



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

**ANNUAL FINANCIAL REPORT**  
June 30, 2015

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



STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
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 For the Year Ended June 30, 2015

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STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
Official Roster  
June 30, 2015

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**BOARD OF EDUCATION**

David Ortiz	President
Patrick Sandoval	Vice-President
Michael Flores Sr.	Secretary
Paul C de Baca	Member
Victor Ortiz	Member

**SCHOOL OFFICIALS**

Fred Trujillo	Superintendent
Brenda Gallegos	Business Manager

Independent Auditor's Report

Mr. Tim Keller  
State Auditor of the State of New Mexico  
Board Members of the Pecos Independent School District

Mr. Keller 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, 2015, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for the major capital projects and debt service funds and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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, 2015, 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, 2015, and the respective changes in financial position and the respective budgetary comparisons for the major capital projects, debt service and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

*Required Supplementary Information*

Management has omitted the Management's Discussion and Analysis 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.

Accounting principles generally accepted in the United States of America require that the Schedules of Required Supplementary Information for the Pension Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Clovis, New Mexico  
September 18, 2015



## **FINANCIAL SECTION**

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 Government-Wide Statement of Net Position  
 June 30, 2015

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 481,388
Taxes Receivable	10,938
Due from Grantor	497,470
Inventory	2,128
Total Current Assets	<u>991,924</u>
Noncurrent Assets	
Capital Assets	24,158,045
Less: Accumulated Depreciation	<u>(10,047,516)</u>
Total Noncurrent Assets	<u>14,110,529</u>
Total Assets	<u>15,102,453</u>
 Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	703,834
Total Deferred Outflows of Resources	<u>703,834</u>
 Liabilities	
Current Liabilities	
Accounts Payable	89,092
Accrued Interest	71,426
Compensated Absences	40,507
Current Portion Due of Long-Term Debt	195,000
Total Current Liabilities	<u>396,025</u>
Noncurrent Liabilities	
Bonds	5,015,000
Pension Liability	9,128,590
Total Noncurrent Liabilities	<u>14,143,590</u>
Total Liabilities	<u>14,539,615</u>
 Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	965,841
Total Deferred Inflows of Resources	<u>965,841</u>
 Net Position	
Net Investment in Capital Assets	8,900,529
Restricted for:	
Capital Projects	54,711
Debt Service	338,400
Unrestricted	<u>(8,992,809)</u>
Total Net Position	<u>\$ 300,831</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, 2015

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	\$ 4,609,982	62,853	\$ 910,485	\$ 0	\$ (3,636,644)
Support Services					
Students	936,085	71,572	192,791	0	(671,722)
Instruction	204,178	0	108,898	0	(95,280)
General Administration	415,921	0	20,996	0	(394,925)
School Administration	522,134	0	10,956	0	(511,178)
Central Services	221,765	0	0	0	(221,765)
Operation of Plant	1,284,313	17,640	0	16,665	(1,250,008)
Student Transportation	451,429	0	402,157	82,188	32,916
Other	23,093	0	0	0	(23,093)
Food Services Operations	429,492	31,759	367,818	0	(29,915)
Community Services	23,704	0	23,704	0	0
Interest Expense	215,270	0	0	0	(215,270)
<b>Total Governmental Activities</b>	<b>\$ 9,337,366</b>	<b>\$ 183,824</b>	<b>\$ 2,037,805</b>	<b>\$ 98,853</b>	<b>(7,016,884)</b>
<b>General Revenues</b>					
Taxes					
Property Taxes, Levied for General Purposes					
14,852					
Property Taxes, Levied for Capital Projects					
244,403					
Property Taxes, Levied for Debt Service					
402,940					
Federal and State aid not restricted to specific purpose					
General					
5,750,289					
Capital					
0					
Interest and investment earnings					
3,104					
Miscellaneous					
65,190					
Subtotal, General Revenues					
<u>6,480,778</u>					
Change in Net Position					
<u>(536,106)</u>					
Net Position - Beginning					
10,945,347					
Restatement					
<u>(10,108,410)</u>					
Restated Beginning Net Position					
<u>836,937</u>					
Net Position - Ending					
<u>\$ 300,831</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, 2015

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 47,101	\$ 27,690
Receivables			
Taxes	247	0	0
Due From Grantor	0	0	0
Interfund Balance	371,843	0	0
Inventory	0	0	0
Total Assets	<u>\$ 372,090</u>	<u>\$ 47,101</u>	<u>\$ 27,690</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 76,388	\$ 504	\$ 688
Interfund Balance	0	0	0
Total Liabilities	<u>76,388</u>	<u>504</u>	<u>688</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	295,702	46,597	27,002
Total Fund Balances	<u>295,702</u>	<u>46,597</u>	<u>27,002</u>
Total Liabilities and Fund Balances	<u>\$ 372,090</u>	<u>\$ 47,101</u>	<u>\$ 27,690</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, 2015

	General Fund		
	Instructional Materials 14000	Special Revenue	
		Gear Up NM Initiative 25205	Pre-K Initiative 27149
<b>Assets</b>			
Cash and Cash Equivalents	\$ 39,396	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	74,920	144,365
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 39,396</u>	<u>\$ 74,920</u>	<u>\$ 144,365</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balance	0	74,920	144,365
Total Liabilities	<u>0</u>	<u>74,920</u>	<u>144,365</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	39,396	0	0
Total Fund Balances	<u>39,396</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 39,396</u>	<u>\$ 74,920</u>	<u>\$ 144,365</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, 2015

	Capital Projects		
	Bond Building 31100	Debt Service 41000	Other Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 23,391	\$ 206,038	\$ 137,772
Receivables			
Taxes	0	6,735	3,956
Due From Grantor	0	0	278,185
Interfund Balance	0	125,627	0
Inventory	0	0	2,128
Total Assets	<u>\$ 23,391</u>	<u>\$ 338,400</u>	<u>\$ 422,041</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 11,512
Interfund Balance	0	0	278,185
Total Liabilities	<u>0</u>	<u>0</u>	<u>289,697</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	2,128
Restricted for, reported in			
Special Revenue Funds	0	0	101,977
Capital Improvements	23,391	0	31,320
Debt Service	0	338,400	0
Unassigned-General	0	0	0
Total Fund Balances	<u>23,391</u>	<u>338,400</u>	<u>135,425</u>
Total Liabilities and Fund Balances	<u>\$ 23,391</u>	<u>\$ 338,400</u>	<u>\$ 425,122</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, 2015

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	Total Governmental Funds
<b>Assets</b>	
Cash and Cash Equivalents	\$ 481,388
Receivables	
Taxes	10,938
Due From Grantor	497,470
Interfund Balance	497,470
Inventory	2,128
Total Assets	<u>\$ 1,489,394</u>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts Payable	\$ 89,092
Interfund Balance	497,470
Total Liabilities	<u>586,562</u>
<b>Fund Balances</b>	
Nonspendable-Inventory	2,128
Restricted for, reported in	
Special Revenue Funds	101,977
Capital Improvements	54,711
Debt Service	338,400
Unassigned-General	408,697
Total Fund Balances	<u>905,913</u>
Total Liabilities and Fund Balances	<u>\$ 1,492,475</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, 2015

Total Fund Balance - Governmental Funds \$ 905,913

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.

Capital Assets	\$ 24,158,045	
Accumulated Depreciation	<u>(10,047,516)</u>	14,110,529

Deferred Outflows and Inflows Related to Pensions are the results of differences in expected and actual actuary experience and the difference in actuary projected and actual earnings. Also changes in proportion and differences between contributions and proportionate share of contributions.

Deferred Outflows Related to Pensions	703,834	
Deferred Inflows Related to Pensions	<u>(965,841)</u>	(262,007)

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 :

Accrued Interest	(71,426)	
Compensated Absences	(40,507)	
Bonds	(5,210,000)	
Pension Liability	<u>(9,128,590)</u>	<u>(14,450,523)</u>

Total Net Position - Governmental Activities \$ 303,912

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, 2015

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
<b>Revenues</b>			
Property Taxes	\$ 14,852	\$ 0	\$ 0
Interest Income	3,018	0	0
Fees	2,077	31,759	0
State & Local Grants	5,725,924	0	388,170
Federal Grants	24,365	0	0
Miscellaneous	65,190	0	0
<b>Total Revenues</b>	<b>5,835,426</b>	<b>31,759</b>	<b>388,170</b>
<b>Expenditures</b>			
Current			
Instruction	2,973,849	0	0
Support Services			
Students	714,094	0	0
Instruction	60,865	0	0
General Administration	369,594	0	0
School Administration	509,278	0	0
Central Services	220,957	0	0
Operation of Plant	1,052,023	10,872	0
Student Transportation	642	0	367,635
Other	23,093	0	0
Food Service Operations	25,000	0	0
Community Services	0	0	0
Capital Outlay	60,523	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<b>6,009,918</b>	<b>10,872</b>	<b>367,635</b>
Excess (Deficiency) of Revenues Over Expenditures	(174,492)	20,887	20,535
Fund Balances at Beginning of Year	470,194	25,710	6,467
Fund Balance End of Year	\$ 295,702	\$ 46,597	\$ 27,002

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, 2015

	General		
	Fund	Special Revenue	
	Instructional Materials 14000	Gear Up NM Initiative 25205	Pre-K Initiative 27149
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	42,047	0	234,005
Federal Grants	0	215,087	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<b>42,047</b>	<b>215,087</b>	<b>234,005</b>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	16,592	88,122	226,857
<b>Support Services</b>			
Students	0	15,732	0
Instruction	0	78,851	0
General Administration	0	8,678	1,200
School Administration	0	0	0
Central Services	0	0	0
Operation of Plant	0	0	0
Student Transportation	0	0	5,948
Other	0	0	0
Food Service Operations	0	0	0
Community Services	0	23,704	0
Capital Outlay	0	0	0
<b>Debt Service</b>			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<b>16,592</b>	<b>215,087</b>	<b>234,005</b>
Excess (Deficiency) of Revenues Over Expenditures	25,455	0	0
Fund Balances at Beginning of Year	13,941	0	0
Fund Balance End of Year	\$ 39,396	\$ 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, 2015

