instructional Materials 27176
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	44,455	125,417	0
Federal Grants	0	0	0
Total Revenues	<u>44,455</u>	<u>125,417</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Instruction	11,737	119,416	0
Support Services			
Students	28,737	0	0
Instruction	3,981	0	0
General Administration	0	0	0
Operation of Plant	0	0	0
Student Transportation	0	6,001	0
Food Service Operations	0	0	0
Community Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>44,455</u>	<u>125,417</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special Revenue Fund		
	Pre-K Classrooms 27177	School Bus Replacement 27178	STEM Teacher Initiative 27181
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	7,797	257,100	45,837
Federal Grants	0	0	0
Total Revenues	<u>7,797</u>	<u>257,100</u>	<u>45,837</u>
<b>Expenditures</b>			
Current			
Instruction	7,797	0	45,837
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
Operation of Plant	0	0	0
Student Transportation	0	0	0
Food Service Operations	0	0	0
Community Service	0	0	0
Capital Outlay	0	257,100	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>7,797</u>	<u>257,100</u>	<u>45,837</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

	Special	Capital Projects Funds	
	Revenue Funds	Special School Capital Outlay State	Senate Bill Nine
	Next Generation Assessments 27185	31400	31700
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 241,417
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	5,452	10,000	17,676
Federal Grants	0	0	0
<b>Total Revenues</b>	<u>5,452</u>	<u>10,000</u>	<u>259,093</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	75,761
Support Services			
Students	0	0	0
Instruction	5,452	0	0
General Administration	0	0	2,439
Operation of Plant	0	0	199,469
Student Transportation	0	0	0
Food Service Operations	0	0	0
Community Service	0	0	0
Capital Outlay	0	10,000	39,589
Debt Service			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<u>5,452</u>	<u>10,000</u>	<u>317,258</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(58,165)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>393,880</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 335,715</u>

