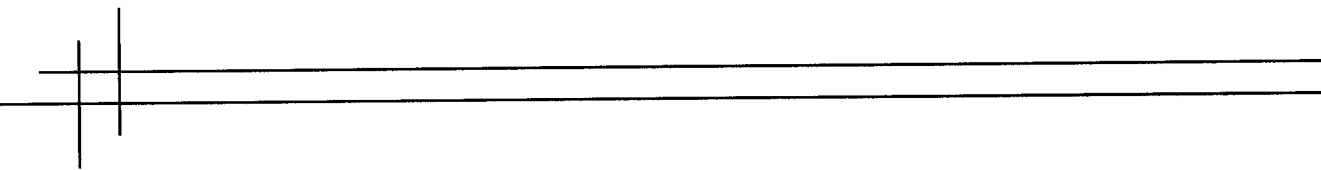




**STATE OF NEW MEXICO  
ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**

**ANNUAL FINANCIAL REPORT**  
June 30, 2008

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
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 For the Year Ended June 30, 2008

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**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
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**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
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STATE OF NEW MEXICO  
ARTESIA PUBLIC SCHOOL DISTRICT NO. 22  
Official Roster  
June 30, 2008

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**BOARD OF EDUCATION**

Lowell M. Irby	President
Carolyn Shearman	Vice-President
Margaret Aguilar	Secretary
Jeff Bowman	Member
Alden Elkins	Member

**SCHOOL OFFICIALS**

James M. Phipps	Superintendent
Camille George	Assistant Superintendent for Curriculum
Juan C. Saiz	Assistant Superintendent for Operations
Jacquelyn Sanderson	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(505) 253-4313

## Independent Auditor's Report

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the ARTESIA PUBLIC SCHOOL DISTRICT NO. 22

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of ARTESIA PUBLIC SCHOOL DISTRICT NO. 22, (District), as of and for the year ended June 30, 2008, 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 presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2008, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in conformity 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, 2008, and the respective changes in financial position and the respective budgetary comparisons for the major capital projects funds, debt service fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2008, 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 *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The District has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements and the combining and individual financial statements and budgetary comparisons presented as supplemental information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by US Office on Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*De'Aun Willoughby CPA PC*

November 12, 2008



## **FINANCIAL SECTION**

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
Statement of Net Assets  
June 30, 2008

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 8,544,349
Taxes Receivable	1,102,791
Due from Grantor	555,563
Inventory	8,611
Total Current Assets	<u>10,211,314</u>
Noncurrent Assets	
Capital Assets	69,480,695
Less: Accumulated Depreciation	<u>(33,126,772)</u>
Total Noncurrent Assets	<u>36,353,923</u>
Total Assets	<u>46,565,237</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	195,258
Accrued Interest	63,130
Deferred Revenue	34,070
Current Portion of Long-Term Debt	805,000
Total Current Liabilities	<u>1,097,458</u>
Noncurrent Liabilities	
Bonds and Notes, Net	3,558,943
Compensated Absences	143,063
Total Noncurrent Liabilities	<u>3,702,006</u>
Total Liabilities	<u>4,799,464</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	31,926,850
Restricted for:	
Capital Projects	6,654,576
Debt Service	1,045,450
Unrestricted	2,138,897
Total Net Assets	<u>\$ 41,765,773</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
Statement of Activities  
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 19,093,072	\$ 333,260	\$ 2,526,654	\$ 0	\$ (16,233,158)
Support Services-Students	2,375,408	0	302,585	0	(2,072,823)
Support Services-Instruction	867,494	0	35,786	0	(831,708)
General Administration	585,697	0	40,296	0	(545,401)
School Administration	2,473,151	0	386,037	0	(2,087,114)
Central Services	605,861	0	0	0	(605,861)
Operation of Plant	4,659,101	0	0	0	(4,659,101)
Student Transportation	1,481,896	0	1,483,109	0	1,213
Food Services Operations	1,307,709	485,658	778,502	0	(43,549)
Community Service	81,768	0	5,000	0	(76,768)
Interest on Long-Term Obligations	0 153,300	0	0	0	(153,300)
Depreciation	2,680,013	0	0	0	(2,680,013)
<b>Total Governmental Activities</b>	<b>\$ 36,364,470</b>	<b>\$ 818,918</b>	<b>\$ 5,557,969</b>	<b>\$ 0</b>	<b>\$ (29,987,583)</b>
<b>General Revenues</b>					
<b>Taxes</b>					
Property Taxes, Levied for General Purposes				\$	626,172
Property Taxes, Levied for Debt Service					855,419
Property Taxes, Levied for Capital Projects					8,032,317
Federal and State aid not restricted to specific purpose					
General					24,763,613
Capital					555,850
Interest and investment earnings					52,790
Miscellaneous					170,251
<b>Subtotal, General Revenues</b>					<b>35,056,412</b>
<b>Change in Net Assets</b>					<b>5,068,829</b>
<b>Net Assets - beginning</b>					<b>36,696,944</b>
<b>Net Assets - ending</b>					<b>\$ 41,765,773</b>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 GOVERNMENTAL FUNDS  
 Balance Sheet  
 June 30, 2008

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,109,316	\$ 0	\$ 31,502
Receivables			
Taxes	73,049	0	0
Due From Grantor	0	0	0
Interfund Balances	552,537	0	0
Inventory	0	0	0
<b>Total Assets</b>	<b>\$ 1,734,902</b>	<b>\$ 0</b>	<b>\$ 31,502</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balances	\$ 0	\$ 0	\$ 0
Accounts Payable	97,039	0	12,108
Deferred Revenue	21,933	0	0
<b>Total Liabilities</b>	<b>118,972</b>	<b>0</b>	<b>12,108</b>
<b>Fund Balances</b>			
Reserved for:			
Retirement of Long-Term Debt	0	0	0
Inventory	0	0	0
Capital Improvements	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	1,615,930	0	19,394
Special Revenue Funds	0	0	0
Debt Service	0	0	0
<b>Total Fund Balances</b>	<b>1,615,930</b>	<b>0</b>	<b>19,394</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,734,902</b>	<b>\$ 0</b>	<b>\$ 31,502</b>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 GOVERNMENTAL FUNDS  
 Balance Sheet  
 June 30, 2008

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	Title I 24101	House Bill 33 31600	Senate Bill Nine 31700
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 5,491,710	\$ 578,879
Receivables			
Taxes	0	634,618	293,074
Due From Grantor	345,451	0	0
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 345,451</u>	<u>\$ 6,126,328</u>	<u>\$ 871,953</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balances	\$ 345,414	\$ 0	\$ 0
Accounts Payable	37	0	79,284
Deferred Revenue	0	193,248	87,877
Total Liabilities	<u>345,451</u>	<u>193,248</u>	<u>167,161</u>
<b>Fund Balances</b>			
Reserved for:			
Retirement of Long-Term Debt	0	0	0
Inventory	0	0	0
Capital Improvements	0	5,933,080	704,792
Unreserved, Undesignated, reported in:			
General Fund	0	0	0
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>0</u>	<u>5,933,080</u>	<u>704,792</u>
Total Liabilities and Fund Balances	<u>\$ 345,451</u>	<u>\$ 6,126,328</u>	<u>\$ 871,953</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 GOVERNMENTAL FUNDS  
 Balance Sheet  
 June 30, 2008

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 973,712	\$ 359,230	\$ 8,544,349
Receivables			
Taxes	102,050	0	1,102,791
Due From Grantor	0	210,112	555,563
Interfund Balances	0	0	552,537
Inventory	0	8,611	8,611
Total Assets	<u>\$ 1,075,762</u>	<u>\$ 577,953</u>	<u>\$ 10,763,851</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balances	\$ 0	\$ 207,123	\$ 552,537
Accounts Payable	0	6,827	195,295
Deferred Revenue	30,312	34,032	367,402
Total Liabilities	<u>30,312</u>	<u>247,982</u>	<u>1,115,234</u>
<b>Fund Balances</b>			
Reserved for:			
Retirement of Long-Term Debt	0	0	0
Inventory	0	8,611	8,611
Capital Improvements	0	16,704	6,654,576
Unreserved, Undesignated, reported in:			
General Fund	0	0	1,635,324
Special Revenue Funds	0	304,656	304,656
Debt Service	1,045,450	0	1,045,450
Total Fund Balances	<u>1,045,450</u>	<u>329,971</u>	<u>9,648,617</u>
Total Liabilities and Fund Balances	<u>\$ 1,075,762</u>	<u>\$ 577,953</u>	<u>\$ 10,763,851</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 Reconciliation of the Governmental Funds  
 Balance Sheet to the Statement of Net Assets  
 June 30, 2008

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Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balance - Governmental Funds		\$	9,648,617
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.			
	The cost of capital assets	\$	69,480,695
	Accumulated depreciation is		<u>(33,126,772)</u>
			36,353,923
Property taxes receivable will be collected after the period of availability, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.			
			333,369
Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :			
	Bond payable		(4,363,943)
	Accrued interest on bonds		(63,130)
	Compensated Absences		<u>(143,063)</u>
Total net assets - governmental activities		\$	<u><u>41,765,773</u></u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and Changes  
in Fund Balance  
For the Year Ended June 30, 2008

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
<b>Revenues</b>			
Taxes	\$ 626,108	\$ 0	\$ 0
Fees	156,249	0	0
Investment Income	22,415	0	0
State Grants	24,763,613	1,483,109	421,927
Federal Grants	0	0	0
Miscellaneous	170,251	0	0
Total Revenues	<u>25,738,636</u>	<u>1,483,109</u>	<u>421,927</u>
<b>Expenditures</b>			
Current			
Instruction	16,547,777	0	402,511
Support Service-Students	1,996,308	0	0
Support Services-Instruction	797,146	0	42,586
Support Services-General Administration	543,077	0	0
Support Services-School Administration	2,056,931	0	0
Central Services	600,413	0	0
Operation & Maintenance of Plant	2,844,391	0	0
Transportation	0	1,483,129	0
Food Services	0	0	0
Community Services	76,768	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>25,462,811</u>	<u>1,483,129</u>	<u>445,097</u>
Excess (Deficiency) of Revenues Over Expenditures	275,825	(20)	(23,170)
Other Financing Sources (Uses)			
Transfers In/Out	(42,000)	0	0
Total Other Sources (Uses)	<u>(42,000)</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	233,825	(20)	(23,170)
Fund Balances at Beginning of Year	<u>1,382,105</u>	<u>20</u>	<u>42,564</u>
Fund Balance End of Year	<u>\$ 1,615,930</u>	<u>\$ 0</u>	<u>\$ 19,394</u>

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 GOVERNMENTAL FUNDS  
 Statement of Revenues, Expenditures and Changes  
 in Fund Balance  
 For the Year Ended June 30, 2008