	Capital Projects		
	Bond Building 31100	Debt Service 41000	Other Governmental Funds
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 402,940	\$ 244,403
Interest Income	64	22	0
Fees	0	0	149,988
State & Local Grants	0	0	264,268
Federal Grants	0	0	993,081
Miscellaneous	0	0	0
Total Revenues	<u>64</u>	<u>402,962</u>	<u>1,651,740</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	0	632,272
<b>Support Services</b>			
Students	0	0	218,213
Instruction	0	0	30,047
General Administration	0	4,004	13,545
School Administration	0	0	10,956
Central Services	0	0	0
Operation of Plant	4,808	0	165,870
Student Transportation	0	0	8,039
Other	0	0	0
Food Service Operations	0	0	401,619
Community Services	0	0	0
Capital Outlay	3,022,295	0	479,280
<b>Debt Service</b>			
Principal	0	190,000	0
Interest	0	217,234	0
Total Expenditures	<u>3,027,103</u>	<u>411,238</u>	<u>1,959,841</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,027,039)	(8,276)	(308,101)
Fund Balances at Beginning of Year	<u>3,050,430</u>	<u>346,676</u>	<u>440,445</u>
Fund Balance End of Year	<u>\$ 23,391</u>	<u>\$ 338,400</u>	<u>\$ 132,344</u>

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, 2015

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	Total Governmental Funds
Revenues	
Property Taxes	\$ 662,195
Interest Income	3,104
Fees	183,824
State & Local Grants	6,654,414
Federal Grants	1,232,533
Miscellaneous	65,190
Total Revenues	<u>8,801,260</u>
Expenditures	
Current	
Instruction	3,937,692
Support Services	
Students	948,039
Instruction	169,763
General Administration	397,021
School Administration	520,234
Central Services	220,957
Operation of Plant	1,233,573
Student Transportation	382,264
Other	23,093
Food Service Operations	426,619
Community Services	23,704
Capital Outlay	3,562,098
Debt Service	
Principal	190,000
Interest	217,234
Total Expenditures	<u>12,252,291</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,451,031)
Fund Balances at Beginning of Year	<u>4,353,863</u>
Fund Balance End of Year	<u>\$ 902,832</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, 2015

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Excess (Deficiency) of Revenues Over Expenditures-Governmental Funds \$ (3,451,031)

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	\$ (808,892)	
Capital Outlays	<u>3,562,098</u>	2,753,206

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

190,000

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, 2014	73,390	
Accrued Interest, June 30, 2015	<u>(71,426)</u>	1,964

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, 2014	50,776	
Compensated Absences, June 30, 2015	<u>(40,507)</u>	<u>10,269</u>

Pension contributions are reported as expenses in the government funds but are deferred outflows in the Statement of Net Position. Pension expense is reported in the Statement of Activities but not in the governmental funds.

Pension Contributions	620,444	
Pension Expense	<u>(660,958)</u>	<u>(40,514)</u>

Changes in Net Position of Governmental Activities \$ (536,106)

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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 14,484	\$ 14,484	\$ 14,755	\$ 271
Interest Income	7,000	7,000	3,018	(3,982)
Fees	16,000	16,000	23,073	7,073
State Grant	5,725,367	5,725,367	5,725,924	557
Federal Grant	0	0	24,365	24,365
Miscellaneous	0	3,507	44,195	40,688
Total Revenues	<u>5,762,851</u>	<u>5,766,358</u>	<u>5,835,330</u>	<u>68,972</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	2,058,785	2,034,822	2,032,382	2,440
Employee Benefits	836,170	812,425	805,903	6,522
Professional & Tech Services	16,500	24,430	18,041	6,389
Purchased Services	39,300	58,283	58,279	4
Supplies	79,277	70,072	60,617	9,455
Supply Assets	5,412	5,412	0	5,412
Total Instruction	<u>3,035,444</u>	<u>3,005,444</u>	<u>2,975,221</u>	<u>30,223</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	403,496	359,504	344,511	14,993
Employee Benefits	137,149	137,165	119,632	17,533
Professional & Tech Services	171,000	213,527	205,596	7,931
Purchased Services	4,000	5,096	1,182	3,914
Supplies	4,500	4,853	880	3,973
Total Students	<u>720,145</u>	<u>720,145</u>	<u>671,801</u>	<u>48,344</u>
<b>Instruction</b>				
Personnel Services	44,441	37,304	37,304	0
Employee Benefits	12,664	12,571	10,496	2,075
Professional & Tech Services	600	600	275	325
Purchased Services	1,000	8,230	8,229	1
Supplies	8,000	8,000	2,895	5,105
Total Instruction	<u>66,705</u>	<u>66,705</u>	<u>59,199</u>	<u>7,506</u>
<b>General Administration</b>				
Personnel Services	232,356	234,065	233,414	651
Employee Benefits	77,175	77,286	76,425	861
Professional & Tech Services	51,176	46,051	25,894	20,157
Purchased Property Services	1,500	2,712	2,712	0
Purchased Services	42,000	30,693	19,866	10,827
Supplies	12,000	12,000	8,503	3,497
Supply Assets	0	470	470	0
Total General Administration	<u>\$ 416,207</u>	<u>\$ 403,277</u>	<u>\$ 367,282</u>	<u>\$ 35,995</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
School Administration				
Personnel Services	\$ 356,098	361,880	\$ 361,876	\$ 4
Employee Benefits	122,333	125,974	124,543	1,431
Professional & Tech Services	1,000	4,018	4,017	1
Purchased Services	12,000	12,826	12,826	0
Supplies	11,000	5,311	5,310	1
Supply Assets	0	2,253	2,253	0
Total School Administration	<u>502,431</u>	<u>512,262</u>	<u>510,825</u>	<u>1,437</u>
Central Services				
Personnel Services	153,851	154,094	154,094	0
Employee Benefits	53,040	51,167	47,054	4,113
Professional & Tech Services	1,500	1,500	1,234	266
Purchased Services	10,000	10,000	5,947	4,053
Supplies	12,000	13,342	12,341	1,001
Supply Assets	0	288	288	0
Total Central Services	<u>230,391</u>	<u>230,391</u>	<u>220,957</u>	<u>9,434</u>
Operation of Plant				
Personnel Services	332,998	322,849	322,157	692
Employee Benefits	146,114	146,433	136,866	9,567
Purchased Property Services	413,175	400,474	356,467	44,007
Purchased Services	158,263	172,267	171,401	866
Supplies	43,000	48,839	48,013	826
Supply Assets	3,000	5,688	5,687	1
Total Operation of Plant	<u>1,096,550</u>	<u>1,096,550</u>	<u>1,040,591</u>	<u>55,959</u>
Student Transportation				
Purchased Property Services	1,500	1,280	422	858
Purchased Services	0	220	220	0
Total Student Transportation	<u>1,500</u>	<u>1,500</u>	<u>642</u>	<u>858</u>
Other Support Service				
Professional & Tech Services	<u>86,352</u>	<u>92,957</u>	<u>16,605</u>	<u>76,352</u>
Total Other Support Service	<u>86,352</u>	<u>92,957</u>	<u>16,605</u>	<u>76,352</u>
Total Support Services	<u>3,120,281</u>	<u>3,123,787</u>	<u>2,887,903</u>	<u>235,884</u>
Food Services				
Supplies	0	30,000	25,000	5,000
Total Food Services	<u>\$ 0</u>	<u>\$ 30,000</u>	<u>\$ 25,000</u>	<u>\$ 5,000</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Capital Outlay				
Land Improvements	\$ 0	\$ 92,286	\$ 60,523	\$ 31,763
Total Capital Outlay	<u>0</u>	<u>92,286</u>	<u>60,523</u>	<u>31,763</u>
Total Expenditures	<u>6,155,725</u>	<u>6,251,517</u>	<u>5,948,647</u>	<u>302,870</u>
Excess (Deficiency) of Revenues Over Expenditures	(392,874)	(485,159)	(113,317)	371,842
Cash Balance Beginning of Year	<u>485,160</u>	<u>485,160</u>	<u>485,160</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 92,286</u>	<u>\$ 1</u>	<u>\$ 371,843</u>	<u>\$ 371,842</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (113,317)	
Net change in Taxes Receivable			97	
Net change in Accounts Payable			(61,272)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (174,492)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 24,106	\$ 24,106	\$ 31,759	\$ 7,653
Total Revenues	<u>24,106</u>	<u>24,106</u>	<u>31,759</u>	<u>7,653</u>
Expenditures				
Support Services				
Operation of Plant				
Purchased Property Services	23,972	23,972	9,816	14,156
Supplies	10,000	10,000	250	9,750
Supply Assets	10,000	10,000	774	9,226
Total Operation of Plant	<u>43,972</u>	<u>43,972</u>	<u>10,840</u>	<u>33,132</u>
Total Support Services	<u>43,972</u>	<u>43,972</u>	<u>10,840</u>	<u>33,132</u>
Total Expenditures	<u>43,972</u>	<u>43,972</u>	<u>10,840</u>	<u>33,132</u>
Excess (Deficiency) of Revenues Over Expenditures	(19,866)	(19,866)	20,919	40,785
Cash Balance Beginning of Year	<u>26,182</u>	<u>26,182</u>	<u>26,182</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,316</u>	<u>\$ 6,316</u>	<u>\$ 47,101</u>	<u>\$ 40,785</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 20,919	
Net change in Accounts Payable			<u>(32)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 20,887</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 377,106	\$ 388,170	\$ 388,170	\$ 0
Total Revenues	<u>377,106</u>	<u>388,170</u>	<u>388,170</u>	<u>0</u>
<b>Expenditures</b>				
<b>Student Transportation</b>				
Personnel Services	187,888	194,796	190,213	4,583
Employee Benefits	103,740	96,292	93,555	2,737
Professional & Tech Services	2,000	2,000	720	1,280
Purchased Property Services	16,700	17,803	12,458	5,345
Purchased Services	18,372	20,102	18,470	1,632
Supplies	48,406	57,177	48,007	9,170
Supply Assets	0	3,549	607	2,942
Total Student Transportation	<u>377,106</u>	<u>391,719</u>	<u>364,030</u>	<u>27,689</u>
Total Expenditures	<u>377,106</u>	<u>391,719</u>	<u>364,030</u>	<u>27,689</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(3,549)</u>	<u>24,140</u>	<u>27,689</u>
<b>Other Financing Sources (Uses)</b>				
Return to State	0	0	(3,549)	(3,549)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(3,549)</u>	<u>(3,549)</u>
Net Change in Fund Balance	0	(3,549)	20,591	24,140
Cash Balance Beginning of Year	<u>7,098</u>	<u>7,098</u>	<u>7,098</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 7,098</u>	<u>\$ 3,549</u>	<u>\$ 27,689</u>	<u>\$ 24,140</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 20,591	
Net change in Accounts Payable			(56)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 20,535</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 31,816	\$ 42,047	\$ 42,047	\$ 0
Total Revenues	<u>31,816</u>	<u>42,047</u>	<u>42,047</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	41,385	55,988	16,593	39,395
Total Instruction	<u>41,385</u>	<u>55,988</u>	<u>16,593</u>	<u>39,395</u>
Total Expenditures	<u>41,385</u>	<u>55,988</u>	<u>16,593</u>	<u>39,395</u>
Excess (Deficiency) of Revenues Over Expenditures	(9,569)	(13,941)	25,454	39,395
Cash Balance Beginning of Year	<u>13,941</u>	<u>13,941</u>	<u>13,941</u>	<u>0</u>
Cash Balance End of Year	\$ <u>4,372</u>	\$ <u>0</u>	\$ <u>39,395</u>	\$ <u>39,395</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>25,454</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>25,454</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 67,231	\$ 287,406	\$ 207,497	\$ (79,909)
Total Revenues	<u>67,231</u>	<u>287,406</u>	<u>207,497</u>	<u>(79,909)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	34,350	34,350	0
Employee Benefits	0	12,819	12,071	748
Professional & Tech Services	0	1,844	1,843	1
Purchased Services	0	21,324	20,894	430
Supplies	0	22,209	19,061	3,148
Total Instruction	<u>0</u>	<u>92,546</u>	<u>88,220</u>	<u>4,326</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	0	12,750	12,750	0
Employee Benefits	0	3,004	2,982	22
Total Students	<u>0</u>	<u>15,754</u>	<u>15,732</u>	<u>22</u>
<b>Instruction</b>				
Personnel Services	0	60,986	60,985	1
Employee Benefits	0	14,403	14,386	17
Professional & Tech Services	0	1,245	1,245	0
Other Purchased Services	0	2,357	1,873	484
Supply Assets	0	500	362	138
Total Instruction	<u>0</u>	<u>79,491</u>	<u>78,851</u>	<u>640</u>
<b>General Administration</b>				
Professional & Tech Services	0	8,678	8,678	0
Total General Administration	<u>0</u>	<u>8,678</u>	<u>8,678</u>	<u>0</u>
<b>Community Service</b>				
Personnel Services	0	21,208	21,208	0
Employee Benefits	0	2,498	2,497	1
Total Community Service	<u>0</u>	<u>23,706</u>	<u>23,705</u>	<u>1</u>
Total Support Services	<u>0</u>	<u>127,629</u>	<u>126,966</u>	<u>663</u>
Total Expenditures	\$ 0	\$ 220,175	\$ 215,186	\$ 4,989