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



STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2014

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	Debt Service 41000	Total
	<u>          </u>	<u>          </u>
Revenues		
Property Taxes	\$ 465,208	\$ 706,625
Interest Income	28	28
Fees	0	75,050
State & Local Grants	0	530,940
Federal Grants	0	1,009,671
Total Revenues	<u>465,236</u>	<u>2,322,314</u>
Expenditures		
Current		
Instruction	0	758,499
Support Services		
Students	0	148,790
Instruction	0	79,047
General Administration	4,699	17,682
Operation of Plant	0	199,469
Student Transportation	0	6,001
Food Service Operations	0	417,775
Community Service	0	15,789
Capital Outlay	0	315,546
Debt Service		
Principal	0	0
Interest	154,710	154,710
Total Expenditures	<u>159,409</u>	<u>2,113,308</u>
Excess (Deficiency) of Revenues Over Expenditures	305,827	209,006
Fund Balances at Beginning of Year	<u>40,849</u>	<u>578,115</u>
Fund Balance End of Year	<u>\$ 346,676</u>	<u>\$ 787,121</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-FOOD SERVICE-21000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Fees	\$ 9,900	\$ 9,900	\$ 17,233	\$ 7,333
Federal Grants	366,075	389,261	362,678	(26,583)
Total Revenues	<u>375,975</u>	<u>399,161</u>	<u>379,911</u>	<u>(19,250)</u>
<b>Expenditures</b>				
<b>Food Services Operations</b>				
Personnel Services	135,728	133,201	131,274	1,927
Employee Benefits	57,707	59,417	57,169	2,248
Professional & Tech Services	500	500	0	500
Purchased Property Services	500	623	548	75
Purchased Services	1,000	1,706	915	791
Supplies	194,913	228,694	202,599	26,095
Supply Assets	2,000	2,989	2,295	694
Total Food Service Operations	<u>392,348</u>	<u>427,130</u>	<u>394,800</u>	<u>32,330</u>
Total Expenditures	<u>392,348</u>	<u>427,130</u>	<u>394,800</u>	<u>32,330</u>
Excess (Deficiency) of Revenues Over Expenditures	(16,373)	(27,969)	(14,889)	13,080
Cash Balance Beginning of Year	<u>27,969</u>	<u>27,969</u>	<u>27,969</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 11,596</u>	<u>\$ 0</u>	<u>\$ 13,080</u>	<u>\$ 13,080</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (14,889)	
Net Change in Inventory			523	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (14,366)</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-ATHLETICS-22000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 49,000	\$ 49,000	\$ 39,667	\$ (9,333)
Total Revenues	<u>49,000</u>	<u>49,000</u>	<u>39,667</u>	<u>(9,333)</u>
Expenditures				
Instruction				
Professional & Tech Services	1,500	1,500	675	825
Purchased Services	65,000	54,236	27,804	26,432
Supplies	47,273	47,273	27,800	19,473
Supply Assets	25,000	25,000	1,325	23,675
Total Instruction	<u>138,773</u>	<u>128,009</u>	<u>57,604</u>	<u>70,405</u>
Total Expenditures	<u>138,773</u>	<u>128,009</u>	<u>57,604</u>	<u>70,405</u>
Excess (Deficiency) of Revenues Over Expenditures	(89,773)	(79,009)	(17,937)	61,072
Cash Balance Beginning of Year	<u>79,010</u>	<u>79,010</u>	<u>79,010</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(10,763)</u>	\$ <u>1</u>	\$ <u>61,073</u>	\$ <u>61,072</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (17,937)	
Net Change in Accounts Payable			<u>(361)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(18,298)</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-IDEA, PART B ENTITLEMENT-24106  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 239,821	\$ 298,773	\$ 175,399	\$ (123,374)
Total Revenues	<u>239,821</u>	<u>298,773</u>	<u>175,399</u>	<u>(123,374)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	69,793	69,893	63,426	6,467
Employee Benefits	24,691	30,001	23,729	6,272
Supplies	4,000	4,000	676	3,324
Total Instruction	<u>98,484</u>	<u>103,894</u>	<u>87,831</u>	<u>16,063</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	45,755	53,755	53,393	362
Employee Benefits	17,902	25,626	24,902	724
Professional & Tech Services	0	37,818	1,268	36,550
Total Students	<u>63,657</u>	<u>117,199</u>	<u>79,563</u>	<u>37,636</u>
Total Support Services	<u>63,657</u>	<u>117,199</u>	<u>79,563</u>	<u>37,636</u>
Total Expenditures	<u>162,141</u>	<u>221,093</u>	<u>167,394</u>	<u>53,699</u>
Excess (Deficiency) of Revenues Over Expenditures	77,680	77,680	8,005	(69,675)
Cash Balance Beginning of Year	<u>(77,680)</u>	<u>(77,680)</u>	<u>(77,680)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (69,675)</u>	<u>\$ (69,675)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 8,005	
Net change in Due from Grantor			<u>(8,005)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-IDEA PRESCHOOL-24109  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 11,519	\$ 16,757	\$ 4,835	\$ (11,922)
Total Revenues	<u>11,519</u>	<u>16,757</u>	<u>4,835</u>	<u>(11,922)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	684	684	0	684
Purchased Services	1,000	1,000	70	930
Supplies	<u>1,000</u>	<u>6,238</u>	<u>3,164</u>	<u>3,074</u>
Total Instruction	<u>2,684</u>	<u>7,922</u>	<u>3,234</u>	<u>4,688</u>
<b>Support Services</b>				
<b>Students</b>				
Professional & Tech Services	<u>4,000</u>	<u>4,000</u>	<u>0</u>	<u>4,000</u>
Total Students	<u>4,000</u>	<u>4,000</u>	<u>0</u>	<u>4,000</u>
Total Support Services	<u>4,000</u>	<u>4,000</u>	<u>0</u>	<u>4,000</u>
Total Expenditures	<u>6,684</u>	<u>11,922</u>	<u>3,234</u>	<u>8,688</u>
Excess (Deficiency) of Revenues Over Expenditures	4,835	4,835	1,601	(3,234)
Cash Balance Beginning of Year	<u>(4,835)</u>	<u>(4,835)</u>	<u>(4,835)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,234)</u>	<u>\$ (3,234)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,601	
Net change in Due from Grantor			<u>(1,601)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-ENGLISH LANGUAGE ACQUISITION-24153  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 14,539	\$ 16,785	\$ 12,776	\$ (4,009)
Total Revenues	<u>14,539</u>	<u>16,785</u>	<u>12,776</u>	<u>(4,009)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	2,503	2,859	1,859	1,000
Purchased Services	0	2,633	2,632	1
Supplies	<u>5,200</u>	<u>4,457</u>	<u>1,698</u>	<u>2,759</u>
Total Instruction	<u>7,703</u>	<u>9,949</u>	<u>6,189</u>	<u>3,760</u>
Total Expenditures	<u>7,703</u>	<u>9,949</u>	<u>6,189</u>	<u>3,760</u>
Excess (Deficiency) of Revenues Over Expenditures	6,836	6,836	6,587	(249)
Cash Balance Beginning of Year	<u>(6,836)</u>	<u>(6,836)</u>	<u>(6,836)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (249)</u>	<u>\$ (249)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,587	
Net change in Due from Grantor			<u>(6,587)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-IMPROVING TEACHER QUALITY-24154  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 103,905	\$ 109,071	\$ 92,897	\$ (16,174)
Total Revenues	<u>103,905</u>	<u>109,071</u>	<u>92,897</u>	<u>(16,174)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	31,600	36,966	36,965	1
Employee Benefits	11,481	10,442	9,416	1,026
Professional & Tech Services	<u>2,502</u>	<u>3,341</u>	<u>1,699</u>	<u>1,642</u>
Total Instruction	<u>45,583</u>	<u>50,749</u>	<u>48,080</u>	<u>2,669</u>
<b>Support Services</b>				
<b>General Administration</b>				
Professional & Tech Services	<u>2,124</u>	<u>2,124</u>	<u>2,039</u>	<u>85</u>
Total General Administration	<u>2,124</u>	<u>2,124</u>	<u>2,039</u>	<u>85</u>
Total Support Services	<u>2,124</u>	<u>2,124</u>	<u>2,039</u>	<u>85</u>
Total Expenditures	<u>47,707</u>	<u>52,873</u>	<u>50,119</u>	<u>2,754</u>
Excess (Deficiency) of Revenues Over Expenditures	56,198	56,198	42,778	(13,420)
Cash Balance Beginning of Year	<u>(56,198)</u>	<u>(56,198)</u>	<u>(56,198)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (13,420)</u>	<u>\$ (13,420)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 42,778	
Net change in Due from Grantor			<u>(42,778)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-IMPACT AID SPECIAL EDUCATION-25145  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>26,446</u>	<u>26,446</u>	<u>26,446</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 26,446</u>	<u>\$ 26,446</u>	<u>\$ 26,446</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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



STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-TITLE XIX MEDICAID-25153  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 54,358	\$ 18,722	\$ 18,151	\$ (571)
Total Revenues	<u>54,358</u>	<u>18,722</u>	<u>18,151</u>	<u>(571)</u>
Expenditures				
Support Services-Students				
Personnel Services	0	19,075	18,504	571
Employee Benefits	0	5,516	5,516	0
Professional & Tech Services	0	856	856	0
Total Support Services-Students	<u>0</u>	<u>25,447</u>	<u>24,876</u>	<u>571</u>
Total Expenditures	<u>0</u>	<u>25,447</u>	<u>24,876</u>	<u>571</u>
Excess (Deficiency) of Revenues Over Expenditures	54,358	(6,725)	(6,725)	0
Cash Balance Beginning of Year	<u>6,725</u>	<u>6,725</u>	<u>6,725</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 61,083</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,725)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (6,725)</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-GEAR UP NM INITIATIVE-25205  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 244,553	\$ 477,503	\$ 353,783	\$ (123,720)
Total Revenues	<u>244,553</u>	<u>477,503</u>	<u>353,783</u>	<u>(123,720)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	51,798	94,213	76,880	17,333
Employee Benefits	20,159	35,757	18,902	16,855
Professional & Tech Services	4,500	25,663	13,103	12,560
Purchased Services	1,962	16,120	16,057	63
Supplies	22,004	119,086	117,141	1,945
Capital Outlay	1,950	49,745	44,954	4,791
Total Instruction	<u>102,373</u>	<u>340,584</u>	<u>287,037</u>	<u>53,547</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	17,000	12,750	12,750	0
Employee Benefits	3,876	2,865	2,864	1
Total Students	<u>20,876</u>	<u>15,615</u>	<u>15,614</u>	<u>1</u>
<b>Instruction</b>				
Personnel Services	52,000	52,000	52,000	0
Employee Benefits	11,856	11,856	11,856	0
Professional & Tech Services	2,460	810	810	0
Other Purchased Services	3,200	4,171	4,171	0
Supply Assets	0	679	679	0
Total Instruction	<u>69,516</u>	<u>69,516</u>	<u>69,516</u>	<u>0</u>
<b>General Administration</b>				
Professional & Tech Services	9,796	9,796	8,505	1,291
Total General Administration	<u>9,796</u>	<u>9,796</u>	<u>8,505</u>	<u>1,291</u>
<b>Community Service</b>				
Personnel Services	16,200	16,200	14,602	1,598
Employee Benefits	1,239	1,239	1,187	52
Total Community Service	<u>17,439</u>	<u>17,439</u>	<u>15,789</u>	<u>1,650</u>
Total Support Services	<u>117,627</u>	<u>112,366</u>	<u>109,424</u>	<u>2,942</u>
Total Expenditures	<u>220,000</u>	<u>452,950</u>	<u>396,461</u>	<u>56,489</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 24,553	\$ 24,553	\$ (42,678)	\$ (67,231)