	Title I 24101	House Bill 33 31600	Senate Bill Nine 31700
<b>Revenues</b>			
Taxes	\$ 0	\$ 5,490,588	\$ 2,536,945
Fees	0	0	0
Investment Income	0	26,217	1,592
State Grants	0	0	40,855
Federal Grants	964,229	0	0
Miscellaneous	0	0	0
Total Revenues	<u>964,229</u>	<u>5,516,805</u>	<u>2,579,392</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	770,675	0	0
Support Service-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	14,998	16,156	7,025
Support Services-School Administration	178,556	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	35,588	1,773,957
Transportation	0	0	0
Food Services	0	0	0
Community Services	0	0	0
Capital Outlay	0	4,041,942	805,502
<b>Debt Service</b>			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>964,229</u>	<u>4,093,686</u>	<u>2,586,484</u>
Excess (Deficiency) of Revenues Over Expenditures	0	1,423,119	(7,092)
<b>Other Financing Sources (Uses)</b>			
Transfers In/Out	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	1,423,119	(7,092)
Fund Balances at Beginning of Year	<u>0</u>	<u>4,509,961</u>	<u>711,884</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 5,933,080</u>	<u>\$ 704,792</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and Changes  
in Fund Balance  
For the Year Ended June 30, 2008

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ 854,730	\$ 0	\$ 9,508,371
Fees	0	662,669	818,918
Investment Income	1,952	614	52,790
State Grants	0	881,387	27,590,891
Federal Grants	0	2,322,312	3,286,541
Miscellaneous	0	0	170,251
Total Revenues	<u>856,682</u>	<u>3,866,982</u>	<u>41,427,762</u>
<b>Expenditures</b>			
Current			
Instruction	0	1,305,984	19,026,947
Support Service-Students	0	379,100	2,375,408
Support Services-Instruction	0	21,108	860,840
Support Services-General Administration	2,457	23,850	607,563
Support Services-School Administration	0	201,250	2,436,737
Central Services	0	0	600,413
Operation & Maintenance of Plant	0	0	4,653,936
Transportation	0	0	1,483,129
Food Services	0	1,307,448	1,307,448
Community Services	0	5,000	81,768
Capital Outlay	0	520,527	5,367,971
Debt Service			
Principal	800,000	0	800,000
Interest	134,099	0	134,099
Total Expenditures	<u>936,556</u>	<u>3,764,267</u>	<u>39,736,259</u>
Excess (Deficiency) of Revenues Over Expenditures	(79,874)	102,715	1,691,503
Other Financing Sources (Uses)			
Transfers In/Out	0	42,000	0
Total Other Sources (Uses)	<u>0</u>	<u>42,000</u>	<u>0</u>
Net Change in Fund Balance	(79,874)	144,715	1,691,503
Fund Balances at Beginning of Year	<u>1,125,324</u>	<u>185,256</u>	<u>7,957,114</u>
Fund Balance End of Year	<u>\$ 1,045,450</u>	<u>\$ 329,971</u>	<u>\$ 9,648,617</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 Reconciliation of the Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 To the Statement of Activities  
 June 30, 2008

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Net Change in Fund Balance-Governmental Funds \$ 1,691,503

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

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities. 5,537

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation expense	\$	(2,753,877)	
Capital Outlays		<u>5,367,971</u>	2,614,094

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

Principal paid for bonds		800,000	
Accrued interest on bonds		<u>(3,989)</u>	796,011

Bond issue costs are amortized in the Statement of Activities but are netted with proceeds of bond issues in the year of issue on the Statement of Revenues, Expenditures and Changes in Fund Balances. This is the amount of the amortized bond issue costs this year. (15,212)

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. (23,104)

Changes in Net Assets of Governmental Activities \$ 5,068,829

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
GENERAL FUND-11000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Local Sources</b>				
Taxes	\$ 498,368	\$ 498,368	\$ 600,805	\$ 102,437
Investment Income	21,000	21,000	22,415	1,415
Fees	133,000	133,000	156,249	23,249
State Grant	24,601,816	24,601,816	24,763,613	161,797
Miscellaneous	161,574	161,574	170,251	8,677
Total Revenues	<u>25,415,758</u>	<u>25,415,758</u>	<u>25,713,333</u>	<u>297,575</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	12,405,587	12,472,800	12,472,784	16
Employee Benefits	3,871,372	3,871,372	3,631,714	239,658
Professional & Tech Services	32,168	32,168	26,870	5,298
Purchased Services	166,673	166,673	162,368	4,305
Supplies	329,251	329,251	239,423	89,828
Total Instruction	<u>16,805,051</u>	<u>16,872,264</u>	<u>16,533,159</u>	<u>339,105</u>
<b>Support Services-Students</b>				
Personnel Services	1,269,253	1,285,400	1,285,397	3
Employee Benefits	527,942	527,942	373,210	154,732
Professional & Tech Services	432,945	432,945	194,865	238,080
Purchased Services	210	210	68	142
Supplies	153,778	153,778	138,836	14,942
Support Services-Students	<u>2,384,128</u>	<u>2,400,275</u>	<u>1,992,376</u>	<u>407,899</u>
<b>Support Services-Instruction</b>				
Personnel Services	572,134	573,640	573,640	0
Employee Benefits	246,529	246,529	201,735	44,794
Supplies	60,518	60,518	21,771	38,747
Support Services-Instruction	<u>\$ 879,181</u>	<u>\$ 880,687</u>	<u>\$ 797,146</u>	<u>\$ 83,541</u>

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
GENERAL FUND-11000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Support Services-General Administration</b>				
Personnel Services	\$ 350,265	\$ 350,265	\$ 307,530	\$ 42,735
Employee Benefits	70,767	77,870	77,869	1
Professional & Tech Services	113,691	113,691	89,979	23,712
Purchased Services	41,500	41,500	31,542	9,958
Supplies	59,350	59,350	29,820	29,530
<b>Total Support Services-General Administration</b>	<b>635,573</b>	<b>642,676</b>	<b>536,740</b>	<b>105,936</b>
<b>Support Services-School Administration</b>				
Personnel Services	1,566,996	1,569,900	1,569,881	19
Employee Benefits	550,284	550,284	459,111	91,173
Professional & Tech Services	13,934	13,934	4,928	9,006
Purchased Services	6,904	6,904	3,271	3,633
Supplies	19,095	20,661	20,661	0
<b>Total Support Services-School Administration</b>	<b>2,157,213</b>	<b>2,161,683</b>	<b>2,057,852</b>	<b>103,831</b>
<b>Central Services</b>				
Personnel Services	467,080	467,080	442,889	24,191
Employee Benefits	173,027	173,027	124,328	48,699
Professional & Tech Services	3,500	3,500	1,356	2,144
Purchased Services	10,159	10,720	10,719	1
Supplies	21,000	22,325	22,323	2
<b>Total Central Services</b>	<b>674,766</b>	<b>676,652</b>	<b>601,615</b>	<b>75,037</b>
<b>Operation &amp; Maintenance of Plant</b>				
Personnel Services	1,250,016	1,288,550	1,288,512	38
Employee Benefits	477,682	477,682	417,168	60,514
Professional & Tech Services	2,756	2,756	1,318	1,438
Purchased Property Services	620,417	620,417	557,174	63,243
Purchased Services	477,140	485,800	485,799	1
Supplies	66,150	75,500	75,475	25
<b>Total Operation &amp; Maintenance of Plant</b>	<b>\$ 2,894,161</b>	<b>\$ 2,950,705</b>	<b>\$ 2,825,446</b>	<b>\$ 125,259</b>

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
GENERAL FUND-11000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Community Services				
Personnel Services	\$ 64,013	\$ 64,013	\$ 50,292	\$ 13,721
Employee Benefits	31,743	31,743	26,476	5,267
Total Community Services	<u>95,756</u>	<u>95,756</u>	<u>76,768</u>	<u>18,988</u>
Total Expenditures	<u>26,525,829</u>	<u>26,680,698</u>	<u>25,421,102</u>	<u>1,259,596</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,110,071)	(1,264,940)	292,231	1,557,171
Other Financing Sources (Uses)				
Transfer from Operational	<u>0</u>	<u>(42,000)</u>	<u>(42,000)</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>(42,000)</u>	<u>(42,000)</u>	<u>0</u>
Net Change in Fund Balance	(1,110,071)	(1,306,940)	250,231	1,557,171
Cash Balance Beginning of Year	<u>1,411,622</u>	<u>1,411,622</u>	<u>1,411,622</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 301,551</u>	<u>\$ 104,682</u>	<u>\$ 1,661,853</u>	<u>\$ 1,557,171</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 292,231	
Net change in Taxes Receivable			25,367	
Net change in Accounts Payable			(41,709)	
Net change in Deferred Revenue			(64)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 275,825</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
TRANSPORTATION-13000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State Sources</b>				
State Grant	\$ 1,412,572	\$ 1,483,152	\$ 1,483,109	\$ (43)
Total State Sources	<u>1,412,572</u>	<u>1,483,152</u>	<u>1,483,109</u>	<u>(43)</u>
Total Revenues	<u>1,412,572</u>	<u>1,483,152</u>	<u>1,483,109</u>	<u>(43)</u>
<b>Expenditures</b>				
<b>Pupil Transportation</b>				
Personnel Services	86,611	86,611	86,610	1
Employee Benefits	26,065	20,390	20,390	0
Purchased Property Services	98,804	133,970	133,970	0
Other Purchased Services	1,200,519	1,234,662	1,234,662	0
Supplies	553	7,500	7,497	3
Total Pupil Transportation	<u>1,412,552</u>	<u>1,483,133</u>	<u>1,483,129</u>	<u>4</u>
Total Expenditures	<u>1,412,552</u>	<u>1,483,133</u>	<u>1,483,129</u>	<u>4</u>
Excess (Deficiency) of Revenues Over Expenditures	20	19	(20)	(39)
Cash Balance Beginning of Year	<u>20</u>	<u>20</u>	<u>20</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 40</u>	<u>\$ 39</u>	<u>\$ 0</u>	<u>\$ (39)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (20)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (20)</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 INSTRUCTIONAL MATERIALS-14000  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Non-GAAP-Budgetary Basis)  
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 333,071	\$ 456,454	\$ 421,927	\$ (34,527)
Total State Sources	<u>333,071</u>	<u>456,454</u>	<u>421,927</u>	<u>(34,527)</u>
Total Revenues	<u>333,071</u>	<u>456,454</u>	<u>421,927</u>	<u>(34,527)</u>
Expenditures				
Instruction				
Supplies	290,507	413,890	401,817	12,073
Total Instruction	<u>290,507</u>	<u>413,890</u>	<u>401,817</u>	<u>12,073</u>
Instruction				
Supplies	26,968	31,257	31,172	85
Total Instruction	<u>26,968</u>	<u>31,257</u>	<u>31,172</u>	<u>85</u>
Total Expenditures	<u>317,475</u>	<u>445,147</u>	<u>432,989</u>	<u>12,158</u>
Excess (Deficiency) of Revenues Over Expenditures	15,596	11,307	(11,062)	(22,369)
Cash Balance Beginning of Year	<u>42,564</u>	<u>42,564</u>	<u>42,564</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 58,160</u>	<u>\$ 53,871</u>	<u>\$ 31,502</u>	<u>\$ (22,369)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (11,062)	
Net change in Accounts Payable			<u>(12,108)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (23,170)</u>	