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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ 67,231	\$ 67,231	\$ (7,689)	\$ (74,920)
Cash Balance Beginning of Year	<u>(67,231)</u>	<u>(67,231)</u>	<u>(67,231)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (74,920)</u>	<u>\$ (74,920)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,689)	
Net Change in Due from Grantor			7,590	
Net Change in Accounts Payable			99	
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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 518,469	\$ 303,469	\$ 148,309	\$ (155,160)
Total Revenues	<u>518,469</u>	<u>303,469</u>	<u>148,309</u>	<u>(155,160)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	129,478	129,689	129,688	1
Employee Benefits	53,014	53,581	53,572	9
Professional & Tech Services	5,000	5,000	1,203	3,797
Purchased Services	13,308	6,644	1,701	4,943
Supplies	13,000	18,886	16,473	2,413
Supply Assets	238,800	23,800	24,220	(420)
Total Instruction	<u>452,600</u>	<u>237,600</u>	<u>226,857</u>	<u>10,743</u>
<b>Support Services</b>				
<b>General Administration</b>				
Professional & Tech Services	1,200	1,200	1,200	0
Total General Administration	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>0</u>
<b>Student Transportation</b>				
Personnel Services	4,853	4,915	4,915	0
Employee Benefits	1,147	1,085	1,033	52
Total Student Transportation	<u>6,000</u>	<u>6,000</u>	<u>5,948</u>	<u>52</u>
Total Support Services	<u>7,200</u>	<u>7,200</u>	<u>7,148</u>	<u>52</u>
Total Expenditures	<u>459,800</u>	<u>244,800</u>	<u>234,005</u>	<u>10,795</u>
Excess (Deficiency) of Revenues Over Expenditures	58,669	58,669	(85,696)	(144,365)
Cash Balance Beginning of Year	<u>(58,669)</u>	<u>(58,669)</u>	<u>(58,669)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (144,365)</u>	<u>\$ (144,365)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (85,696)	
Net Change in Due from Grantor			85,696	
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**  
Statement of Fiduciary Assets and Liabilities-Agency Funds  
June 30, 2015

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	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ <u>83,456</u>
Total Assets	\$ <u><u>83,456</u></u>
Liabilities	
Deposits Held for Others	\$ <u>83,456</u>
Total Liabilities	\$ <u><u>83,456</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**

**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

**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.

**CAPITAL PROJECT FUNDS**

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

**DEBT SERVICE FUNDS**

**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.

**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.

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
Notes to the Financial Statements  
June 30, 2015

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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.

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
Notes to the Financial Statements  
June 30, 2015

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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.

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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Notes to the Financial Statements  
June 30, 2015

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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 6/30/15	Reconciled Balance	Type
General Fund Account	\$ 893,758	\$ 564,842	Interest
TOTAL Deposited	893,758	<u>564,842</u>	Checking
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	643,758		
50% collateral requirement	321,879		
Pledged securities	<u>989,887</u>		
Over (Under) requirement	<u>\$ 668,008</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>
FHLB	313381TD7	\$ 740,543	1/30/2023	Dallas, TX
MBS	36179MBP4	249,345	4/20/2042	Dallas, TX
		<u>\$ 989,887</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	989,887
Over insured or over collateralized	<u>0</u>
Total Deposits	<u>\$ 893,758</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, 2015 none of the District's balance of \$893,758 was exposed to custodial risk.

STATE OF NEW MEXICO  
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Notes to the Financial Statements  
June 30, 2015

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

Interfund balances during the year ending June 30, 2015 were as follows:

Due to General Fund from:	
Gear Up NM Initiative-25205	\$ 74,920
Pre-K Initiative-27149	144,365
Other Governmental Funds	<u>278,185</u>
Totals	<u>\$ 497,470</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.

**NOTE D: TAXES RECEIVABLE**

Following is a schedule of property taxes receivable as of June 30, 2015:

	General Fund	Debt Service	Other Governmental	Total
Property Tax Available	\$ 247	\$ 6,735	\$ 3,956	\$ 10,938
Total Property Taxes Receivable	<u>\$ 247</u>	<u>\$ 6,735</u>	<u>\$ 3,956</u>	<u>\$ 10,938</u>

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

Amounts due from other agencies and units of government were as follows as of June 30, 2015:

	GEAR UP			
	NM Initiative 25205	Pre-K Initiative 27149	Other Governmental	Total
Federal Agencies	\$ 74,920	\$ 0	\$ 203,133	\$ 278,053
State Agencies	0	144,365	75,052	219,417
Total	<u>\$ 74,920</u>	<u>\$ 144,365</u>	<u>\$ 278,185</u>	<u>\$ 497,470</u>

**NOTE F: CAPITAL ASSETS**

Capital Assets Balances and Activity for the Year Ended June 30, 2015, is as follows:

	Balance 6/30/14	Increases	Decreases	Balance 6/30/15
<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	\$ 18,316,526	\$ 3,479,910	\$ (649,189)	\$ 21,147,247
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>5,158,661</u>	<u>82,188</u>	<u>(2,458,308)</u>	<u>2,782,541</u>
Total Capital Assets, being Depreciated	<u>23,475,187</u>	<u>3,562,098</u>	<u>(3,107,497)</u>	<u>23,929,788</u>
Total Capital Assets	<u>\$ 23,703,444</u>	<u>\$ 3,562,098</u>	<u>\$ (3,107,497)</u>	<u>\$ 24,158,045</u>



STATE OF NEW MEXICO  
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June 30, 2015

**Less Accumulated Depreciation**

Buildings & Improvements	\$	7,263,065	\$	621,988	\$	164,974	\$	8,050,027
Equipment, Vehicles, Information Technology Equipment, Software & Library Books		<u>3,871,322</u>		<u>186,904</u>		<u>(2,060,737)</u>		<u>1,997,489</u>
Total Accumulated Depreciation		<u>11,134,387</u>		<u>808,892</u>		<u>(2,060,737)</u>		<u>10,047,516</u>
Capital Assets, net	\$	<u>12,569,057</u>	\$	<u>2,753,206</u>	\$	<u>(1,046,760)</u>	\$	<u>14,110,529</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$	649,785
Support Services-Instruction		23,622
Support Services-General Administration		16,772
Central Services		1,011
Operation & Maintenance of Plant		47,901
Student Transportation		68,118
Food Services Operations		1,683
Total Depreciation Expenses	\$	<u>808,892</u>

**NOTE G: LONG TERM DEBT AND OTHER LIABILITIES**

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

	Balance 6/30/14	Additions	Reductions	Balance 6/30/15	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ <u>5,400,000</u>	\$ <u>0</u>	\$ <u>190,000</u>	\$ <u>5,210,000</u>	\$ <u>195,000</u>
Total Bonds	<u>5,400,000</u>	<u>0</u>	<u>190,000</u>	<u>5,210,000</u>	<u>195,000</u>
Other Liabilities					
Compensated					
Absences	\$ <u>50,776</u>	\$ <u>51,606</u>	\$ <u>61,875</u>	\$ <u>40,507</u>	\$ <u>40,507</u>
Total Other Liabilities	<u>50,776</u>	<u>51,606</u>	<u>61,875</u>	<u>40,507</u>	<u>40,507</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.