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-GEAR UP NM INITIATIVE-25205  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Cash Balance Beginning of Year	\$ (24,553)	\$ (24,553)	\$ (24,553)	\$ 0
Cash Balance End of Year	\$ 0	\$ 0	\$ (67,231)	\$ (67,231)
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (42,678)	
Net change in Due from Grantor			42,776	
Net change in Accounts Payable			(98)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-LANL FOUNDATION-26113  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 2,934	\$ 4,565	\$ 1,631
Total Revenues	<u>0</u>	<u>2,934</u>	<u>4,565</u>	<u>1,631</u>
Expenditures				
Instruction				
Supplies	0	3,000	2,888	112
Supply Assets	<u>0</u>	<u>1,565</u>	<u>944</u>	<u>621</u>
Total Instruction	<u>0</u>	<u>4,565</u>	<u>3,832</u>	<u>733</u>
Total Expenditures	<u>0</u>	<u>4,565</u>	<u>3,832</u>	<u>733</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1,631)	733	2,364
Cash Balance Beginning of Year	<u>1,631</u>	<u>1,631</u>	<u>1,631</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,631</u>	<u>\$ 0</u>	<u>\$ 2,364</u>	<u>\$ 2,364</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>733</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>733</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-DUAL CREDIT-27103  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 6,252	\$ 3,784	\$ 3,409	\$ (375)
Total Revenues	<u>6,252</u>	<u>3,784</u>	<u>3,409</u>	<u>(375)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	3,784	3,784	0
Total Instruction	<u>0</u>	<u>3,784</u>	<u>3,784</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>3,784</u>	<u>3,784</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	6,252	0	(375)	(375)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,252</u>	<u>\$ 0</u>	<u>\$ (375)</u>	<u>\$ (375)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (375)	
Net change in Due from Grantor			<u>375</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-2012 GO BOND STUDENT LIBRARY-27107  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 9,725	\$ 9,725	\$ 0	\$ (9,725)
Total Revenues	<u>9,725</u>	<u>9,725</u>	<u>0</u>	<u>(9,725)</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Instruction</b>				
Supplies	9,725	9,725	8,857	868
Total Instruction	<u>9,725</u>	<u>9,725</u>	<u>8,857</u>	<u>868</u>
Total Support Services	<u>9,725</u>	<u>9,725</u>	<u>8,857</u>	<u>868</u>
Total Expenditures	<u>9,725</u>	<u>9,725</u>	<u>8,857</u>	<u>868</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(8,857)	(8,857)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (8,857)</u>	<u>\$ (8,857)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (8,857)	
Net change in Due from Grantor			<u>8,857</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-NM READS TO LEAD K-3-27114  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 26,575	\$ 71,067	\$ 53,880	\$ (17,187)
Total Revenues	<u>26,575</u>	<u>71,067</u>	<u>53,880</u>	<u>(17,187)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	0	1,125	1,125	0
Supplies	0	10,613	10,612	1
Total Instruction	<u>0</u>	<u>11,738</u>	<u>11,737</u>	<u>1</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	0	23,348	23,348	0
Employee Benefits	0	5,406	5,389	17
Total Students	<u>0</u>	<u>28,754</u>	<u>28,737</u>	<u>17</u>
<b>Instruction</b>				
Supplies	0	4,000	3,981	19
Total Instruction	<u>0</u>	<u>4,000</u>	<u>3,981</u>	<u>19</u>
Total Support Services	<u>0</u>	<u>32,754</u>	<u>32,718</u>	<u>36</u>
Total Expenditures	<u>0</u>	<u>44,492</u>	<u>44,455</u>	<u>37</u>
Excess (Deficiency) of Revenues Over Expenditures	26,575	26,575	9,425	(17,150)
Cash Balance Beginning of Year	<u>(26,575)</u>	<u>(26,575)</u>	<u>(26,575)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (17,150)</u>	<u>\$ (17,150)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,425	
Net change in Due from Grantor			<u>(9,425)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-PRE K INITIATIVE-27149  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 147,973	\$ 147,973	\$ 88,721	\$ (59,252)
Total Revenues	<u>147,973</u>	<u>147,973</u>	<u>88,721</u>	<u>(59,252)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	84,100	76,723	76,723	0
Employee Benefits	31,899	34,233	33,751	482
Supplies	4,000	9,043	8,942	101
Total Instruction	<u>119,999</u>	<u>119,999</u>	<u>119,416</u>	<u>583</u>
<b>Support Services</b>				
<b>Student Transportation</b>				
Personnel Services	4,883	3,807	3,807	0
Employee Benefits	1,118	2,194	2,194	0
Total Student Transportation	<u>6,001</u>	<u>6,001</u>	<u>6,001</u>	<u>0</u>
Total Support Services	<u>6,001</u>	<u>6,001</u>	<u>6,001</u>	<u>0</u>
Total Expenditures	<u>126,000</u>	<u>126,000</u>	<u>125,417</u>	<u>583</u>
Excess (Deficiency) of Revenues Over Expenditures	21,973	21,973	(36,696)	(58,669)
Cash Balance Beginning of Year	<u>(21,973)</u>	<u>(21,973)</u>	<u>(21,973)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (58,669)</u>	<u>\$ (58,669)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (36,696)	
Net change in Due from Grantor			36,696	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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



STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-SCIENCE INSTRUCTIONAL MATERIALS-27176  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 7,965	\$ 7,965	\$ 7,965	\$ 0
Total Revenues	<u>7,965</u>	<u>7,965</u>	<u>7,965</u>	<u>0</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Instruction</b>				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	7,965	7,965	7,965	0
Cash Balance Beginning of Year	<u>(7,965)</u>	<u>(7,965)</u>	<u>(7,965)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 7,965	
Net change in Due from Grantor			<u>(7,965)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-PRE-K CLASSROOMS-27177  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grant	\$ 0	\$ 7,797	\$ 0	\$ (7,797)
Total Revenues	<u>0</u>	<u>7,797</u>	<u>0</u>	<u>(7,797)</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Purchased Property Services	0	7,797	7,797	0
Total Capital Outlay	<u>0</u>	<u>7,797</u>	<u>7,797</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>7,797</u>	<u>7,797</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(7,797)	(7,797)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (7,797)</u>	<u>\$ (7,797)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,797)	
Net change in Due from Grantor			<u>7,797</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-SCHOOL BUS REPLACEMENT-27178  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 257,100	\$ 257,100	\$ 0
Total Revenues	<u>0</u>	<u>257,100</u>	<u>257,100</u>	<u>0</u>
<b>Expenditures</b>				
<b>Student Transportation</b>				
Capital Outlay	0	257,100	257,100	0
Total Student Transportation	<u>0</u>	<u>257,100</u>	<u>257,100</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>257,100</u>	<u>257,100</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-STEM TEACHER INITIATIVE-27181  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 50,000	\$ 12,498	\$ (37,502)
Total Revenues	<u>0</u>	<u>50,000</u>	<u>12,498</u>	<u>(37,502)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	40,710	37,353	3,357
Employee Benefits	<u>0</u>	<u>9,290</u>	<u>8,484</u>	<u>806</u>
Total Instruction	<u>0</u>	<u>50,000</u>	<u>45,837</u>	<u>4,163</u>
Total Expenditures	<u>0</u>	<u>50,000</u>	<u>45,837</u>	<u>4,163</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(33,339)	(33,339)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (33,339)</u>	<u>\$ (33,339)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (33,339)	
Net change in Due from Grantor			<u>33,339</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
SPECIAL REVENUE FUND-NEXT GENERATION ASSESSMENTS-27185  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 23,645	\$ 23,645	\$ 0	\$ (23,645)
Total Revenues	<u>23,645</u>	<u>23,645</u>	<u>0</u>	<u>(23,645)</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Instruction</b>				
Supply Assets	0	5,452	5,452	0
Total Instruction	<u>0</u>	<u>5,452</u>	<u>5,452</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>5,452</u>	<u>5,452</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>5,452</u>	<u>5,452</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	23,645	18,193	(5,452)	(23,645)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 23,645</u>	<u>\$ 18,193</u>	<u>\$ (5,452)</u>	<u>\$ (23,645)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,452)	
Net change in Due from Grantor			<u>5,452</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