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-TITLE I-24101  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Grant	\$ 894,485	\$ 1,030,286	\$ 653,723	\$ (376,563)
Total Federal Sources	<u>894,485</u>	<u>1,030,286</u>	<u>653,723</u>	<u>(376,563)</u>
Total Revenues	<u>894,485</u>	<u>1,030,286</u>	<u>653,723</u>	<u>(376,563)</u>
Expenditures				
Instruction				
Personnel Services	470,391	581,248	581,248	0
Employee Benefits	146,949	154,378	154,378	0
Purchased Services	36,964	44,664	24,435	20,229
Supplies	13,500	13,500	10,609	2,891
Total Instruction	<u>667,804</u>	<u>793,790</u>	<u>770,670</u>	<u>23,120</u>
Support Services-General Administration				
Purchased Services	13,681	15,072	14,997	75
Total Support Services-General Administration	<u>13,681</u>	<u>15,072</u>	<u>14,997</u>	<u>75</u>
Support Services-School Administration				
Personnel Services	130,856	134,258	134,112	146
Employee Benefits	41,862	43,695	38,470	5,225
Professional & Tech Services	1,500	4,689	4,689	0
Purchased Services	3,201	3,201	1,147	2,054
Supplies	645	645	116	529
Total Support Services-School Administration	<u>178,064</u>	<u>186,488</u>	<u>178,534</u>	<u>7,954</u>
Total Expenditures	<u>859,549</u>	<u>995,350</u>	<u>964,201</u>	<u>31,149</u>
Excess (Deficiency) of Revenues Over Expenditures	34,936	34,936	(310,478)	(345,414)
Cash Balance Beginning of Year	<u>(34,936)</u>	<u>(34,936)</u>	<u>(34,936)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (345,414)</u>	<u>\$ (345,414)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (310,478)	
Net change in Due from Grantor			310,506	
Net change in Accounts Payable			(28)	
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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
Statement of Fiduciary Assets and Liabilities-Agency Funds  
For the Year Ended June 30, 2008

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	<u>Agency Funds</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 825,844
<b>Total Assets</b>	<u>\$ 825,844</u>
<b>Liabilities</b>	
Deposits Held for Others	\$ 825,844
<b>Total Liabilities</b>	<u>\$ 825,844</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 ARTESIA PUBLIC SCHOOL DISTRICT NO. 22 (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. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. Some of the significant changes in the Statement include the following:

- Financial Statements prepared using full-accrual accounting for all the District's activities.
- A change in fund financial statements to focus on major funds.
- A change in fund financial statements to focus on major funds.

These and other changes are reflected in the accompanying financial statements (including the notes to the financial statements) as of June 30, 2008.

**Financial Reporting Entity**

The 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.

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

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

***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)(13000)(14000)**

The General Fund consist of three 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 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.

**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.

**CAPITAL PROJECT FUNDS**

**House Bill 33 (31600)**

To account for resources received through House Bill 33 and local tax levies obtained for the financing, construction and remodeling of various school buildings. Expenditures are restricted to Capital Improvements.

**SENATE BILL NINE (31700)**

The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

**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. Expenditures are restricted to Debt Reduction.

**Measurement Focus and Basis of Accounting**

***Government-Wide Financial Statements (GWFS)***

The Statement of Net Assets 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 Net Assets at the fund financial statement level.

In the government-wide Statement of Net Assets, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The Statement of Net Assets 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, 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

Taxes. 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.

Grants. Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

#### Revenue Recognition for Grants.

Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.

4. Contingencies. The providers offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Other receipts. 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.

#### 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 Assets 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.

#### 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

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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 (per Section 12-6-10 NMSA1978) 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.

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 Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets 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 assets are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Reserved fund balance indicates that portion of fund equity which has been segregated for specific purposes.

Unreserved fund balance indicates that portion of fund equity which is available for budgeting in future periods.

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

#### Compensated Absences

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

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

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

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

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

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

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Estimates

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

**NOTE B: CASH 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.

<u>Name of Account</u>	<u>Balance Per Bank 06-30-08</u>	<u>Reconciled Balance</u>	<u>Type</u>
Activity Fund	\$ 678,756	\$ 650,215	Checking
Activity Money Market	1,203	1,203	Savings
Cafeteria	1,139	959	Checking
Federal Project Fund	52,674	33,977	Checking
Capital Improvement	647,902	624,330	Checking
Special Building Fund HB 33	5,021,706	4,991,710	Checking
Operational Money Market	631,542	631,542	Savings
Artesia Public Schools-HB33	500,000	500,000	Savings
Artesia Public Schools-Activities	250,000	250,000	Savings
TOTAL Deposited	<u>7,784,922</u>	<u>\$ 7,683,936</u>	
Less: FDIC Coverage	<u>(200,000)</u>		
Uninsured Amount	7,584,922		
50% collateral requirement	3,792,461		
Pledged securities	<u>4,595,329</u>		
Over (Under) requirement	<u>\$ 802,868</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 **First National Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FNMA 748729	31403GY22	219,032	10-01-18	FHLB Dallas, TX
FNMA 254817	31371LAS8	188,097	06-01-13	FHLB Dallas, TX
FNMA 555487	31385XCY1	430,056	05-01-18	FHLB Dallas, TX
FNMA 767867	31404GCC3	235,270	03-01-33	FHLB Dallas, TX
FHLMC G30302	3128CUKP0	767,304	07-01-25	FHLB Dallas, TX
FHLMC P30060	31284AB40	309,405	08-01-19	FHLB Dallas, TX
BELEN NM SD#2	077581MQ6	175,000	08-01-20	FHLB Dallas, TX
FNMA 737689	31402TRJ6	361,034	08-01-18	FHLB Dallas, TX
FNMA 723265	31402AQS8	462,190	06-01-18	FHLB Dallas, TX
FNMA 721570	31401XT31	303,630	07-01-18	FHLB Dallas, TX
FHLMC M30291	31282CKCO	205,645	07-01-18	FHLB Dallas, TX

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FHLMC M30297	31282CKJ5	169,349	09-01-18	FHLB Dallas, TX
FHLMC Gold	31282CJY4	261,988	11-01-17	FHLB Dallas, TX
FHLMC Gold	3128CUKLP0	507,329	05-01-18	FHLB Dallas, TX
		<u>\$ 4,595,329</u>		

**Western Bank**

<u>Name of Account</u>	<u>Balance Per Bank 06-30-08</u>	<u>Reconciled Balance</u>	<u>Type</u>
Operational	\$ 3,308,496	\$ 658,423	Checking
Operational Money Market	45,849	45,849	Savings
Debt Service	973,712	973,712	Checking
TOTAL Deposited	<u>4,328,057</u>	<u>\$ 1,677,984</u>	
Less: FDIC Coverage	<u>(145,849)</u>		
Uninsured Amount	4,182,208		
50% collateral requirement	2,091,104		
Pledged securities	2,784,334		
Over (Under) requirement	<u>\$ 693,230</u>		

The following securities are pledged at **Western Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Par/Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FHLMC Pool #M90828	31282U4M6	162,145	07-01-08	FHLB Dallas, TX
Roswell, NM UDGO	778544CB0	325,000	08-01-12	FHLB Dallas, TX
Dulce Ind. School District	264430EZ8	305,000	07-01-12	FHLB Dallas, TX
Rio Rancho Public School	767171EJ6	200,000	08-01-11	FHLB Dallas, TX
Belen, NM Cons. School District	077581KX3	200,000	08-01-15	FHLB Dallas, TX
GNMA Pool #2578	3620202K8	56,576	04-20-28	FHLB Dallas, TX
FNMA	31371GVD9	38,625	07-01-13	FHLB Dallas, TX
FHLMC	3128X1SA6	1,015,709	07-14-09	FHLB Dallas, TX
FNMA #257203	31371NU45	481,279	04-01-28	FHLB Dallas, TX
		<u>\$ 2,784,334</u>		

**Artesia School Employees Credit Union**

<u>Name of Account</u>	<u>Balance Per Bank 06-30-08</u>	<u>Reconciled Balance</u>	<u>Type</u>
NMPSIA	\$ 6,628	\$ 6,628	Checking
ERB	1,646	1,646	Checking
TOTAL Deposited	<u>8,274</u>	<u>\$ 8,274</u>	
Less: FDIC Coverage	<u>(8,274)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

**Custodial Credit Risk-Deposits**

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<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 354,123
Collateralized:	
Collateral held by the pledging bank in District's name	7,379,663
Uninsured and uncollateralized	4,387,467
Total Deposits	<u>\$ 12,121,253</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, 2008 none of the District's bank balance of \$12,121,253 was exposed to custodial credit risk.

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

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Funds</u>		
	Title I Fund	Non Governmental Funds	Total
General Fund	\$ 345,451	\$ 207,086	\$ 552,537
Totals	<u>\$ 345,451</u>	<u>\$ 207,086</u>	<u>\$ 552,537</u>

The above interfund balances resulted from reimbursement grants. The shortfalls were covered by the General Fund. All transactions will be repaid within one year.

Interfund transfers during the year ending June 30, 2008 were as follows:

General Fund to:

Other Governmental Funds	\$ 42,000
Totals	<u>\$ 42,000</u>

The above transfer was made from the General fund to the Food Service fund to cover shortfalls. This transaction will not be repaid by the Food Service fund.