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Series	Date of Issue	Original Amount	Interest Rate	Balance
NMFA 2013	6/13/13	5,400,000	3%-5.0%	\$ 5,210,000
				\$ <u>5,210,000</u>

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

	Principal	Interest	Total
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	230,000	170,029	400,029
2021-2025	1,340,000	667,369	2,007,369
2026-2030	1,670,000	336,363	2,006,363
2031-2033	1,135,000	59,803	1,194,803
Total	\$ <u>5,210,000</u>	\$ <u>2,015,881</u>	\$ <u>7,225,881</u>

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

Note H	\$ 5,210,000
Statement of Net Position	\$ <u>5,210,000</u>
Government Wide Statements	
Amount Reported as Current Amount Due	\$ 195,000
Amount Reported as Long-Term Due	5,015,000
Statement of Net Position	\$ <u>5,210,000</u>

**NOTE H: COMMITMENTS**

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

**NOTE I: PENSION PLAN**

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

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

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

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

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

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

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

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

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

Contributions. The contribution requirements of defined benefit plan members and the (name of employer) are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$620,443 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the District reported a liability of \$9,128,590 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District's proportion was .15999 percent, which was an increase of .00179 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$660,958. At the June 30, 2015, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 135,983
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments		829,858
Changes in proportion and differences between District contributions and proportionate share of contributions	83,391	0
District contributions subsequent to the measurement date	620,443	0
Total	\$ <u>703,834</u>	\$ <u>965,841</u>

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\$620,443 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (179,526)
2017	(179,526)
2018	(179,526)
2019	(177,900)
2020	<u>(165,972)</u>
Total	<u>\$ (882,450)</u>

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

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

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%

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Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

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

Asset Class	2014 Long-Term Expected Real Rate of Return	2013 Long-Term Expected Real Rate of Return
Cash	1.50%	75.00%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	75.00%
Global Bonds (Hedged)	1.38%	93.00%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

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Discount rate: A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB's defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The District's proportionate share of the net pension liability	12,420,501	9,128,592	6,378,905

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

**Payables to the pension plan.** Employers should disclose the amount of payables to the Plan with a description of what gave rise to the payable per GASB Statement 68, paragraphs 122 and 124.

**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 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, 2015, the statutes required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$89,272, \$88,198, and \$85,792 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

**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.

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**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, 2015.

Senate Bill Nine (31700)	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
General Administration	\$ <u>2,300</u>	\$ <u>2,300</u>	\$ <u>2,427</u>	\$ <u>(127)</u>

**NOTE Q: FUND BALANCE DEFICITS**

There was a deficit fund balance in Food Service (21000) of \$ (953).

**NOTE R: RESTATEMENT**

The Net Position was restated to include the pension liability of \$(9,350,082), adjustment in capital assets of \$(1,211,735), remove net bond issue costs of \$453,407 for a total of \$(10,108,410).

**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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest Income	\$ 110	\$ 110	\$ 64	\$ 46
Total Revenues	<u>110</u>	<u>110</u>	<u>64</u>	<u>46</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Professional & Tech Services	250,000	290,483	270,095	20,388
Building Improvements	2,824,393	2,760,057	2,752,200	7,857
Supply Assets	0	0	4,808	(4,808)
Total Capital Outlay	<u>3,074,393</u>	<u>3,050,540</u>	<u>3,027,103</u>	<u>23,437</u>
Total Expenditures	<u>3,074,393</u>	<u>3,050,540</u>	<u>3,027,103</u>	<u>23,437</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,074,283)	(3,050,430)	(3,027,039)	23,391
Cash Balance Beginning of Year	<u>3,050,430</u>	<u>3,050,430</u>	<u>3,050,430</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(23,853)</u>	\$ <u>0</u>	\$ <u>23,391</u>	\$ <u>23,391</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,027,039)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(3,027,039)</u>	

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

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DEBT SERVICE-41000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 407,224	\$ 407,224	\$ 400,547	\$ (6,677)
Interest Income	30	30	22	(8)
Total Revenues	<u>407,254</u>	<u>407,254</u>	<u>400,569</u>	<u>(6,685)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	<u>5,000</u>	<u>5,000</u>	<u>4,005</u>	<u>995</u>
Total General Administration	<u>5,000</u>	<u>5,000</u>	<u>4,005</u>	<u>995</u>
Total Support Service	<u>5,000</u>	<u>5,000</u>	<u>4,005</u>	<u>995</u>
Debt Service				
Principal	190,000	190,000	190,000	0
Interest	<u>217,234</u>	<u>217,234</u>	<u>217,234</u>	<u>0</u>
Total Debt Service	<u>407,234</u>	<u>407,234</u>	<u>407,234</u>	<u>0</u>
Total Expenditures	<u>412,234</u>	<u>412,234</u>	<u>411,239</u>	<u>995</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,980)	(4,980)	(10,670)	(5,690)
Cash Balance Beginning of Year	<u>342,335</u>	<u>342,335</u>	<u>342,335</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 337,355</u>	<u>\$ 337,355</u>	<u>\$ 331,665</u>	<u>\$ (5,690)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (10,670)	
Net Change in Taxes Receivable			<u>2,394</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (8,276)</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).

**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.

**IDEA 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.

**IDEA B Risk Pool (24120).** To account for additional allocation from PED to fund children at risk. The program is funded by a federal grant to assist 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 funding 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.

**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).

**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 (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.

**Science Instructional Materials (27176).** To account for a state grant to purchase science instructional materials. 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.

#### **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.



STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2015

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I 24101
<b>Assets</b>			
Cash and Cash Equivalents	\$ 3,013	\$ 44,322	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	107,144
Inventory	2,128	0	0
Total Assets	<u>\$ 5,141</u>	<u>\$ 44,322</u>	<u>\$ 107,144</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 6,094	\$ 1,573	\$ 0
Interfund Balance	0	0	107,144
Total Liabilities	<u>6,094</u>	<u>1,573</u>	<u>107,144</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	2,128	0	0
Restricted for, reported in			
Special Revenue Fund	0	42,749	0
Capital Improvements	0	0	0
Unassigned	(3,081)	0	0
Total Fund Balances	<u>2,128</u>	<u>42,749</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 8,222</u>	<u>\$ 44,322</u>	<u>\$ 107,144</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, 2015

	Special Revenue Funds		
	IDEA Entitlement 24106	IDEA Preschool 24109	IDEA B Risk Pool 24120
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	56,457	2,768	24,906
Inventory	0	0	0
Total Assets	<u>\$ 56,457</u>	<u>\$ 2,768</u>	<u>\$ 24,906</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balance	56,457	2,768	24,906
Total Liabilities	<u>56,457</u>	<u>2,768</u>	<u>24,906</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Fund	0	0	0
Capital Improvements	0	0	0
Unassigned			
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 56,457</u>	<u>\$ 2,768</u>	<u>\$ 24,906</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, 2015

	Special Revenue Funds		
	Title I Section 1003G 24124	English Language Acquisition 24153	Improving Teacher Quality 24154
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	6,193	0	5,665
Inventory	0	0	0
<b>Total Assets</b>	<b>\$ 6,193</b>	<b>\$ 0</b>	<b>\$ 5,665</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balance	6,193	0	5,665
<b>Total Liabilities</b>	<b>6,193</b>	<b>0</b>	<b>5,665</b>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Fund	0	0	0
Capital Improvements	0	0	0
Unassigned			
<b>Total Fund Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,193</b>	<b>\$ 0</b>	<b>\$ 5,665</b>

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, 2015

	Special Revenue Funds		
	Impact Aid Special Education 25145	Medicaid 25153	LANL Foundation 26113
<b>Assets</b>			
Cash and Cash Equivalents	\$ 26,446	\$ 30,418	\$ 2,364
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
<b>Total Assets</b>	<u><u>\$ 26,446</u></u>	<u><u>\$ 30,418</u></u>	<u><u>\$ 2,364</u></u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	0
<b>Total Liabilities</b>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Fund	26,446	30,418	2,364
Capital Improvements	0	0	0
Unassigned			
<b>Total Fund Balances</b>	<u><u>26,446</u></u>	<u><u>30,418</u></u>	<u><u>2,364</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 26,446</u></u>	<u><u>\$ 30,418</u></u>	<u><u>\$ 2,364</u></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, 2015

	Special Revenue Funds		
	Duel Credit 27103	2012 GO Student Library 27107	NM Reads to Lead K-3 27114
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	23,862
Inventory	0	0	0
<b>Total Assets</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,862</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	23,862
<b>Total Liabilities</b>	<u>0</u>	<u>0</u>	<u>23,862</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Fund	0	0	0
Capital Improvements	0	0	0
Unassigned			
<b>Total Fund Balances</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,862</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, 2015

	Special Revenue Funds		
	K-3 Plus 27166	PreK Class Rooms 27177	School Bus Replacement 27178
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	51,190	0	0
Inventory	0	0	0
Total Assets	<u>\$ 51,190</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balance	51,190	0	0
Total Liabilities	<u>51,190</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Fund	0	0	0
Capital Improvements	0	0	0
Unassigned			
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 51,190</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 Balance Sheet  
June 30, 2015

	Special Revenue Funds		Capital
	STEM Teacher Initiative 27181	Next Generation Assessments 27185	Projects Funds Special School Capital Outlay State 31400
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
<b>Total Assets</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balance	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for, reported in			
Special Revenue Fund	0	0	0
Capital Improvements	0	0	0
Unassigned			
<b>Total Fund Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