## STATE OF NEW MEXICO

**PECOS INDEPENDENT SCHOOL DISTRICT**

## CAPITAL PROJECTS FUND-SPECIAL SCHOOL CAPITAL OUTLAY-STATE-31400

## Statement of Revenues, Expenditures, and Changes in Cash Balance -

## Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 21,506	\$ 21,506	\$ 21,506	\$ 0
Total Revenues	<u>21,506</u>	<u>21,506</u>	<u>21,506</u>	<u>0</u>
Expenditures				
Capital Outlay				
Fixed Assets	10,000	10,000	10,000	0
Total Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	11,506	11,506	11,506	0
Cash Balance Beginning of Year	<u>(11,506)</u>	<u>(11,506)</u>	<u>(11,506)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 11,506	
Net change in Due from Grantor			<u>(11,506)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 CAPITAL PROJECT FUND-SENATE BILL NINE-31700  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 247,159	\$ 247,159	\$ 243,943	\$ (3,216)
Total Revenues	<u>247,159</u>	<u>247,159</u>	<u>243,943</u>	<u>(3,216)</u>
<b>Expenditures</b>				
<b>Support Services</b>				
General Administration				
Professional & Tech Services	2,300	2,300	2,439	(139)
Total General Administration	<u>2,300</u>	<u>2,300</u>	<u>2,439</u>	<u>(139)</u>
Total Support Services	<u>2,300</u>	<u>2,300</u>	<u>2,439</u>	<u>(139)</u>
<b>Capital Outlay</b>				
Maintenance	250,000	313,670	233,604	80,066
Supplies	50,000	50,000	5,455	44,545
Fixed Assets	0	0	39,589	(39,589)
Supply Assets	270,280	270,280	36,171	234,109
Total Capital Outlay	<u>570,280</u>	<u>633,950</u>	<u>314,819</u>	<u>319,131</u>
Total Expenditures	<u>572,580</u>	<u>636,250</u>	<u>317,258</u>	<u>318,992</u>
Excess (Deficiency) of Revenues Over Expenditures	(325,421)	(389,091)	(73,315)	315,776
Cash Balance Beginning of Year	<u>389,091</u>	<u>389,091</u>	<u>389,091</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 63,670</u>	<u>\$ 0</u>	<u>\$ 315,776</u>	<u>\$ 315,776</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (73,315)	
Net change in Taxes Receivable			(2,526)	
Net change in Accounts Payable			17,676	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (58,165)</u>	

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
DEBT SERVICE-41000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 247,159	\$ 252,159	\$ 469,944	\$ 217,785
Interest Income	0	0	28	28
Total Revenues	<u>247,159</u>	<u>252,159</u>	<u>469,972</u>	<u>217,813</u>
<b>Expenditures</b>				
<b>Support Services</b>				
General Administration				
Professional & Tech Services	0	5,000	4,699	301
Total General Administration	<u>0</u>	<u>5,000</u>	<u>4,699</u>	<u>301</u>
Total Support Service	<u>0</u>	<u>5,000</u>	<u>4,699</u>	<u>301</u>
<b>Debt Service</b>				
Principal	360,000	360,000	360,000	0
Interest	125,595	287,931	163,710	124,221
Total Debt Service	<u>485,595</u>	<u>647,931</u>	<u>523,710</u>	<u>124,221</u>
Total Expenditures	<u>485,595</u>	<u>652,931</u>	<u>528,409</u>	<u>124,522</u>
Excess (Deficiency) of Revenues Over Expenditures	(238,436)	(400,772)	(58,437)	342,335
Cash Balance Beginning of Year	<u>400,772</u>	<u>400,772</u>	<u>400,772</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 162,336</u>	<u>\$ 0</u>	<u>\$ 342,335</u>	<u>\$ 342,335</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (58,437)	
Net change in Taxes Receivable			(4,736)	
Net change in Principal			360,000	
Net change in Interest			9,000	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 305,827</u>	

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



**OTHER SUPPLEMENTAL INFORMATION**

**FIDUCIARY FUND**

**Activity Trust Fund**

To account for funds of various student groups that are custodial in nature.

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 AGENCY FUNDS - ACTIVITY  
 Schedule of Fiduciary Assets and Liabilities-Agency Funds  
 For the Year Ended June 30, 2014