**NOTE D: TAXES RECEIVABLE**

Following is a schedule of property taxes receivable as of June 30, 2008:

<u>General</u>	<u>House Bill 33</u>	<u>Senate Bill Nine</u>	<u>Debt Service</u>
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Property Taxes Receivable:

Available	\$	51,116	\$	634,618	\$	205,197	\$	71,738
Unavailable		21,933		193,248		87,877		30,312
TOTAL Property Taxes Receivable	\$	<u>73,049</u>	\$	<u>634,618</u>	\$	<u>293,074</u>	\$	<u>102,050</u>

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

Amounts due from other agencies and units of government were as follows as of June 30, 2008:

Federal Agencies	\$	423,151
State Agencies		132,412
Total	\$	<u>555,563</u>

**NOTE F: DEFERRED REVENUES**

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. The following deferred revenues are measurable but do not represent available expendable resources for the Fund Financial Statements for the fiscal year ended June 30, 2008:

	General	House Bill 33	Senate Bill Nine
Property Taxes	\$ 21,933	\$ 193,248	\$ 87,877
Federal Revenues	0	0	0
TOTAL Deferred Revenues	<u>\$ 21,933</u>	<u>\$ 193,248</u>	<u>\$ 87,877</u>

	Debt Service	Other Governmental	Total
Property Taxes	\$ 30,312	0	\$ 333,370
Federal Revenues	0	34,032	34,032
TOTAL Deferred Revenues	<u>\$ 30,312</u>	<u>\$ 34,032</u>	<u>\$ 367,402</u>

**NOTE G: CAPITAL ASSETS**

Capital Assets Balances and Activity for the Year Ended June 30, 2008, is as follows:

	Balance 6/30/07	Increases	Decreases	Balance 6/30/08
<b>Governmental Activities</b>				
Capital Assets not being Depreciated				
Land	\$ 2,031,305	\$ 0	\$ 0	\$ 2,031,305
Total Capital Assets not being Depreciated	<u>2,031,305</u>	<u>0</u>	<u>0</u>	<u>2,031,305</u>
Capital Assets, being Depreciated				
Buildings & Improvement	56,940,469	4,984,402	0	61,924,871

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Equipment, Vehicles, Information Technology Equipment, Software & Library Books	5,140,950	383,569		5,524,519
Total Capital Assets being Depreciated	<u>62,081,419</u>	<u>5,367,971</u>	<u>0</u>	<u>67,449,390</u>
Total Capital Assets	<u>64,112,724</u>	<u>5,367,971</u>	<u>0</u>	<u>69,480,695</u>
<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	26,790,177	2,423,412		29,213,589
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3,582,718	330,465		3,913,183
Total Accumulated Depreciation	<u>30,372,895</u>	<u>2,753,877</u>	<u>0</u>	<u>33,126,772</u>
Capital Assets, net	<u>\$ 33,739,829</u>	<u>\$ 2,614,094</u>	<u>\$ 0</u>	<u>\$ 36,353,923</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 73,864
Unallocated	2,680,013
Total depreciation expenses	<u>\$ 2,753,877</u>

**NOTE H: LONG TERM DEBT**

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

	Balance 6/30/07	Additions	Reductions	Balance 6/30/08	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 5,240,000	\$ 0	\$ 800,000	\$ 4,440,000	\$ 805,000
Total Bonds	<u>5,240,000</u>	<u>0</u>	<u>800,000</u>	<u>4,440,000</u>	<u>805,000</u>
Other Liabilities					
Compensated Absences	119,959	63,952	40,848	143,063	0
Total Other Liabilities	<u>119,959</u>	<u>63,952</u>	<u>40,848</u>	<u>143,063</u>	<u>0</u>
Long-Term	<u>\$ 5,359,959</u>	<u>\$ 63,952</u>	<u>\$ 840,848</u>	<u>\$ 4,583,063</u>	<u>\$ 805,000</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, Transportation Fund, Cafeteria Fund and Title I Fund.



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The current portion of the compensated absences is estimated at zero since there are no anticipated retirements or terminations.

**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.

<u>Series</u>	<u>Date of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance</u>
2003	10-17-03	6,595,000	5.127%-5.543%	\$ 4,440,000
				<u>\$ 4,440,000</u>

The annual requirements to amortize the 2003 Series general obligation bonds as of June 30, 2008, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 805,000	\$ 117,082	\$ 922,082
2010	835,000	97,217	932,217
2011	840,000	74,433	914,433
2012	870,000	48,895	918,895
2013	900,000	20,919	920,919
2014	190,000	3,192	193,192
	<u>\$ 4,440,000</u>	<u>\$ 361,738</u>	<u>\$ 4,801,738</u>

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

Note H	\$ 4,440,000
Net Issue Costs/Premium/Discounts on Bond Issues	(76,057)
Statement of Net Assets	<u>\$ 4,363,943</u>
Long-Term Per Government Wide Financial Statements	\$ 3,558,943
Current Portion	805,000
Statement of Net Assets	<u>\$ 4,363,943</u>

**NOTE I: COMMITMENTS**

There are no construction commitments as of June 30, 2008.

**NOTE J: PENSION PLAN**

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

Plan members are required to contribute 7.42% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2008, 2007, and 2006, were \$3,715,511, \$3,328,008 and \$2,963,218, respectively, which equal the amount of the required contributions for each fiscal year.

#### **NOTE K: RETIREE HEALTH CARE ACT CONTRIBUTIONS**

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

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

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

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 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. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary.

Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature

The District's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$388,348, \$364,092 and \$339,085, respectively, which equal the required contributions for each year.

#### **NOTE L: 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).

Reconciliations are located at the bottom of each budget actual.

**NOTE M: 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:

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

**NOTE N: JOINT POWERS AGREEMENTS**

The Southeastern New Mexico Educational Resource Center was established in recognition of the need to compensate for the unique isolation of the school districts in southeastern New Mexico. The primary mission of the regional center is to provide resources to the school districts in Chaves, Eddy, and Lea Counties through the collaborative efforts of the eleven participating districts and three government agencies. Local businesses have also joined in this partnership by providing sponsorship to many of the programs developed by the partners. Southeastern New Mexico Educational Resource Center is not a legal entity since it was not properly formed through a joint powers agreement adopted by each participating school district.

A joint powers agreement was entered into between the Artesia Public Schools (District) and the New Mexico Human Services Department to participate in the Medicaid School-Based Services program.

The Human Services Department (HSD) shall oversee the provision of direct services in the Medicaid School Based Services program. The District shall identify the special education and related services needs of each IDEA-eligible child or youth, regardless of whether all services identified qualify for Medicaid reimbursement. The District will collaborate with local community health and human service providers to develop and implement a Collaborative Plan that identifies health needs with the community and outlines strategies to meet those needs.

The purpose of the program is provide Medicaid reimbursable services to Medicaid eligible children.

The agreement became effective February 28, 2005 and remains in effect until June 30, 2009, or until terminated by the parties pursuant to the terms of the agreement.

The Human Services Department will reimburse the District for administrative costs in an amount not to exceed \$60,000 for each fiscal year.

The total expenditures for the year ending June 30, 2008 were \$88,606.

The District and HSD shall maintain fiscal records, as required by applicable federal and state laws and regulations. The District shall provide copies of such reports to HSD when requested, in accordance with the requirements of the Medicaid Provider Participation Agreement. The District has the audit responsibility for the revenues and expenditures at the District.

**NOTE O: 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.

**SUPPLEMENTAL INFORMATION RELATED TO  
MAJOR FUNDS**

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
CAPITAL PROJECT FUND-HOUSE BILL 33-31600  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Local Sources</b>				
Taxes	\$ 4,462,937	\$ 4,462,937	\$ 5,278,347	\$ 815,410
Investment Income	40,000	40,000	26,217	(13,783)
Total Local Sources	<u>4,502,937</u>	<u>4,502,937</u>	<u>5,304,564</u>	<u>801,627</u>
Total Revenues	<u>4,502,937</u>	<u>4,502,937</u>	<u>5,304,564</u>	<u>801,627</u>
<b>Expenditures</b>				
<b>Operation &amp; Maintenance of Plant</b>				
Professional & Tech Services	<u>15,251</u>	<u>16,156</u>	<u>16,156</u>	<u>0</u>
Total Operation & Maintenance of Plant	<u>15,251</u>	<u>16,156</u>	<u>16,156</u>	<u>0</u>
<b>Capital Outlay</b>				
Building Improvements	3,154,379	3,154,379	2,887,385	266,994
Land Improvements	4,716,920	4,716,920	1,154,557	3,562,363
Supply Assets	<u>300,000</u>	<u>300,000</u>	<u>35,588</u>	<u>264,412</u>
Total Capital Outlay	<u>8,171,299</u>	<u>8,171,299</u>	<u>4,077,530</u>	<u>4,093,769</u>
Total Expenditures	<u>8,186,550</u>	<u>8,187,455</u>	<u>4,093,686</u>	<u>4,093,769</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,683,613)	(3,684,518)	1,210,878	4,895,396
Cash Balance Beginning of Year	<u>4,280,832</u>	<u>4,280,832</u>	<u>4,280,832</u>	<u>0</u>
Cash Balance End of Year	\$ <u>597,219</u>	\$ <u>596,314</u>	\$ <u>5,491,710</u>	\$ <u>4,895,396</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,210,878	
Net change in Taxes Receivable			216,036	
Net change in Deferred Revenue			(3,795)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,423,119</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
CAPITAL PROJECT FUND-SENATE BILL NINE-31700  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Local Sources</b>				
Taxes	\$ 2,021,715	\$ 2,021,715	\$ 2,435,684	\$ 413,969
Investment Income	1,500	1,500	1,593	93
Miscellaneous	0	446,920	0	(446,920)
Total Local Sources	<u>2,023,215</u>	<u>2,470,135</u>	<u>2,437,277</u>	<u>(32,858)</u>
<b>State Sources</b>				
State Grant	0	73,316	40,855	(32,461)
Total State Sources	<u>0</u>	<u>73,316</u>	<u>40,855</u>	<u>(32,461)</u>
Total Revenues	<u>2,023,215</u>	<u>2,543,451</u>	<u>2,478,132</u>	<u>(65,319)</u>
<b>Expenditures</b>				
<b>Support Services-General Administration</b>				
Purchased Services	6,909	7,026	7,026	0
Total Support Services-General Administration	<u>6,909</u>	<u>7,026</u>	<u>7,026</u>	<u>0</u>
<b>Operation &amp; Maintenance of Plant</b>				
Maintenance & Repairs	1,002,700	901,499	901,499	0
Supplies	417,625	1,002,750	1,002,735	15
Total Operation & Maintenance of Plant	<u>1,420,325</u>	<u>1,904,249</u>	<u>1,904,234</u>	<u>15</u>
<b>Capital Outlay</b>				
Purchased Property Services	225,000	360,750	360,736	14
Fixed Assets	595,931	496,376	287,707	208,669
Supply Assets	435,500	435,500	0	435,500
Total Capital Outlay	<u>1,256,431</u>	<u>1,292,626</u>	<u>648,443</u>	<u>644,183</u>
Total Expenditures	<u>2,683,665</u>	<u>3,203,901</u>	<u>2,559,703</u>	<u>644,198</u>
Excess (Deficiency) of Revenues Over Expenditures	(660,450)	(660,450)	(81,571)	578,879
Cash Balance Beginning of Year	<u>660,450</u>	<u>660,450</u>	<u>660,450</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 578,879</u>	<u>\$ 578,879</u>