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, 2015

	Capital Projects Funds Senate Bill Nine 31700	Total
<b>Assets</b>		
Cash and Cash Equivalents	\$ 31,209	\$ 137,772
Receivables		
Taxes	3,956	3,956
Due From Grantor	0	278,185
Inventory	0	2,128
Total Assets	<u>\$ 35,165</u>	<u>\$ 422,041</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 3,845	\$ 11,512
Interfund Balance	0	278,185
Total Liabilities	<u>3,845</u>	<u>289,697</u>
<b>Fund Balances</b>		
Nonspendable-Inventory	0	2,128
Restricted for, reported in		
Special Revenue Fund	0	101,977
Capital Improvements	31,320	31,320
Unassigned		
Total Fund Balances	<u>31,320</u>	<u>135,425</u>
Total Liabilities and Fund Balances	<u>\$ 35,165</u>	<u>\$ 425,122</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, 2015

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I 24101
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	17,640	60,776	0
State & Local Grants	0	0	0
Federal Grants	367,818	0	248,789
Total Revenues	<u>385,458</u>	<u>60,776</u>	<u>248,789</u>
<b>Expenditures</b>			
Current			
Instruction	0	78,739	209,192
Support Services			
Students	0	0	0
Instruction	0	0	30,047
General Administration	0	0	9,550
School Administration	0	0	0
Operation of Plant	0	0	0
Student Transportation	0	0	0
Food Service Operations	401,619	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>401,619</u>	<u>78,739</u>	<u>248,789</u>
Excess (Deficiency) of Revenues Over Expenditures	(16,161)	(17,963)	0
Fund Balances at Beginning of Year	<u>15,208</u>	<u>60,712</u>	<u>0</u>
Fund Balance End of Year	<u>\$ (953)</u>	<u>\$ 42,749</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, 2015

	Special Revenue Funds		
	IDEA Entitlement 24106	IDEA Preschool 24109	IDEA B Risk Pool 24120
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	174,502	6,264	24,906
Total Revenues	<u>174,502</u>	<u>6,264</u>	<u>24,906</u>
<b>Expenditures</b>			
Current			
Instruction	52,834	6,264	20,000
Support Services			
Students	121,668	0	4,906
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Operation of Plant	0	0	0
Student Transportation	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>174,502</u>	<u>6,264</u>	<u>24,906</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, 2015

	Special Revenue Funds		
	Title I Section 1003G 24124	English Language Acquisition 24153	Improving Teacher Quality 24154
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	125,740	0	45,062
Total Revenues	<u>125,740</u>	<u>0</u>	<u>45,062</u>
Expenditures			
Current			
Instruction	107,207	0	43,494
Support Services			
Students	12,369	0	0
Instruction	0	0	0
General Administration	0	0	1,568
School Administration	6,164	0	0
Operation of Plant	0	0	0
Student Transportation	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>125,740</u>	<u>0</u>	<u>45,062</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, 2015

	Special Revenue Funds		
	Impact Aid Special Education 25145	Medicaid 25153	LANL Foundation 26113
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	71,572	0
State & Local Grants	0	0	1,500
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>71,572</u>	<u>1,500</u>
Expenditures			
Current			
Instruction	0	0	1,500
Support Services			
Students	0	41,154	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Operation of Plant	0	0	0
Student Transportation	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>41,154</u>	<u>1,500</u>
Excess (Deficiency) of Revenues Over Expenditures	0	30,418	0
Fund Balances at Beginning of Year	<u>26,446</u>	<u>0</u>	<u>2,364</u>
Fund Balance End of Year	<u>\$ 26,446</u>	<u>\$ 30,418</u>	<u>\$ 2,364</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, 2015

	Special Revenue Funds		
	Duel Credit 27103	2012 GO Student Library 27107	NM Reads to Lead K-3 27114
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	3,731	0	48,015
Federal Grants	0	0	0
Total Revenues	<u>3,731</u>	<u>0</u>	<u>48,015</u>
<b>Expenditures</b>			
Current			
Instruction	3,731	0	12,574
Support Services			
Students	0	0	35,441
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Operation of Plant	0	0	0
Student Transportation	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>3,731</u>	<u>0</u>	<u>48,015</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, 2015

	Special Revenue Funds		
	K-3 Plus 27166	PreK Class Rooms 27177	School Bus Replacement 27178
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	112,169	0	82,188
Federal Grants	0	0	0
Total Revenues	<u>112,169</u>	<u>0</u>	<u>82,188</u>
<b>Expenditures</b>			
Current			
Instruction	96,663	0	0
Support Services			
Students	2,675	0	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	4,792	0	0
Operation of Plant	0	0	0
Student Transportation	8,039	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	82,188
Total Expenditures	<u>112,169</u>	<u>0</u>	<u>82,188</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, 2015

	Special Revenue Funds		Capital
	STEM	Next	Projects Funds
	Teacher Initiative 27181	Generation Assessments 27185	Special School Capital Outlay State 31400
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	16,665
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>16,665</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Operation of Plant	0	0	0
Student Transportation	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	16,665
Total Expenditures	<u>0</u>	<u>0</u>	<u>16,665</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, 2015