	Balance 6/30/13	Additions	Deletions	Balance 6/30/14
<b>ASSETS</b>				
Band	\$ 1,387	\$ 901	\$ 1,124	\$ 1,164
Mr Leal 1st Grade Class	48	408	372	84
HS Sunshine Club (Staff)	574	20	192	402
Jurewich Plant Fund	160	0	160	0
Rural Revitalization	100	0	100	0
General Fund	688	14,865	0	15,553
Board of Education	199	500	699	(0)
Class of 2013	441	0	0	441
FCCLA	27	0	27	(0)
HS Student Council	527	1,259	413	1,373
Sandy Smith 3rd Grade	13	0	0	13
MS Activity	4	0	0	4
HS Library	306	0	0	306
National Honor Society	1,145	0	558	587
BPA	723	0	344	379
Background Checks	113	1,190	1,289	14
Class of 2012	0	0	0	0
Class of 2014	1,666	278	1,705	239
Spanish Club	39	354	82	311
MS Spanish Club	53	224	258	19
Elementary Math	377	0	0	377
Faith Spences 1st Grade	153	518	462	209
Marsha Padilla 1st Grade	3	0	3	(0)
Sanchez Scholarship	1,041	528	1,000	569
Needy Children	350	0	350	0
Class of 2015	1,625	2,062	3,161	526
Elementary Activity	339	0	0	339
Administration Activity	720	0	0	720
Insurance Fund	7,393	0	7,393	(0)
HS General Activity	110	326	0	436
4th Grade	3	0	3	0
Reading	1,164	0	0	1,164
8th Grade	78	0	78	0
HS MESA	587	150	157	580
Class of 2016	1,201	306	262	1,245
Elementary Girls Basketball	32	0	0	32
HS Art Lab Fees	135	0	135	0
MS MESA	1,609	0	1,609	0
Elementary Ski Club	0	1,987	1,802	185
Mariachi	8,518	3,641	4,961	7,198
MS Student Council	749	2,559	2,651	657
Elementary Library	\$ 5,947	\$ 4,072	\$ 4,462	\$ 5,557

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 AGENCY FUNDS - ACTIVITY  
 Schedule of Fiduciary Assets and Liabilities-Agency Funds  
 For the Year Ended June 30, 2014

	Balance 6/30/13	Additions	Deletions	Balance 6/30/14
Kindergarten Rogers	\$ 5	\$ 320	\$ 288	\$ 37
MS Fundraising	734	0	683	51
MS Wellbeing	104	0	104	(0)
Kindergarten Ms Anderson	219	0	219	0
HS Lockers	274	0	274	0
Elementary Yearbook	7,946	578	0	8,524
Elementary Art	150	0	150	0
Literacy Night	778	0	0	778
HS Yearbook	0	2,832	2,832	0
Athletics General Fund	5,288	62,470	60,444	7,314
NMPSIA	509	1,232	1,741	0
6th Grade SPED	398	0	398	(0)
David Hulse Ruez Scholarship	475	0	0	475
Principal's Incentive Award	16,761	30,655	30,334	17,082
Laptop Deposits	5,400	0	5,400	(0)
Adrian Quintana Memorial	48	0	48	(0)
Mid School Yearbook	0	1,022	0	1,022
Total Assets	<u>\$ 79,436</u>	<u>\$ 135,257</u>	<u>\$ 138,727</u>	<u>\$ 75,966</u>
<b>LIABILITIES</b>				
Deposits Held for Others	<u>\$ 79,436</u>	<u>\$ 135,257</u>	<u>\$ 138,727</u>	<u>\$ 75,966</u>
Total Liabilities	<u>\$ 79,436</u>	<u>\$ 135,257</u>	<u>\$ 138,727</u>	<u>\$ 75,966</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 CASH RECONCILIATION-ALL FUNDS  
 For the Year Ended June 30, 2014

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		Beginning Cash 6/30/13	Revenue	Expenditures	Ending Cash 6/30/14
Operational	11000	\$ 613,155	\$ 5,602,058	\$ 5,730,053	\$ 485,160
Teacherage	12000	47,849	27,897	49,563	26,183
Transportation	13000	16,830	396,543	406,275	7,098
Instructional Materials	14000	31,646	41,566	59,271	13,941
Food Services	21000	27,969	379,911	394,800	13,080
Athletics	22000	79,009	39,667	57,604	61,072
Federal Flow through	24000	(431,643)	1,096,678	1,164,235	(499,200)
Federal Direct	25000	8,618	371,934	421,337	(40,785)
Local Grants	26000	1,630	4,565	3,832	2,363
State Flow through	27000	(56,513)	423,572	498,699	(131,640)
Bond Building	31100	5,880,883	148	2,830,601	3,050,430
Special CO State	31400	(11,505)	21,505	10,000	0
SB-9	31700	389,091	243,943	317,258	315,776
Debt Service	41000	400,772	469,972	528,409	342,335
Agency Funds		79,436	135,255	138,725	75,966
Total		<u>\$ 7,077,227</u>	<u>\$ 9,255,214</u>	<u>\$ 12,610,662</u>	<u>\$ 3,721,779</u>