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficiency) of Revenues Over Expenditures-Cash Basis	\$	(81,571)
Net change in Taxes Receivable		102,252
Net change in Accounts Payable		(26,782)
Net change in Deferred Revenue		(991)
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis	\$	<u>(7,092)</u>

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
DEBT SERVICE-41000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Taxes	\$ 936,845	\$ 936,845	\$ 813,708	\$ (123,137)
Investment Income	0	0	1,952	1,952
Total Local Sources	<u>936,845</u>	<u>936,845</u>	<u>815,660</u>	<u>(121,185)</u>
Total Revenues	<u>936,845</u>	<u>936,845</u>	<u>815,660</u>	<u>(121,185)</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>1,341</u>	<u>2,457</u>	<u>2,457</u>	<u>0</u>
Total Support Services-General Administration	<u>1,341</u>	<u>2,457</u>	<u>2,457</u>	<u>0</u>
Debt Service				
Principal	800,000	800,000	800,000	0
Interest	<u>134,099</u>	<u>134,099</u>	<u>134,099</u>	<u>0</u>
Total Debt Service	<u>934,099</u>	<u>934,099</u>	<u>934,099</u>	<u>0</u>
Total Expenditures	<u>935,440</u>	<u>936,556</u>	<u>936,556</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,405	289	(120,896)	(121,185)
Cash Balance Beginning of Year	<u>1,094,608</u>	<u>1,094,608</u>	<u>1,094,608</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,096,013</u>	<u>\$ 1,094,897</u>	<u>\$ 973,712</u>	<u>\$ (121,185)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (120,896)	
Net change in Taxes Receivable			41,711	
Net change in Deferred Revenue			688	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (78,497)</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO  
NON MAJOR FUNDS**

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR GOVERNMENT FUNDS  
Combining Balance Sheet - By Fund Type  
June 30, 2008

	Special Revenue	Capital Outlay	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 342,526	\$ 16,704	\$ 359,230
Receivables			
Due From Grantor	210,112	0	210,112
Inventory	8,611	0	8,611
Total Assets	<u>561,249</u>	<u>16,704</u>	<u>577,953</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	207,123	0	207,123
Accounts Payable	6,827	0	6,827
Deferred Revenue	34,032	0	34,032
Total Liabilities	<u>247,982</u>	<u>0</u>	<u>247,982</u>
Fund Balance			
Reserved for Inventory	8,611	0	8,611
Reserved for Capital Improvements	0	16,704	16,704
Undesignated, reported in			
Special Revenue	304,656	0	304,656
Total Fund Balance	<u>313,267</u>	<u>16,704</u>	<u>329,971</u>
Total Liabilities and Fund Balance	<u>\$ 561,249</u>	<u>\$ 16,704</u>	<u>\$ 577,953</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures and Changes in  
Fund Balance - By Fund Type  
For the Year Ended June 30, 2008

	Special Revenue	Capital Outlay	Total
<b>Revenues</b>			
Fees	\$ 662,669	\$ 0	\$ 662,669
Investment Income	614	0	614
State Grants	366,392	514,995	881,387
Federal Grants	2,322,312	0	2,322,312
Miscellaneous	0	0	0
Total Revenues	<u>3,351,987</u>	<u>514,995</u>	<u>3,866,982</u>
<b>Expenditures</b>			
Current			
Instruction	1,305,984	0	1,305,984
Support Service-Students	379,100	0	379,100
Support Service-Instruction	21,108	0	21,108
Support Service-General Administration	23,850	0	23,850
Support Service-School Administration	201,250	0	201,250
Food Service	1,307,448	0	1,307,448
Community Service	5,000	0	5,000
Capital Outlay	5,532	514,995	520,527
Total Expenditures	<u>3,249,272</u>	<u>514,995</u>	<u>3,764,267</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>102,715</u>	<u>0</u>	<u>102,715</u>
Other Financing Sources (Uses)			
Transfers In/Out	42,000	0	42,000
Total Other Sources (Uses)	<u>42,000</u>	<u>0</u>	<u>42,000</u>
Net Change in Fund Balance	144,715	0	144,715
Fund Balances at Beginning of Year	<u>168,552</u>	<u>16,704</u>	<u>185,256</u>
Fund Balance End of Year	<u>\$ 313,267</u>	<u>\$ 16,704</u>	<u>\$ 329,971</u>

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

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

**Food Services (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 Migrant (24103).** To account for a program funded by a federal grant whose purpose is to implement school wide bilingual education programs of special alternative instruction programs to improve, reform and upgrade relevant programs and operations within an entire local educational agency, that serve a significant number of children and youth of limited English proficiency in local educational agencies with significant concentrations of such children and youth. The fund was created by the authority of federal grant provisions. (Title VII, Section 7115 of the ESEA (20USC 7425)).

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

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

**Enhancing Education Through Technology (24133).** To account for a Federal grant designed to strengthen teacher learning in the field of technology. The fund was created by the authority of federal grant provisions. (PL 103-382).

**Title V-A (24150).** To account for monies received to improve elementary and secondary education for children attending both public and private schools. The fund was created by grant provisions. (PL 103-382).

**Title III (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.

**NONMAJOR SPECIAL REVENUE FUNDS**

**Teacher/Principal Training & Recruiting (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).

**Title IV-A (24157).** To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 USC 7111-7118.

**Rural Low Income (24160)** To account for a federal grant to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. The grant is authorized by the Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

**GRADS Childcare CYFD (25149).** To account for funds received from New Mexico Department of Health for the Graduation and Dual Skills (GRADS) program for pregnant and parenting skills. The fund was created by state grant provisions.

**Title XIX 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).

**GRADS (25162).** To provide grants to States or Territories to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193. The fund was created by state grant provisions.

**Technology for Education (27117).** To account for funds received from the Technology for Education Grant created by the 1994 State Legislation to establish funding of any costs associated with educational technology. Funding provided by the State of New Mexico. (NMSA 22-15A-1-10).

**Obesity Program (27120)** To account for funds received from a state grant to hire a physical education teacher to instruct students in exercise in an after school program. The fund was created by state grant provisions.

**NONMAJOR SPECIAL REVENUE FUNDS**

**Incentives for School Improvement (27138).** To account for revenues and expenditures from a state grant as part of the Incentives for School Improvement Act: awarded based on the improvement in CTBS 5/Terra Nova or New Mexico High School Competency Examination scores. The fund was created by state grant provisions. (NMSA 22-13 A-1).

**Family & Youth (27140).** To account for revenues and expenditures from Family Education Rights & Privacy Act (FERPA) to provide a social worker with a classroom, computers and other supplies in order to help students and their parents with counseling services. The fund was created by State Grant provisions (NMSA22-13 A-7)

**Legislative Appropriations Laws of NM (27144).** To account for revenues and expenditures from a state grant to provide professional development, library materials and educational technology. Funding provided by the State of New Mexico.

**Library GO Bonds (27145).** 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.

**Beginning Teacher Mentoring Program (27154).** To account for revenues and expenditures from a state grant provided for tutoring and student enhancement activities in reading, math, and study skills for grades sixth through eight. The fund was created by state grant provisions.

**Classroom Breakfast (27155).** To account for revenues and expenditures from a state grant for the purpose of providing a free breakfast to elementary students. The fund was created by state grant provisions.

**After School Enrichment (27168).** To account for revenues and expenditures from the Public Education Department. The purpose of the funding is to provide opportunities for students to attend before and/or after school programs including charter schools.

**Go Bonds (27170).** 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.

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

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	Food Service 21000	Athletics 22000	Migrant 24103
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 959	\$ 83,848	\$ 2,327
Receivables			
Due From Grantor	0	0	0
Inventory	8,611	0	0
Total Assets	<u>9,570</u>	<u>83,848</u>	<u>2,327</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	0	0	0
Accounts Payable	0	499	0
Deferred Revenue	0	0	2,327
Total Liabilities	<u>0</u>	<u>499</u>	<u>2,327</u>
Fund Balance			
Reserved for Inventory	8,611	0	0
Undesignated, reported in			
Special Revenue	959	83,349	0
Total Fund Balance	<u>9,570</u>	<u>83,349</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 9,570</u>	<u>\$ 83,848</u>	<u>\$ 2,327</u>

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

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	IDEA, Part B Entitlement 24106	IDEA, Part B Preschool 24109	Title II-D Enhancing 24133
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 20,461	\$ 11,690	\$ 2,151
Receivables			
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>20,461</u>	<u>11,690</u>	<u>2,151</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	0	0	0
Accounts Payable	2,597	0	0
Deferred Revenue	17,864	11,690	2,151
Total Liabilities	<u>20,461</u>	<u>11,690</u>	<u>2,151</u>
Fund Balance			
Reserved for Inventory	0	0	0
Undesignated, reported in Special Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 20,461</u>	<u>\$ 11,690</u>	<u>\$ 2,151</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

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	Title V-A 24150	Title III 24153	Teacher/ Principal Training & Recruiting 24154
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	3,581	7,397	17,391
Inventory	0	0	0
Total Assets	<u>3,581</u>	<u>7,397</u>	<u>17,391</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	3,581	7,397	17,391
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>3,581</u>	<u>7,397</u>	<u>17,391</u>
Fund Balance			
Reserved for Inventory	0	0	0
Undesignated, reported in Special Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 3,581</u>	<u>\$ 7,397</u>	<u>\$ 17,391</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

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	Title IV-A 24157	Rural Low Income 24160	Grads Childcare 25149
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	6,275	43,056	0
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>6,275</u>	<u>43,056</u>	<u>0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	6,275	43,056	0
Accounts Payable	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>6,275</u>	<u>43,056</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Undesignated, reported in			
Special Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 6,275</u>	<u>\$ 43,056</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

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	Title XIX Medicaid 25153	Grads 25162	Technology For Education 27117
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 120,462	\$ 0	\$ 48,968
Receivables			
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>120,462</u>	<u>0</u>	<u>48,968</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	0	0	0
Accounts Payable	80	0	85
Deferred Revenue	0	0	0
Total Liabilities	<u>80</u>	<u>0</u>	<u>85</u>
Fund Balance			
Reserved for Inventory	0	0	0
Undesignated, reported in			
Special Revenue	120,382	0	48,883
Total Fund Balance	<u>120,382</u>	<u>0</u>	<u>48,883</u>
Total Liabilities and Fund Balance	<u>\$ 120,462</u>	<u>\$ 0</u>	<u>\$ 48,968</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