	Capital Projects Funds Senate Bill Nine 31700	Total
Revenues		
Property Taxes	\$ 244,403	\$ 244,403
Fees	0	149,988
State & Local Grants	0	264,268
Federal Grants	0	993,081
Total Revenues	<u>244,403</u>	<u>1,651,740</u>
Expenditures		
Current		
Instruction	74	632,272
Support Services		
Students	0	218,213
Instruction	0	30,047
General Administration	2,427	13,545
School Administration	0	10,956
Operation of Plant	165,870	165,870
Student Transportation	0	8,039
Food Service Operations	0	401,619
Capital Outlay	380,427	479,280
Total Expenditures	<u>548,798</u>	<u>1,959,841</u>
Excess (Deficiency) of Revenues Over Expenditures	(304,395)	(308,101)
Fund Balances at Beginning of Year	<u>335,715</u>	<u>440,445</u>
Fund Balance End of Year	<u>\$ 31,320</u>	<u>\$ 132,344</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Fees	\$ 16,325	\$ 16,325	\$ 17,640	\$ 1,315
Federal Grants	343,625	343,625	342,598	(1,027)
Total Revenues	<u>359,950</u>	<u>359,950</u>	<u>360,238</u>	<u>288</u>
<b>Expenditures</b>				
<b>Food Services Operations</b>				
Personnel Services	130,923	135,170	135,080	90
Employee Benefits	60,817	56,433	56,303	130
Purchased Services	1,100	1,921	1,270	651
Supplies	176,719	176,719	177,486	(767)
Supply Assets	1,000	373	166	207
Total Food Service Operations	<u>370,559</u>	<u>370,616</u>	<u>370,305</u>	<u>311</u>
Total Expenditures	<u>370,559</u>	<u>370,616</u>	<u>370,305</u>	<u>311</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,609)	(10,666)	(10,067)	599
Cash Balance Beginning of Year	<u>13,080</u>	<u>13,080</u>	<u>13,080</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,471</u>	<u>\$ 2,414</u>	<u>\$ 3,013</u>	<u>\$ 599</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (10,067)	
Net Change in Inventory			<u>(6,094)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (16,161)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 38,000	\$ 38,000	\$ 60,776	\$ 22,776
Total Revenues	<u>38,000</u>	<u>38,000</u>	<u>60,776</u>	<u>22,776</u>
Expenditures				
Instruction				
Professional & Tech Services	1,000	1,000	234	766
Purchased Services	49,412	46,583	32,091	14,492
Supplies	40,000	42,829	42,755	74
Supply Assets	10,000	10,000	2,447	7,553
Total Instruction	<u>100,412</u>	<u>100,412</u>	<u>77,527</u>	<u>22,885</u>
Total Expenditures	<u>100,412</u>	<u>100,412</u>	<u>77,527</u>	<u>22,885</u>
Excess (Deficiency) of Revenues Over Expenditures	(62,412)	(62,412)	(16,751)	45,661
Cash Balance Beginning of Year	<u>61,073</u>	<u>61,073</u>	<u>61,073</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (1,339)</u>	<u>\$ (1,339)</u>	<u>\$ 44,322</u>	<u>\$ 45,661</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (16,751)	
Net Change in Accounts Payable			<u>(1,212)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (17,963)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 429,912	\$ 464,838	\$ 310,692	\$ (154,146)
Total Revenues	<u>429,912</u>	<u>464,838</u>	<u>310,692</u>	<u>(154,146)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	147,028	144,750	122,209	22,541
Employee Benefits	47,564	47,564	38,522	9,042
Professional & Tech Services	7,000	9,000	8,785	215
Purchased Services	9,755	9,755	2,976	6,779
Supplies	10,000	13,478	10,477	3,001
Supply Assets	0	28,867	26,223	2,644
Total Instruction	<u>221,347</u>	<u>253,414</u>	<u>209,192</u>	<u>44,222</u>
<b>Support Services</b>				
<b>Instruction</b>				
Personnel Services	21,875	21,875	21,875	0
Employee Benefits	8,093	8,093	6,314	1,779
Professional & Tech Services	0	452	452	0
Purchased Services	0	2,407	1,406	1,001
Total Instruction	<u>29,968</u>	<u>32,827</u>	<u>30,047</u>	<u>2,780</u>
<b>General Administration</b>				
Professional & Tech Services	9,550	9,550	9,550	0
Total General Administration	<u>9,550</u>	<u>9,550</u>	<u>9,550</u>	<u>0</u>
Total Support Services	<u>39,518</u>	<u>42,377</u>	<u>39,597</u>	<u>2,780</u>
Total Expenditures	<u>260,865</u>	<u>295,791</u>	<u>248,789</u>	<u>47,002</u>
Excess (Deficiency) of Revenues Over Expenditures	169,047	169,047	61,903	(107,144)
Cash Balance Beginning of Year	<u>(169,047)</u>	<u>(169,047)</u>	<u>(169,047)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (107,144)</u>	<u>\$ (107,144)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 61,903	
Net Change in Due from Grantor			<u>(61,903)</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, PART B ENTITLEMENT-24106  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 235,226	\$ 307,435	\$ 187,720	\$ (119,715)
Total Revenues	<u>235,226</u>	<u>307,435</u>	<u>187,720</u>	<u>(119,715)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	48,216	47,760	31,080	16,680
Employee Benefits	19,365	22,879	20,558	2,321
Supplies	854	6,854	1,196	5,658
Total Instruction	<u>68,435</u>	<u>77,493</u>	<u>52,834</u>	<u>24,659</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	67,985	95,574	81,750	13,824
Employee Benefits	24,131	24,841	20,782	4,059
Professional & Tech Services	5,000	35,852	18,004	17,848
Purchased Services	0	4,000	1,132	2,868
Total Students	<u>97,116</u>	<u>160,267</u>	<u>121,668</u>	<u>38,599</u>
Total Support Services	<u>97,116</u>	<u>160,267</u>	<u>121,668</u>	<u>38,599</u>
Total Expenditures	<u>165,551</u>	<u>237,760</u>	<u>174,502</u>	<u>63,258</u>
Excess (Deficiency) of Revenues Over Expenditures	69,675	69,675	13,218	(56,457)
Cash Balance Beginning of Year	<u>(69,675)</u>	<u>(69,675)</u>	<u>(69,675)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (56,457)</u>	<u>\$ (56,457)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 13,218	
Net Change in Due from Grantor			<u>(13,218)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 9,529	\$ 17,222	\$ 6,730	\$ (10,492)
Total Revenues	<u>9,529</u>	<u>17,222</u>	<u>6,730</u>	<u>(10,492)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	1,000	1,000	70	930
Purchased Services	150	2,165	280	1,885
Supplies	5,145	7,321	5,914	1,407
Supply Assets	0	3,502	0	3,502
Total Instruction	<u>6,295</u>	<u>13,988</u>	<u>6,264</u>	<u>7,724</u>
Total Expenditures	<u>6,295</u>	<u>13,988</u>	<u>6,264</u>	<u>7,724</u>
Excess (Deficiency) of Revenues Over Expenditures	3,234	3,234	466	(2,768)
Cash Balance Beginning of Year	<u>(3,234)</u>	<u>(3,234)</u>	<u>(3,234)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,768)</u>	<u>\$ (2,768)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 466	
Net Change in Due from Grantor			<u>(466)</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 B RISK POOL-24120  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 51,086	\$ 0	\$ (51,086)
Total Revenues	<u>0</u>	<u>51,086</u>	<u>0</u>	<u>(51,086)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	19,007	19,007	0
Employee Benefits	0	993	993	0
Total Instruction	<u>0</u>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
<b>Support Services</b>				
<b>Students</b>				
Professional & Tech Services	0	31,086	4,906	26,180
Total Students	<u>0</u>	<u>31,086</u>	<u>4,906</u>	<u>26,180</u>
Total Support Services	<u>0</u>	<u>31,086</u>	<u>4,906</u>	<u>26,180</u>
Total Expenditures	<u>0</u>	<u>51,086</u>	<u>24,906</u>	<u>26,180</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(24,906)	(24,906)
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>\$ (24,906)</u>	<u>\$ (24,906)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (24,906)	
Net change in Due from Grantor			24,906	
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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 397,333	\$ 369,719	\$ 363,526	\$ (6,193)
Total Revenues	<u>397,333</u>	<u>369,719</u>	<u>363,526</u>	<u>(6,193)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	71,620	65,533	65,533	0
Employee Benefits	25,594	21,927	21,927	(0)
Professional & Tech Services	9,283	4,388	4,388	0
Purchased Services	0	517	517	0
Supplies	28,726	11,669	11,669	(0)
Supply Assets	0	3,575	3,575	0
Total Instruction	<u>135,223</u>	<u>107,609</u>	<u>107,609</u>	<u>0</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	10,000	10,000	10,000	0
Employee Benefits	2,355	2,319	2,319	0
Purchased Services	0	50	50	0
Total Students	<u>12,355</u>	<u>12,369</u>	<u>12,369</u>	<u>0</u>
<b>School Administration</b>				
Personnel Services	5,000	5,000	5,000	0
Employee Benefits	1,178	1,164	1,164	0
Total School Administration	<u>6,178</u>	<u>6,164</u>	<u>6,164</u>	<u>0</u>
Total Support Services	\$ <u>18,533</u>	\$ <u>18,533</u>	\$ <u>18,533</u>	\$ <u>0</u>
Total Expenditures	<u>153,756</u>	<u>126,142</u>	<u>126,142</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	243,577	243,577	237,384	(6,193)
Cash Balance Beginning of Year	<u>(243,577)</u>	<u>(243,577)</u>	<u>(243,577)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(6,193)</u>	\$ <u>(6,193)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 237,384	
Net change in Due from Grantor			(237,786)	
Net Change in Accounts Payable			402	
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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 249	\$ 249	\$ 249	\$ 0
Total Revenues	<u>249</u>	<u>249</u>	<u>249</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	249	249	249	0
Cash Balance Beginning of Year	<u>(249)</u>	<u>(249)</u>	<u>(249)</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			\$ 249	
Net change in Due from Grantor			<u>(249)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 51,970	\$ 58,481	\$ 52,816	\$ (5,665)
Total Revenues	<u>51,970</u>	<u>58,481</u>	<u>52,816</u>	<u>(5,665)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	25,931	27,218	27,218	0
Employee Benefits	9,051	16,275	16,275	0
Professional & Tech Services	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>36,982</u>	<u>43,493</u>	<u>43,493</u>	<u>0</u>
<b>Support Services</b>				
<b>General Administration</b>				
Professional & Tech Services	<u>1,568</u>	<u>1,568</u>	<u>1,568</u>	<u>0</u>
Total General Administration	<u>1,568</u>	<u>1,568</u>	<u>1,568</u>	<u>0</u>
Total Support Services	<u>1,568</u>	<u>1,568</u>	<u>1,568</u>	<u>0</u>
Total Expenditures	<u>38,550</u>	<u>45,061</u>	<u>45,061</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	13,420	13,420	7,755	(5,665)
Cash Balance Beginning of Year	<u>(13,420)</u>	<u>(13,420)</u>	<u>(13,420)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,665)</u>	<u>\$ (5,665)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 7,755	
Net change in Due from Grantor			<u>(7,755)</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	16,446	16,446	0	16,446
Supply Assets	10,000	10,000	0	10,000
Total Instruction	<u>26,446</u>	<u>26,446</u>	<u>0</u>	<u>26,446</u>
Total Expenditures	<u>26,446</u>	<u>26,446</u>	<u>0</u>	<u>26,446</u>
Excess (Deficiency) of Revenues Over Expenditures	(26,446)	(26,446)	0	(26,446)
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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 26,446</u>	<u>\$ (26,446)</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			\$ 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-MEDICAID-25153  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 54,357	\$ 44,624	\$ 71,572	\$ 26,948
Total Revenues	<u>54,357</u>	<u>44,624</u>	<u>71,572</u>	<u>26,948</u>
Expenditures				
Support Services				
Students				
Personnel Services	0	28,088	28,087	1
Employee Benefits	0	10,035	10,028	7
Professional & Tech Services	0	6,501	3,039	3,462
Total Support Services	<u>0</u>	<u>44,624</u>	<u>41,154</u>	<u>3,470</u>
Total Expenditures	<u>0</u>	<u>44,624</u>	<u>41,154</u>	<u>3,470</u>
Excess (Deficiency) of Revenues Over Expenditures	54,357	0	30,418	30,418
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 54,357</u>	<u>\$ 0</u>	<u>\$ 30,418</u>	<u>\$ 30,418</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>30,418</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>30,418</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-LANL FOUNDATION-26113  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 1,500	\$ 1,500	\$ 0
Total Revenues	<u>0</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	1,500	1,500	0
Total Instruction	<u>0</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>2,364</u>	<u>2,364</u>	<u>2,364</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,364</u>	<u>\$ 2,364</u>	<u>\$ 2,364</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			\$ 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-DUAL CREDIT-27103  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 375	\$ 4,106	\$ 4,106	\$ 0
Total Revenues	<u>375</u>	<u>4,106</u>	<u>4,106</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	3,731	3,731	0
Total Instruction	<u>0</u>	<u>3,731</u>	<u>3,731</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>3,731</u>	<u>3,731</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	375	375	375	0
Cash Balance Beginning of Year	<u>(375)</u>	<u>(375)</u>	<u>(375)</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			\$ 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 8,857	\$ 8,857	\$ 8,857	\$ 0
Total Revenues	<u>8,857</u>	<u>8,857</u>	<u>8,857</u>	<u>0</u>
Expenditures				
Support Services				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	8,857	8,857	8,857	0
Cash Balance Beginning of Year	<u>(8,857)</u>	<u>(8,857)</u>	<u>(8,857)</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			\$ 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-27114  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 67,150	\$ 67,150	\$ 41,303	\$ (25,847)
Total Revenues	<u>67,150</u>	<u>67,150</u>	<u>41,303</u>	<u>(25,847)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	2,000	500	484	16
Supplies	12,559	14,059	12,090	1,969
Total Instruction	<u>14,559</u>	<u>14,559</u>	<u>12,574</u>	<u>1,985</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	29,344	29,346	29,346	0
Employee Benefits	6,097	6,095	6,095	0
Total Students	<u>35,441</u>	<u>35,441</u>	<u>35,441</u>	<u>0</u>
Total Support Services	<u>35,441</u>	<u>35,441</u>	<u>35,441</u>	<u>0</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>48,015</u>	<u>1,985</u>
Excess (Deficiency) of Revenues Over Expenditures	17,150	17,150	(6,712)	(23,862)
Cash Balance Beginning of Year	<u>(17,150)</u>	<u>(17,150)</u>	<u>(17,150)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (23,862)</u>	<u>\$ (23,862)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,712)	
Net Change in Due from Grantor			<u>6,712</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-SCIENCE INSTRUCTIONAL MATERIALS-27176  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 84,655	\$ 138,391	\$ 60,979	\$ (77,412)
Total Revenues	<u>84,655</u>	<u>138,391</u>	<u>60,979</u>	<u>(77,412)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	55,002	86,297	71,756	14,541
Employee Benefits	11,303	19,212	16,990	2,222
Purchased Services	1,109	1,861	375	1,486
Supplies	6,982	11,997	7,542	4,455
Total Instruction	<u>74,396</u>	<u>119,367</u>	<u>96,663</u>	<u>22,704</u>
<b>Support Services</b>				
<b>Students</b>				
Professional & Tech Services	0	4,834	2,675	2,159
Total Students	<u>0</u>	<u>4,834</u>	<u>2,675</u>	<u>2,159</u>
<b>School Administrative</b>				
Personnel Services	2,284	3,879	3,879	0
Employee Benefits	470	916	913	3
Total School Administrative	<u>2,754</u>	<u>4,795</u>	<u>4,792</u>	<u>3</u>
<b>Student Transportation</b>				
Personnel Services	5,973	8,168	6,507	1,661
Employee Benefits	1,532	1,227	1,532	(305)
Total Student Transportation	<u>7,505</u>	<u>9,395</u>	<u>8,039</u>	<u>1,356</u>
Total Support Services	<u>10,259</u>	<u>19,024</u>	<u>15,506</u>	<u>3,518</u>
Total Expenditures	<u>84,655</u>	<u>138,391</u>	<u>112,169</u>	<u>26,222</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(51,190)	(51,190)
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>\$ (51,190)</u>	<u>\$ (51,190)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (51,190)	
Net change in Due from Grantor			51,190	
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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 7,797	\$ 7,797	\$ 7,797	\$ 0
Total Revenues	<u>7,797</u>	<u>7,797</u>	<u>7,797</u>	<u>0</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Purchased Property Services	0	0	0	0
Total Capital Outlay	<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	7,797	7,797	7,797	0
Cash Balance Beginning of Year	<u>(7,797)</u>	<u>(7,797)</u>	<u>(7,797)</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			\$ 7,797	
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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 82,188	\$ 82,188	\$ 0
Total Revenues	<u>0</u>	<u>82,188</u>	<u>82,188</u>	<u>0</u>
<b>Expenditures</b>				
<b>Student Transportation</b>				
Capital Outlay	0	82,188	82,188	0
Total Student Transportation	<u>0</u>	<u>82,188</u>	<u>82,188</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>82,188</u>	<u>82,188</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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 33,339	\$ 33,339	\$ 33,339	\$ 0
Total Revenues	<u>33,339</u>	<u>33,339</u>	<u>33,339</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	33,339	33,339	33,339	0
Cash Balance Beginning of Year	<u>(33,339)</u>	<u>(33,339)</u>	<u>(33,339)</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			\$ 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 5,452	\$ 5,452	\$ 5,452	\$ 0
Total Revenues	<u>5,452</u>	<u>5,452</u>	<u>5,452</u>	<u>0</u>
Expenditures				
Support Services				
Instruction				
Supply Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	5,452	5,452	5,452	0
Cash Balance Beginning of Year	<u>(5,452)</u>	<u>(5,452)</u>	<u>(5,452)</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			\$ 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 16,665	\$ 16,665	\$ 0
Total Revenues	<u>0</u>	<u>16,665</u>	<u>16,665</u>	<u>0</u>
Expenditures				
Capital Outlay				
Fixed Assets	0	16,665	16,665	0
Total Capital Outlay	<u>0</u>	<u>16,665</u>	<u>16,665</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>16,665</u>	<u>16,665</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>
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**  
 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 238,072	\$ 238,072	\$ 242,710	\$ 4,638
State Grant	0	17,676	17,676	0
Total Revenues	<u>238,072</u>	<u>255,748</u>	<u>260,386</u>	<u>4,638</u>
<b>Expenditures</b>				
<b>Support Services</b>				
General Administration				
Professional & Tech Services	<u>2,300</u>	<u>2,300</u>	<u>2,427</u>	<u>(127)</u>
Total General Administration	<u>2,300</u>	<u>2,300</u>	<u>2,427</u>	<u>(127)</u>
Total Support Services	<u>2,300</u>	<u>2,300</u>	<u>2,427</u>	<u>(127)</u>
<b>Capital Outlay</b>				
Maintenance	350,000	185,846	162,025	23,821
Supplies	20,000	74	74	0
Fixed Assets	<u>189,178</u>	<u>382,875</u>	<u>380,427</u>	<u>2,448</u>
Total Capital Outlay	<u>559,178</u>	<u>568,795</u>	<u>542,526</u>	<u>26,269</u>
Total Expenditures	<u>561,478</u>	<u>571,095</u>	<u>544,953</u>	<u>26,142</u>
Excess (Deficiency) of Revenues Over Expenditures	(323,406)	(315,347)	(284,567)	30,780
Cash Balance Beginning of Year	<u>315,776</u>	<u>315,776</u>	<u>315,776</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (7,630)</u>	<u>\$ 429</u>	<u>\$ 31,209</u>	<u>\$ 30,780</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (284,567)	
Net Change in Taxes Receivable			1,693	
Net Change in Due from Grantor			(17,676)	
Net Change in Accounts Payable			(3,845)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (304,395)</u>	