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

**FEDERAL COMPLIANCE**

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2014

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through State Public Education Department:			
School Breakfast Program	10.553	21000	\$ 130,843
National School Lunch Program	10.555	21000	231,835
			<u>362,678</u>
Pass-through State Department of Human Services:			
Supplemental Nutrition Assistance Program	10.551	21000	(1) 23,498
Direct Program			
Rural Development, Forestry, and Communities	10.672	11000	24,712
			<u>24,712</u>
Total U. S. Department of Agriculture			<u>410,888</u>
<u>U. S. Department of Education</u>			
Pass-through State Public Education Department:			
Special Education Cluster			
IDEA B, Entitlement	84.027	24106	167,394
IDEA Preschool	84.173	24109	3,234
			<u>170,628</u>
Pass-through State Public Education Department:			
Title I	84.010	24101	294,322
School Improvement Grants	84.377	24124	643,380
English Language Acquisition	84.365	24153	6,189
Improving Teacher Quality	84.367	24154	50,119
Gear Up	84.334	25205	396,559
Total U. S. Department of Education			<u>1,561,197</u>
Total Federal Assistance			<u>\$ 1,972,085</u>

(1) Non-cash assistance

See accompanying notes to the Schedule of Expenditures of Federal Awards

**Note 1: Significant Accounting Policies used in preparing the Schedule of Expenditure of Federal Awards**

The modified accrual basis was used to prepare the Schedule of Expenditures of Federal Awards

**Note 2: Insurance Requirements**

There are no insurance requirements on the federal awards disclosed on the Schedule of Expenditures of Federal Awards

**Note 3: Loans or Loan Guarantees**

There were no loans or loan guarantees outstanding at year end.



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

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the Pecos Independent School District

Mr. Balderas and Members of the Board

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 Pecos Independent School District (District) as of and for the year ended June 30, 2014, 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 supplemental information, and have issued our report thereon dated August 19, 2014.

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 District'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 are less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies. 2014-001

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance 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 item 2014-001.

District's Responses to Findings

Schedule of Findings and Questioned Cost. 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 District'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.

*DeAnn Willoughby CPA PC*

Clovis, New Mexico  
August 19, 2014

Report on Compliance With Requirements  
Applicable To Each Major Program and Internal Control  
Over Compliance in Accordance With OMB Circular A-133

Independent Auditor's Report

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the Pecos Independent School District

Mr. Balderas and Members of the Board

Compliance

We have audited Pecos Independent School District (District) compliance with the types of compliance requirements described in the *OMB 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, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

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.

*De'Ann Willoughby, CPA PC*

Clovis, New Mexico  
August 19, 2014

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2014

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**A. SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting

\* Material weaknesses identified? No

\* Significant deficiencies identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

\* Material weaknesses identified? No

\* Significant deficiencies identified? No

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 No

Identification of major programs:

<u>CFDA Numbers)</u>	<u>Name of Federal Program of Cluster</u>
	Nutrition Cluster
10.553	School Breakfast Program
10.555	National School Lunch Program
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Audited qualified as low risk Auditee Yes

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2014

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**Federal Compliance Findings**

**Prior Year Audit Findings** None  
**Current Year Audit Findings** None

**Financial Statements Findings**

<b>Prior Year Audit Findings</b>	<u>Status</u>
11-3 Payroll	Resolved
13-1 Pledged Securities	Resolved
13-2 Late Audit Contract	Resolved

**Current Year Audit Findings**

**2014-001 Budget Violations-Compliance and Internal Control-Significant Deficiency Condition**

The district has maintained expenditures at the function level in which actual expenditures exceeded budgetary authority in the following funds:

	Budget		Actual	Over Budget
	Original	Final		
Senate Bill Nine (31700)				
General Administration	2,300	2,300	\$ 2,439	\$ (139)

**Criteria**

Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. For School District's, the expenditure function is the legal level of control.

**Cause**

The District did not make the appropriate budgetary adjustments requests and transfers to the fund mentioned in the condition, which would alleviate over-expenditure within the function prior to the year end.

**Effect**

As a result, the District is in non compliance with New Mexico law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditures.

**Recommendation**

The District should establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

**Response**

We will monitor the budget more closely and amend it as necessary.

**Financial Statement Preparation**

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of

**Exit Conference**

An exit conference was held on August 19, 2014. Those present were Patrick Sandoval-Board Member, Arthur Varela and Susan Ortega Audit Committee Members, Fred Trujillo-Superintendent, Brenda Gallegos-Business Manager and De'Aun Willoughby, CPA.