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	Obesity 27120	Incentives For School Improvement 27138	Family & Youth 27140
	<u>27120</u>	<u>27138</u>	<u>27140</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 15,280	\$ 0
Receivables			
Due From Grantor	10,170	0	20,680
Inventory	0	0	0
Total Assets	<u>10,170</u>	<u>15,280</u>	<u>20,680</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balances	7,181	0	20,680
Accounts Payable	2,989	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>10,170</u>	<u>0</u>	<u>20,680</u>
<b>Fund Balance</b>			
Reserved for Inventory	0	0	0
Undesignated, reported in			
Special Revenue	0	15,280	0
Total Fund Balance	<u>0</u>	<u>15,280</u>	<u>0</u>
<b>Total Liabilities and Fund Balance</b>	<b>\$ <u>10,170</u></b>	<b>\$ <u>15,280</u></b>	<b>\$ <u>20,680</u></b>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

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	Legislative Appropriation Laws of NM <u>27144</u>	Library GO Bonds <u>27145</u>	Beginning Teacher Mentoring <u>27154</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 30,753	\$ 0	\$ 5,627
Receivables			
Due From Grantor	0	28,252	0
Inventory	0	0	0
Total Assets	<u>30,753</u>	<u>28,252</u>	<u>5,627</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	0	28,252	0
Accounts Payable	0	0	577
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>28,252</u>	<u>577</u>
Fund Balance			
Reserved for Inventory	0	0	0
Undesignated, reported in			
Special Revenue	<u>30,753</u>	<u>0</u>	<u>5,050</u>
Total Fund Balance	<u>30,753</u>	<u>0</u>	<u>5,050</u>
 Total Liabilities and Fund Balance	 <u>\$ 30,753</u>	 <u>\$ 28,252</u>	 <u>\$ 5,627</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

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	Classroom Breakfast <u>27155</u>	After School Enrichment <u>27168</u>	GO Bonds <u>27170</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	54,740	18,570
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>0</u></u>	<u><u>54,740</u></u>	<u><u>18,570</u></u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balances	0	54,740	18,570
Accounts Payable	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u><u>0</u></u>	<u><u>54,740</u></u>	<u><u>18,570</u></u>
Fund Balance			
Reserved for Inventory	0	0	0
Undesignated, reported in			
Special Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 0</u></u>	<u><u>\$ 54,740</u></u>	<u><u>\$ 18,570</u></u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

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	<u>Total</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 342,526
Receivables	
Due From Grantor	210,112
Inventory	8,611
Total Assets	<u>561,249</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Interfund Balances	207,123
Accounts Payable	6,827
Deferred Revenue	34,032
Total Liabilities	<u>247,982</u>
Fund Balance	
Reserved for Inventory	8,611
Undesignated, reported in Special Revenue	<u>304,656</u>
Total Fund Balance	<u>313,267</u>
Total Liabilities and Fund Balance	<u>\$ 561,249</u>

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2008

	Food Service 21000	Athletics 22000	Migrant 24103
<b>Revenues</b>			
Fees	\$ 485,658	\$ 177,011	\$ 0
Investment Income	234	380	0
State Grants	0	0	0
Federal Grants	768,210	0	0
Miscellaneous	0	0	0
Total Revenues	<u>1,254,102</u>	<u>177,391</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Instruction	0	191,389	0
Support Service-Students	0	0	0
Support Service-Instruction	0	0	0
Support Service-General Administration	0	0	0
Support Service-School Administration	0	0	0
Food Services	1,297,156	0	0
Community Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>1,297,156</u>	<u>191,389</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(43,054)	(13,998)	0
<b>Other Financing Sources (Uses)</b>			
Transfers In/Out	42,000	0	0
Total Other Sources (Uses)	<u>42,000</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(1,054)	(13,998)	0
Fund Balances at Beginning of Year	<u>10,624</u>	<u>97,347</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 9,570</u>	<u>\$ 83,349</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2008

	IDEA, Part B Entitlement 24106	IDEA, Part B Preschool 24109	Enhancing Education Through Technology 24133
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
State Grants	0	0	0
Federal Grants	929,413	47,264	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<u>929,413</u>	<u>47,264</u>	<u>0</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	513,399	9,336	0
Support Service-Students	246,174	792	0
Support Service-Instruction	1,948	0	0
Support Service-General Administration	14,420	735	0
Support Service-School Administration	147,940	36,401	0
Food Services	0	0	0
Community Service	0	0	0
<b>Capital Outlay</b>	5,532	0	0
<b>Total Expenditures</b>	<u>929,413</u>	<u>47,264</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	0	0	0
<b>Other Financing Sources (Uses)</b>			
Transfers In/Out	0	0	0
<b>Total Other Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	0	0	0
<b>Fund Balances at Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2008

	Title V 24150	Title III 24153	Teacher/ Principal Training & Recruiting 24154
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
State Grants	0	0	0
Federal Grants	5,879	12,819	228,288
Miscellaneous	0	0	0
Total Revenues	<u>5,879</u>	<u>12,819</u>	<u>228,288</u>
<b>Expenditures</b>			
Current			
Instruction	2,072	11,743	217,309
Support Service-Students	2,222	0	60
Support Service-Instruction	152	0	0
Support Service-General Administration	0	599	4,669
Support Service-School Administration	1,433	477	6,250
Food Services	0	0	0
Community Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>5,879</u>	<u>12,819</u>	<u>228,288</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
<b>Other Financing Sources (Uses)</b>			
Transfers In/Out	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	0	0	0
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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2008

	Title IV-A 24157	Rural Low Income 24160	Grads Childcare 25149
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
State Grants	0	0	0
Federal Grants	18,086	113,546	5,000
Miscellaneous	0	0	0
<b>Total Revenues</b>	<u>18,086</u>	<u>113,546</u>	<u>5,000</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	109,188	0
Support Service-Students	17,805	0	0
Support Service-Instruction	0	0	0
Support Service-General Administration	281	1,769	0
Support Service-School Administration	0	2,589	0
Food Services	0	0	0
Community Service	0	0	5,000
Capital Outlay	0 #	0	0
<b>Total Expenditures</b>	<u>18,086</u>	<u>113,546</u>	<u>5,000</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	0	0	0
<b>Other Financing Sources (Uses)</b>			
Transfers In/Out	0	0	0
<b>Total Other Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	0	0	0
<b>Fund Balances at Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2008

	Title XIX Medicaid 25153	Grads 25162	Technology For Education 27117
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
State Grants	0	0	110,169
Federal Grants	181,807	12,000	0
Miscellaneous	0	0	0
Total Revenues	<u>181,807</u>	<u>12,000</u>	<u>110,169</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	12,000	42,000
Support Service-Students	82,047	0	0
Support Service-Instruction	0	0	18,308
Support Service-General Administration	1,377	0	0
Support Service-School Administration	5,182	0	978
Food Services	0	0	0
Community Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>88,606</u>	<u>12,000</u>	<u>61,286</u>
Excess (Deficiency) of Revenues Over Expenditures	93,201	0	48,883
<b>Other Financing Sources (Uses)</b>			
Transfers In/Out	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	93,201	0	48,883
Fund Balances at Beginning of Year	<u>27,181</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 120,382</u>	<u>\$ 0</u>	<u>\$ 48,883</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2008

	Obesity Program 27120	Incentives For School Improvement 27138	Family & Youth 27140
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
State Grants	19,602	38,205	30,000
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>19,602</u>	<u>38,205</u>	<u>30,000</u>
<b>Expenditures</b>			
Current			
Instruction	19,602	24,261	0
Support Service-Students	0	0	30,000
Support Service-Instruction	0	0	0
Support Service-General Administration	0	0	0
Support Service-School Administration	0	0	0
Food Services	0	0	0
Community Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>19,602</u>	<u>24,261</u>	<u>30,000</u>
Excess (Deficiency) of Revenues Over Expenditures	0	13,944	0
Other Financing Sources (Uses)			
Transfers In/Out	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	13,944	0
Fund Balances at Beginning of Year	<u>0</u>	<u>1,336</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 15,280</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2008

	Legislative Appropriation Laws of NM 27144	GO Library 27145	Beginning Teacher Mentoring 27154
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
State Grants	0	0	38,687
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>38,687</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	0	34,248
Support Service-Students	0	0	0
Support Service-Instruction	0	0	700
Support Service-General Administration	0	0	0
Support Service-School Administration	0	0	0
Food Services	0	0	0
Community Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>34,948</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	3,739
Other Financing Sources (Uses)			
Transfers In/Out	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	3,739
Fund Balances at Beginning of Year	<u>30,753</u>	<u>0</u>	<u>1,311</u>
Fund Balance End of Year	<u>\$ 30,753</u>	<u>\$ 0</u>	<u>\$ 5,050</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2008

	Classroom Breakfast 27155	After School Enrichment 27168	Libraries GO Bonds 27170
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
State Grants	10,292	90,000	29,437
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>10,292</u>	<u>90,000</u>	<u>29,437</u>
<b>Expenditures</b>			
Current			
Instruction	0	90,000	29,437
Support Service-Students	0	0	0
Support Service-Instruction	0	0	0
Support Service-General Administration	0	0	0
Support Service-School Administration	0	0	0
Food Services	10,292	0	0
Community Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>10,292</u>	<u>90,000</u>	<u>29,437</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Other Financing Sources (Uses)			
Transfers In/Out	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2008