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

**REQUIRED SUPPLEMENTAL INFORMATION**

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 Schedules of Required Supplementary Information for the Pension Plan

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**Schedule of the District's Proportionate Share of the Net Pension Liability**

Last 10 Fiscal Years\*

	<u>2015</u>
District's proportion of the net pension liability	0.15999%
District's proportionate share of the net pension liability	\$ 9,128,592
District's covered-employee payroll	\$ 4,409,876
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	48.31%
Plan fiduciary net position as a percentage of the total pension liability	66.54%

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

**Schedule of District's Contributions**

Last 10 Fiscal Years\*

	<u>2015</u>
Contractually required contribution	\$ 620,443
Contributions in relation to the contractually required contribution	\$ 620,443
Contribution deficiency (excess)	\$ 0
District's covered-employee payroll	\$ 4,409,876
Contributions as a percentage of covered-employee payroll	14.07%

\* These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

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



STATE OF NEW MEXICO

**PECOS INDEPENDENT SCHOOL DISTRICT**

Notes to Required Supplementary Information for the Pension Plan

For the Year Ended June 30, 2015

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

**Changes of assumptions.**

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

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:

- a. Lower wage inflation from 4.75% to 4.25%
- b. Lower payroll growth from 3.75% to 3.50%
- c. Minor changes to demographic assumptions
- d. Population growth per year from 0.75% to 0.50%

2. Assumptions that were not changed:

- a. Investment return will remain at 7.75%
- b. Inflation will remain at 3.00%

See also the Actuarial Assumptions subsection of the financial statement note disclosure General Information on the Pension Plan.

**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, 2015

	Balance 6/30/14	Additions	Deductions	Balance 6/30/15
<b>Assets</b>				
<b>Administration</b>				
General	\$ 15,553	\$ 222	\$ 2,916	\$ 12,860
Administration General	720	1,950	119	2,551
Board of Education	0	686	686	0
Background Checks	14	0	0	14
NMPSIA	(0)	1,470	1,463	7
	<u>16,287</u>	<u>4,328</u>	<u>5,184</u>	<u>15,432</u>
<b>Elementary</b>				
Activity	339	5	0	344
Principals' Incentive Award	17,082	28,658	23,113	22,627
Math	377	18	0	394
Reading	1,164	3	1,167	0
Accelerated Reader	778	0	778	0
Library	5,562	4,336	4,171	5,727
Yearbook	8,524	561	0	9,085
Athletics	217	1,733	1,918	32
Pre K	13	951	136	828
Kindergarten Rogers	38	280	132	186
First Grade Leal	209	146	332	23
First Grade	84	0	0	84
	<u>34,385</u>	<u>36,691</u>	<u>31,748</u>	<u>39,328</u>
<b>Middle School</b>				
General	51	0	35	16
Student Council	657	1,335	1,311	681
Yearbook	1,022	1,062	2,084	0
Spanish Club	19	179	195	3
	<u>1,749</u>	<u>2,576</u>	<u>3,625</u>	<u>699</u>
<b>High School</b>				
General	436	449	209	676
Sunshine	402	95	323	175
Library	306	0	0	306
Yearbook	0	767	505	262
Athletics	7,313	88,969	77,790	18,493
Student Council	1,373	1,184	536	2,020
Band	1,164	0	0	1,164
BPA	379	10,471	10,850	0
Mariachi	7,198	3,152	8,709	1,641
MESA	580	150	263	467
National Honor Society	588	199	666	121
Spanish Club	311	161	122	350
Class of 2013	441	0	0	441
Class of 2014	\$ 239	\$ 0	\$ 0	\$ 239

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, 2015

	Balance 6/30/14	Additions	Deductions	Balance 6/30/15
Class of 2015	\$ 526	\$ 2,525	\$ 2,662	\$ 389
Class of 2016	1,245	640	1,741	145
Class of 2017	0	229	0	229
Class of 2018	0	20	0	20
	<u>22,501</u>	<u>109,012</u>	<u>104,376</u>	<u>27,137</u>
<b>Scholarships</b>				0
Sanchez Scholarship	569	490	400	659
Catholic Daughters Scholarship	0	200	0	200
David Hules Ruiz Scholarship	475	0	475	0
	<u>1,044</u>	<u>690</u>	<u>875</u>	<u>859</u>
<b>Total Assets</b>	<u>\$ 75,967</u>	<u>\$ 153,297</u>	<u>\$ 145,807</u>	<u>\$ 83,456</u>
<b>Liabilities</b>				
Deposits Held for Others	\$ 75,966	\$ 153,297	\$ 145,807	\$ 83,456
<b>Total Liabilities</b>	<u>\$ 75,966</u>	<u>\$ 153,297</u>	<u>\$ 145,807</u>	<u>\$ 83,456</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, 2015

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		Beginning Cash <u>6/30/14</u>	Revenue	Expenditures	Ending Cash <u>6/30/15</u>
Operational	11000	\$ 485,160	\$ 5,835,329	\$ 5,948,646	\$ 371,843
Teacherage	12000	26,183	31,759	10,841	47,101
Transportation	13000	7,098	388,170	367,579	27,689
Instructional Materials	14000	13,941	42,047	16,593	39,395
Food Services	21000	13,080	360,239	370,306	3,013
Athletics	22000	61,072	60,776	77,526	44,322
Federal Flow through	24000	(499,200)	921,732	625,665	(203,133)
Federal Direct	25000	(40,785)	279,069	256,339	(18,055)
Local Grants	26000	2,363	1,501	1,500	2,364
State Flow through	27000	(131,640)	392,330	480,108	(219,418)
Bond Building	31100	3,050,430	65	3,027,103	23,392
Special CO State	31400	0	16,665	16,665	0
SB-9	31700	315,776	260,386	544,953	31,209
Debt Service	41000	342,335	400,569	411,239	331,665
Agency Funds		75,966	153,298	145,807	83,457
Total		<u>\$ 3,721,779</u>	<u>\$ 9,143,935</u>	<u>\$ 12,300,870</u>	<u>\$ 564,844</u>

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

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
VENDOR SCHEDULE  
For the Year Ended June 30, 2015

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Bid or Quote Number: 131401  
Contract Amount: \$499,386  
Contracting Vendor: Progressive Roofing  
6320 2nd Street NW  
Albuquerque, NM 87107  
Preference: None  
Scope of the work: Reroof Elementary School

Other Vendors responding to the bid or quote:  
DKG  
6920 Huseman Place SW  
Albuquerque, NM 87121

Bid or Quote Number: 1415001  
Contract Amount: \$143,855  
Contracting Vendor: Southwest Propane  
PO Box 69  
Edgewood, NM 87015  
Preference: None  
Scope of the work: Liquid Propane

Other Vendors responding to the bid or quote:  
Ferrellgas  
209 S. Grand Ave  
Las Vegas, NM 87701

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, 2015

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	\$ 118,267
National School Lunch Program	10.555	21000	224,331
			<u>342,598</u>
Pass-through State Department of Human Services:			
Supplemental Nutrition Assistance Program	10.551	21000	(1) 25,220
Direct Program			
Rural Development, Forestry, and Communities	10.672	11000	24,365
			<u>24,365</u>
Total U. S. Department of Agriculture			<u>392,183</u>
<u>U. S. Department of Education</u>			
Pass-through State Public Education Department:			
Special Education Cluster			
IDEA B Entitlement	84.027	24106	174,502
IDEA Preschool	84.173	24109	6,264
IDEA B Risk Pool	84.027	24120	24,906
			<u>205,672</u>
Pass-through State Public Education Department:			
Title I	84.010	24101	248,789
School Improvement Grants	84.377	24124	125,740
Improving Teacher Quality	84.367	24154	45,062
Direct Program			
Gear Up	84.334	25205	215,087
			<u>215,087</u>
Total U. S. Department of Education			<u>840,350</u>
			<u>840,350</u>
Total Federal Assistance			\$ <u>1,232,533</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. Tim Keller  
State Auditor of the State of New Mexico  
Board Members of the Pecos Independent School District

Mr. Keller 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated September 18, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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, 2015-001, 2015-002, 2015-003, 2015-004, 2015-005

#### Compliance and Other Matters

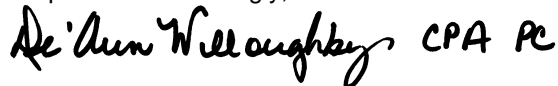
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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, 2015-001, 2015-002, 2015-003, 2015-004, 2015-005

#### District's Responses to Findings

The District's responses to the findings identified in our audit as described in the accompanying 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.

 De'Ann Willoughby CPA PC

Clovis, New Mexico  
September 18, 2015

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. Tim Keller  
State Auditor of the State of New Mexico  
Board Members of the Pecos Independent School District

Mr. Keller 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, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

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  
September 18, 2015

STATE OF NEW MEXICO  
**PECOS INDEPENDENT SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2015

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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>
10.553	Nutrition Cluster
10.555	School Breakfast Program
	National School Lunch Program

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, 2015

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**Federal Compliance Findings**

**Prior Year Audit Findings** None

**Current Year Audit Findings** None

**Financial Statements Findings**

**Prior Year Audit Findings** Status

**2014-001 Budget Violations** Repeated

**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	\$ 2,427	\$ (127)

Management is making progress resolving this finding.

**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**

This expenditure is based on the taxes the county collects from district residents, there is no way for me to know the exact budget needed. The district does not have control over this expenditure since it is a fee imposed by the county. Once we receive the tax distribution from the county in June, we can determine if additional budget is needed. A BAR was prepared in June for PED approval and was disapproved because PED stated that the deadline for BAR's had passed even though it was still June and they were notified that this would cause an audit violation. They still disapproved. Budgets are established off of projected revenues, so the district will monitor the revenues and make every effort to increase the budget in this area if needed before the PED deadlines for BAR approval.

The Business Manager is responsible for budget adjustments and expects this finding to be resolved before this fiscal year end.



**2015-001 Cash Appropriations in Excess of Available Cash Balances-Compliance and Internal Control-Significant Deficiency**

**Condition**

The District maintained a deficit budget in excess of available cash balance in the Athletics Fund \$(1,339)

**Criteria**

Section 2.2.210. (P) (1), NMAC, requires all school district funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the PED for approval. Cash balances rebudgeted to make up the deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

**Cause**

The District does not have a procedure in place to ensure sufficient beginning cash balances exist to absorb budgeted expenditures.

**Effect**

The District will have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

**Recommendation**

Greater attention should be given to the budget monitoring process end of the year cash balance estimates.

**Response**

While it was noticed that the actual cash balance in fund 22000 was \$1,339 less than what had been budgeted, it was also noticed that revenues were \$22,776 greater than what had been budgeted. Since no BAR was done to increase the additional revenue the district was very confident that even though the carryover was less than had been projected, the district did not have expenditures budgeted that did not have sufficient cash to support. In the future, the district will prepare BAR's for all reductions in carryover cash and prepare increase BAR's for all increases in revenue.

**2015-002 Stale Dated Checks-Compliance and Internal Control-Significant Deficiency**

**Condition**

The District has not voided and resolved unpaid checks that are over a year old. The General account had four stale checks totaling \$1,011.68.

**Criteria**

In accordance with 6.20.2.14 whenever any check is unpaid for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57(A), NMSA 1978.

**Cause**

This process was an oversight.

**Effect**

Carrying numerous bank reconciling items could result in a misstatement in the accounting records or related misappropriation of funds.

**Recommendation**

A review of all checks issued over one year should occur at year end. All uncleared checks should be researched and resolved before year end process is complete.

**Response**

The district knows and understands that checks must be voided if they are more than a year old. This was an oversight by the Director of Finance that will be closely monitored in the future.

**2015-003 I-9's-Compliance and Internal Control-Significant Deficiency**

**Condition**

Out of 17 sampled we noted the following:

I-9's

2 of the forms were not dated by the employee.

1 had no expiration date for the item listed on list B

One had a item listed on A and B

**Criteria**

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

**Cause**

The I-9s were completed before training and have not been updated.

**Effect**

The District is subject to penalties. The penalties can include \$250 to \$3,000 for improper completion of the I-9 form. Improper completion, retention or making it available for inspection fines range from \$100 to \$1,100 for each I-9. Knowingly hiring or continuing to employ unauthorized workers fines range from \$250 up to \$11,000 per violation.

**Recommendation**

We recommend all I-9 be reviewed and update as needed.

**Response**

The Payroll Clerk does a very good job of maintaing I-9 records and very careful to make sure every new employee completes the forms and provides the required documentation. These minor infractions were simply an oversight on her part that she will be more deligent about in the future.

**2015-004 New Hire Reporting-Compliance and Internal Control-Significant Deficiency**

**Condition**

Out of 5 sampled we noted the following:

2 were not reported within the 20 day limit.

**Criteria**

New Mexico law (§50-13-1 to 50-13-4) and Federal law (42 USC §653.a.(b)(1)(A)), all public, private, non-profit, and government employers are required to report all newly hired employees within 20 days of hire.

**Cause**

Personnel were not aware of the 20 day deadline.

**Effect**

Pursuant to federal law, states have the option of imposing civil monetary penalties on employers who fail to report new hires. The fine can be up to \$20 per newly hired employee, and if there is a conspiracy between the employer and employee not to report, the penalty can be up to \$500 per newly hired employee.

**Recommendation**

New hires should be reported when the employment documents are received to avoid missing the 20 day deadline.

**Response**

The Payroll Clerk was not aware of the 20 day deadline but will adhere to it strictly in the future.

## **2015-005 Background Checks-Compliance and Internal Control-Significant Deficiency**

### **Condition**

Out of 17 sampled we noted the following:

3 used the PED licensure information as a background check. This is only allowed if they are hired within the first 24 months after their initial license was issued.

### **Criteria**

New Mexico Statutes Section 22-10A-5: Background checks D. An applicant for employment who has been initially licensed within twenty-four months of applying for employment with a local school board, regional education cooperative or a charter school shall not be required to submit to another background check if the department has copies of the applicant's federal bureau of investigation records on file. An applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school shall provide two fingerprint cards or the equivalent electronic fingerprints to the local school board, regional education cooperative or charter school to obtain the applicant's federal bureau of investigation record. The applicant, contractor or contractor's employee who has been offered employment by a regional education cooperative or at a public school may be required to pay for the cost of obtaining a background check. At the request of a local school board, regional education cooperative or charter school, the department is authorized to release copies of federal bureau of investigation records that are on file with the department and that are not more than twenty-four months old.

### **Cause**

Personnel were not aware the PED licensure background check was only available for 24 months.

### **Effect**

As a safety measure, people with serious criminal records may not be fit to have responsibility for the safety and well being of children.

### **Recommendation**

Local school boards shall develop policies and procedures to require background checks on an applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students.

### **Response**

Human Resource personnel were not aware that PED licensure information could only be used within the first 24 months of the initial license. Staff is aware of this now and will be very diligent about not using PED licensure information that is past the 24 month limit.

## **Financial Statement Preparation**

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

## **Exit Conference**

An exit conference was held on September 18, 2015. Those present were Patrick Sandoval-Board Vice-President, Michael Flores Sr.-Board Secretary, Susan Ortega-Audit Committee Members, Fred Trujillo-Superintendent, Brenda Gallegos-Business Manager and De'Aun Willoughby, CPA.