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	<u>Total</u>
Revenues	
Fees	\$ 662,669
Investment Income	614
State Grants	366,392
Federal Grants	2,322,312
Miscellaneous	0
Total Revenues	<u>3,351,987</u>
Expenditures	
Current	
Instruction	1,305,984
Support Service-Students	379,100
Support Service-Instruction	21,108
Support Service-General Administration	23,850
Support Service-School Administration	201,250
Food Services	1,307,448
Community Service	5,000
Capital Outlay	5,532
Total Expenditures	<u>3,243,740</u>
Excess (Deficiency) of Revenues Over Expenditures	102,715
Other Financing Sources (Uses)	
Transfers In/Out	42,000
Total Other Sources (Uses)	<u>42,000</u>
Net Change in Fund Balance	144,715
Fund Balances at Beginning of Year	<u>168,552</u>
Fund Balance End of Year	<u>\$ 313,267</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-FOOD SERVICE-21000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Local Sources</b>				
Fees	\$ 477,339	\$ 477,339	\$ 485,658	\$ 8,319
Investment Income	0	0	234	234
Total Local Sources	<u>477,339</u>	<u>477,339</u>	<u>485,892</u>	<u>8,553</u>
<b>Federal Sources</b>				
Federal Programs	733,720	733,720	706,676	(27,044)
Total Federal Sources	<u>733,720</u>	<u>733,720</u>	<u>706,676</u>	<u>(27,044)</u>
Total Revenues	<u>1,211,059</u>	<u>1,211,059</u>	<u>1,192,568</u>	<u>(18,491)</u>
<b>Expenditures</b>				
<b>Food Service Operations</b>				
Personnel Services	405,735	406,960	406,960	0
Employee Benefits	157,506	165,011	160,145	4,866
Professional & Tech Services	680	680	340	340
Other Purchased Services	4,700	5,731	5,731	0
Supplies	642,706	668,088	668,088	0
Total Food Service Operations	<u>1,211,327</u>	<u>1,246,470</u>	<u>1,241,264</u>	<u>5,206</u>
Total Expenditures	<u>1,211,327</u>	<u>1,246,470</u>	<u>1,241,264</u>	<u>5,206</u>
Excess (Deficiency) of Revenues Over Expenditures	(268)	(35,411)	(48,696)	(13,285)
<b>Other Financing Sources (Uses)</b>				
Transfer from Operational	0	42,000	42,000	0
Total Other Sources (Uses)	<u>0</u>	<u>42,000</u>	<u>42,000</u>	<u>0</u>
Net Change in Fund Balance	0	6,589	(6,696)	(13,285)
Cash Balance Beginning of Year	<u>7,655</u>	<u>7,655</u>	<u>7,655</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 7,655</u>	<u>\$ 14,244</u>	<u>\$ 959</u>	<u>\$ (13,285)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (48,696)	
Net Change in Inventory			5,642	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (43,054)</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-ATHLETICS-22000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Local Sources</b>				
Fees	\$ 168,200	\$ 168,200	\$ 177,011	\$ 8,811
Investment Income	400	400	380	(20)
Total Local Sources	<u>168,600</u>	<u>168,600</u>	<u>177,391</u>	<u>8,791</u>
Total Revenues	<u>168,600</u>	<u>168,600</u>	<u>177,391</u>	<u>8,791</u>
<b>Expenditures</b>				
<b>Other Support Services</b>				
Personnel Services	58,250	58,250	30,345	27,905
Employee Benefits	7,275	7,275	5,326	1,949
Professional & Tech Services	25,000	25,000	8,311	16,689
Purchased Services	117,160	117,160	102,448	14,712
General Supplies	36,500	44,526	44,526	0
Total Other Support Services	<u>244,185</u>	<u>252,211</u>	<u>190,956</u>	<u>61,255</u>
Total Expenditures	<u>244,185</u>	<u>252,211</u>	<u>190,956</u>	<u>61,255</u>
Excess (Deficiency) of Revenues Over Expenditures	(75,585)	(83,611)	(13,565)	70,046
Cash Balance Beginning of Year	<u>97,413</u>	<u>97,413</u>	<u>97,413</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 21,828</u>	<u>\$ 13,802</u>	<u>\$ 83,848</u>	<u>\$ 70,046</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (13,565)	
Net Change in Accounts Payable			<u>(433)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (13,998)</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-TITLE I MIGRANT-24103  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	2,327	2,327	0	2,327
Total Instruction	<u>2,327</u>	<u>2,327</u>	<u>0</u>	<u>2,327</u>
Total Expenditures	<u>2,327</u>	<u>2,327</u>	<u>0</u>	<u>2,327</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,327)	(2,327)	0	2,327
Cash Balance Beginning of Year	<u>2,327</u>	<u>2,327</u>	<u>2,327</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,327</u>	<u>\$ 2,327</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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-IDEA PART B, ENTITLEMENT-24106  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 821,349	\$ 1,005,812	\$ 984,616	\$ (21,196)
Total Federal Sources	<u>821,349</u>	<u>1,005,812</u>	<u>984,616</u>	<u>(21,196)</u>
Total Revenues	<u>821,349</u>	<u>1,005,812</u>	<u>984,616</u>	<u>(21,196)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	295,060	354,826	354,825	1
Employee Benefits	140,310	148,160	138,030	10,130
Purchased Services	6,000	9,500	7,503	1,997
Other Textbooks	12,000	14,300	13,041	1,259
Total Instruction	<u>453,370</u>	<u>526,786</u>	<u>513,399</u>	<u>13,387</u>
<b>Support Services-Students</b>				
Personnel Services	75,575	146,395	146,188	207
Employee Benefits	26,863	43,351	43,351	0
Professional & Tech Services	11,900	11,900	5,243	6,657
Purchased Services	30,150	39,500	37,381	2,119
Supplies	13,300	13,300	11,713	1,587
Property	3,000	8,600	5,532	3,068
Total Support Services-Students	<u>160,788</u>	<u>263,046</u>	<u>249,408</u>	<u>13,638</u>
<b>Support Services-Instruction</b>				
Professional & Tech Services	1,300	1,474	1,474	0
Supplies	4,700	1,660	367	1,293
Total Support Services-Instruction	<u>6,000</u>	<u>3,134</u>	<u>1,841</u>	<u>1,293</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	6,000	14,420	14,420	0
Total Support Services- General Administration	<u>\$ 6,000</u>	<u>\$ 14,420</u>	<u>\$ 14,420</u>	<u>\$ 0</u>

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-IDEA PART B, ENTITLEMENT-24106  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

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	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 102,428	\$ 102,428	\$ 95,921	\$ 6,507
Employee Benefits	38,590	38,790	33,984	4,806
Professional & Tech Services	100	3,100	2,165	935
Purchased Services	2,000	2,035	2,035	0
Supplies	15,000	15,000	13,909	1,091
Total Support Services-School Administration	<u>158,118</u>	<u>161,353</u>	<u>148,014</u>	<u>13,339</u>
Total Expenditures	<u>784,276</u>	<u>968,739</u>	<u>927,082</u>	<u>41,657</u>
Excess (Deficiency) of Revenues Over Expenditures	37,073	37,073	57,534	20,461
Cash Balance Beginning of Year	<u>(37,073)</u>	<u>(37,073)</u>	<u>(37,073)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>20,461</u>	\$ <u>20,461</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 57,534	
Net Change in Due from Grantor			(37,338)	
Net Change in Accounts Payable			(2,332)	
Net Change in Deferred Revenue			(17,864)	
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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-IDEA PRESCHOOL-24109  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 41,604	\$ 54,862	\$ 54,138	\$ (724)
Total Federal Sources	<u>41,604</u>	<u>54,862</u>	<u>54,138</u>	<u>(724)</u>
Total Revenues	<u>41,604</u>	<u>54,862</u>	<u>54,138</u>	<u>(724)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	7,010	13,310	6,503	6,807
Employee Benefits	1,403	1,603	1,189	414
Purchased Services	150	650	375	275
Supplies	800	1,832	1,269	563
Total Instruction	<u>9,363</u>	<u>17,395</u>	<u>9,336</u>	<u>8,059</u>
<b>Support Services-Students</b>				
Purchased Services	240	2,240	305	1,935
Supplies	500	1,300	487	813
Total Support Services-Students	<u>740</u>	<u>3,540</u>	<u>792</u>	<u>2,748</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	725	921	735	186
Total Support Services-General Administration	<u>725</u>	<u>921</u>	<u>735</u>	<u>186</u>
<b>Support Services-School Administration</b>				
Personnel Services	26,642	28,642	27,741	901
Employee Benefits	8,950	9,180	8,660	520
Total Support Services-School Administration	<u>35,592</u>	<u>37,822</u>	<u>36,401</u>	<u>1,421</u>
Total Expenditures	<u>46,420</u>	<u>59,678</u>	<u>47,264</u>	<u>12,414</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,816)	(4,816)	6,874	11,690
Cash Balance Beginning of Year	<u>4,816</u>	<u>4,816</u>	<u>4,816</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,690</u>	<u>\$ 11,690</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,874	
Net Change in Deferred Revenue			(6,874)	
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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-ENHANCING EDUCATION THROUGH TECHNOLOGY-24133  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 455	\$ 455	\$ 1,301	\$ 846
Total Federal Sources	<u>455</u>	<u>455</u>	<u>1,301</u>	<u>846</u>
Total Revenues	<u>455</u>	<u>455</u>	<u>1,301</u>	<u>846</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	<u>1,304</u>	<u>1,304</u>	<u>0</u>	<u>1,304</u>
Total Instruction	<u>1,304</u>	<u>1,304</u>	<u>0</u>	<u>1,304</u>
Total Expenditures	<u>1,304</u>	<u>1,304</u>	<u>0</u>	<u>1,304</u>
Excess (Deficiency) of Revenues Over Expenditures	(849)	(849)	1,301	2,150
Cash Balance Beginning of Year	<u>850</u>	<u>850</u>	<u>850</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>1</u></u>	\$ <u><u>1</u></u>	\$ <u><u>2,151</u></u>	\$ <u><u>2,150</u></u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,301	
			<u>(1,301)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>0</u></u>	

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-TITLE V-A-24150  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 6,080	\$ 10,212	\$ 4,355	\$ (5,857)
Total Federal Sources	<u>6,080</u>	<u>10,212</u>	<u>4,355</u>	<u>(5,857)</u>
Total Revenues	<u>6,080</u>	<u>10,212</u>	<u>4,355</u>	<u>(5,857)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	71	71	0
Purchased Services	1,661	1,661	724	937
Supplies	651	1,277	1,277	0
Total Instruction	<u>2,312</u>	<u>3,009</u>	<u>2,072</u>	<u>937</u>
<b>Support Services-Students</b>				
Professional & Tech Services	938	2,430	1,470	960
Supplies	264	752	752	0
Total Support Services-Students	<u>1,202</u>	<u>3,182</u>	<u>2,222</u>	<u>960</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	69	91	91	0
Supplies	439	439	60	379
Total Support Services-General Administration	<u>508</u>	<u>530</u>	<u>151</u>	<u>379</u>
<b>Support Services-School Administration</b>				
Purchased Services	0	1,433	1,433	0
Total Support Services-School Administration	<u>0</u>	<u>1,433</u>	<u>1,433</u>	<u>0</u>
Total Expenditures	<u>4,022</u>	<u>8,154</u>	<u>5,878</u>	<u>2,276</u>
Excess (Deficiency) of Revenues Over Expenditures	2,058	2,058	(1,523)	(3,581)
Cash Balance Beginning of Year	<u>(2,058)</u>	<u>(2,058)</u>	<u>(2,058)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,581)</u>	<u>\$ (3,581)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,523)	
Net change in Due from Grantor			<u>1,523</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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-Title III-24153  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 10,863	\$ 15,133	\$ 6,391	\$ (8,742)
Total Federal Sources	<u>10,863</u>	<u>15,133</u>	<u>6,391</u>	<u>(8,742)</u>
Total Revenues	<u>10,863</u>	<u>15,133</u>	<u>6,391</u>	<u>(8,742)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Purchased Services	6,983	8,850	8,850	0
Supplies	<u>2,750</u>	<u>3,747</u>	<u>2,893</u>	<u>854</u>
Total Instruction	<u>9,733</u>	<u>12,597</u>	<u>11,743</u>	<u>854</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	162	203	200	3
Supplies	<u>0</u>	<u>400</u>	<u>400</u>	<u>0</u>
Total Support Services-General Administration	<u>162</u>	<u>603</u>	<u>600</u>	<u>3</u>
<b>Support Services-School Administration</b>				
Purchased Services	<u>0</u>	<u>965</u>	<u>477</u>	<u>488</u>
Total Support Services-School Administration	<u>0</u>	<u>965</u>	<u>477</u>	<u>488</u>
Total Expenditures	<u>9,895</u>	<u>14,165</u>	<u>12,820</u>	<u>1,345</u>
Excess (Deficiency) of Revenues Over Expenditures	968	968	(6,429)	(7,397)
Cash Balance Beginning of Year	<u>(968)</u>	<u>(968)</u>	<u>(968)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (7,397)</u>	<u>\$ (7,397)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,429)	
Net change in Due from Grantor			<u>6,429</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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-TEACHER/PRINCIPAL TRAINING & RECRUITING-24154  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 68,205	\$ 70,128	\$ 275,884	\$ 205,756
Total Federal Sources	<u>68,205</u>	<u>70,128</u>	<u>275,884</u>	<u>205,756</u>
Total Revenues	<u>68,205</u>	<u>70,128</u>	<u>275,884</u>	<u>205,756</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	144,484	146,072	146,072	0
Employee Benefits	47,767	41,176	41,176	0
Purchased Services	9,239	19,567	19,567	0
Supplies	13,022	13,022	11,494	1,528
Total Instruction	<u>214,512</u>	<u>219,837</u>	<u>218,309</u>	<u>1,528</u>
<b>Support Services-Students</b>				
Purchased Services	0	60	60	0
Support Services-Students	<u>0</u>	<u>60</u>	<u>60</u>	<u>0</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	3,513	3,575	3,575	0
Purchased Services	3,000	3,000	1,203	1,797
Total Support Services-General Administration	<u>6,513</u>	<u>6,575</u>	<u>4,778</u>	<u>1,797</u>
<b>Support Services-School Administration</b>				
Purchased Services	4,800	6,723	6,723	0
Total Support Services-School Administration	<u>4,800</u>	<u>6,723</u>	<u>6,723</u>	<u>0</u>
Total Expenditures	<u>225,825</u>	<u>233,195</u>	<u>229,870</u>	<u>3,325</u>
Excess (Deficiency) of Revenues Over Expenditures	(157,620)	(163,067)	46,014	209,081
Cash Balance Beginning of Year	<u>(63,405)</u>	<u>(63,405)</u>	<u>(63,405)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (221,025)</u>	<u>\$ (226,472)</u>	<u>\$ (17,391)</u>	<u>\$ 209,081</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 46,014	
Net change in Due from Grantor			(47,596)	
Net change in Accounts Payable			1,582	
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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-TITLE IV-A-24157  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 25,717	\$ 26,106	\$ 19,372	\$ (6,734)
Total Federal Sources	<u>25,717</u>	<u>26,106</u>	<u>19,372</u>	<u>(6,734)</u>
Total Revenues	<u>25,717</u>	<u>26,106</u>	<u>19,372</u>	<u>(6,734)</u>
<b>Expenditures</b>				
<b>Support Services-Students</b>				
Personnel Services	12,641	12,641	12,641	0
Employee Benefits	5,213	5,143	4,704	439
Purchased Services	0	459	459	0
Total Support Services-Students	<u>17,854</u>	<u>18,243</u>	<u>17,804</u>	<u>439</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	302	302	282	20
Total Support Services-General Administration	<u>302</u>	<u>302</u>	<u>282</u>	<u>20</u>
Total Expenditures	<u>18,156</u>	<u>18,545</u>	<u>18,086</u>	<u>459</u>
Excess (Deficiency) of Revenues Over Expenditures	7,561	7,561	1,286	(6,275)
Cash Balance Beginning of Year	<u>(7,561)</u>	<u>(7,561)</u>	<u>(7,561)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (6,275)</u>	<u>\$ (6,275)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,286	
Due from Grantor			<u>(1,286)</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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-RURAL LOW INCOME-24160  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 160,462	\$ 182,911	\$ 133,289	\$ (49,622)
Total Federal Sources	<u>160,462</u>	<u>182,911</u>	<u>133,289</u>	<u>(49,622)</u>
Total Revenues	<u>160,462</u>	<u>182,911</u>	<u>133,289</u>	<u>(49,622)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	63,024	77,816	73,072	4,744
Employee Benefits	27,813	33,715	33,715	0
Purchased Services	2,400	4,400	2,578	1,822
Total Instruction	<u>93,237</u>	<u>115,931</u>	<u>109,365</u>	<u>6,566</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	1,522	1,769	1,769	0
Total Support Services-General Administration	<u>1,522</u>	<u>1,769</u>	<u>1,769</u>	<u>0</u>
<b>Support Services-School Administration</b>				
Personnel Services	0	540	540	0
Employee Benefits	0	107	107	0
Purchased Services	3,081	1,942	1,942	0
Total Support Services-School Administration	<u>3,081</u>	<u>2,589</u>	<u>2,589</u>	<u>0</u>
Total Expenditures	<u>97,840</u>	<u>120,289</u>	<u>113,723</u>	<u>6,566</u>
Excess (Deficiency) of Revenues Over Expenditures	160,462	62,622	19,566	(43,056)
Cash Balance Beginning of Year	<u>(62,622)</u>	<u>(62,622)</u>	<u>(62,622)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 97,840</u>	<u>\$ 0</u>	<u>\$ (43,056)</u>	<u>\$ (43,056)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 19,566	
Net change in Due from Grantor			(19,742)	
Net change in Accounts Payable			176	
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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-GRADS CHILDCARE-25149  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 0	\$ 5,000	\$ 5,000	\$ 0
Total Federal Sources	<u>0</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<b>Expenditures</b>				
<b>Community Services</b>				
Personnel Services	0	5,000	5,000	0
Total Community Services	<u>0</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>5,000</u>	<u>5,000</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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND- TITLE XIX-MEDICAID-25153  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 69,195	\$ 74,329	\$ 181,807	\$ 107,478
Total Federal Sources	<u>69,195</u>	<u>74,329</u>	<u>181,807</u>	<u>107,478</u>
Total Revenues	<u>69,195</u>	<u>74,329</u>	<u>181,807</u>	<u>107,478</u>
<b>Expenditures</b>				
<b>Support Services-Students</b>				
Personnel Services	56,943	56,943	56,943	0
Employee Benefits	16,057	16,057	14,197	1,860
Purchased Services	21,900	21,900	10,826	11,074
Total Support Services-Students	<u>94,900</u>	<u>94,900</u>	<u>81,966</u>	<u>12,934</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	1,476	1,427	1,377	50
Total Support Services-General Administration	<u>1,476</u>	<u>1,427</u>	<u>1,377</u>	<u>50</u>
<b>Support Services-School Administration</b>				
Professional & Tech Services	0	4,913	4,913	0
Purchased Services	0	222	222	0
Supplies	0	48	48	0
Total Support Services-School Administration	<u>0</u>	<u>5,183</u>	<u>5,183</u>	<u>0</u>
Total Expenditures	<u>96,376</u>	<u>101,510</u>	<u>88,526</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(27,181)	(27,181)	93,281	120,462
Cash Balance Beginning of Year	<u>27,181</u>	<u>27,181</u>	<u>27,181</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 120,462</u>	<u>\$ 120,462</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 93,281	
Net change in Accounts Payable			<u>(80)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 93,201</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-GRADS-25162  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 0	\$ 12,000	\$ 12,000	\$ 0
Total Federal Sources	<u>0</u>	<u>12,000</u>	<u>12,000</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>12,000</u>	<u>12,000</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional Services	0	12,000	12,000	0
Total Instruction	<u>0</u>	<u>12,000</u>	<u>12,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>12,000</u>	<u>12,000</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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-TECHNOLOGY FOR EDUCATION-27117  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State Sources</b>				
State Grant	\$ 20,146	\$ 84,049	\$ 130,314	\$ 46,265
Total State Sources	<u>20,146</u>	<u>84,049</u>	<u>130,314</u>	<u>46,265</u>
Total Revenues	<u>20,146</u>	<u>84,049</u>	<u>130,314</u>	<u>46,265</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	12,000	9,298	2,702
Property	0	32,702	32,702	0
Total Instruction	<u>0</u>	<u>44,702</u>	<u>42,000</u>	<u>2,702</u>
<b>Support Services-Instruction</b>				
Purchased Services	0	9,031	9,031	0
Supplies	0	9,192	9,192	0
Total Support Services-Instruction	<u>0</u>	<u>18,223</u>	<u>18,223</u>	<u>0</u>
<b>Support Services-School Administration</b>				
Purchased Services	0	402	401	1
Supplies	0	576	576	0
Total Support Services- School Administration	<u>0</u>	<u>978</u>	<u>977</u>	<u>1</u>
Total Expenditures	<u>0</u>	<u>63,903</u>	<u>61,200</u>	<u>2,703</u>
Excess (Deficiency) of Revenues Over Expenditures	20,146	20,146	69,114	48,968
Cash Balance Beginning of Year	<u>(20,146)</u>	<u>(20,146)</u>	<u>(20,146)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 48,968</u>	<u>\$ 48,968</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 69,114	
Net change in Due from Grantor			(20,146)	
Net change in Accounts Payable			(85)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 48,883</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-OBESITY PROGRAM (27120)  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State Sources</b>				
State Grant	\$ 0	\$ 16,613	\$ 9,432	\$ (7,181)
Total State Sources	0	16,613	9,432	(7,181)
Total Revenues	0	16,613	9,432	(7,181)
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	1,626	1,626	0
Property	0	14,987	14,987	0
Total Instruction	0	16,613	16,613	0
Total Expenditures	0	16,613	16,613	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	(7,181)	(7,181)
Cash Balance Beginning of Year	0	0	0	0
Cash Balance End of Year	\$ 0	\$ 0	\$ (7,181)	\$ (7,181)
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,181)	
Net change in Due from Grantor			10,170	
Net change in Accounts Payable			(2,989)	
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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENT-27138  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State Sources</b>				
State Grant	\$ 0	\$ 27,163	\$ 38,205	\$ 11,042
Total State Sources	<u>0</u>	<u>27,163</u>	<u>38,205</u>	<u>11,042</u>
Total Revenues	<u>0</u>	<u>27,163</u>	<u>38,205</u>	<u>11,042</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Purchased Services	1,336	1,079	790	289
Supplies	0	20,405	16,456	3,949
Property	0	7,015	7,015	0
Total Instruction	<u>1,336</u>	<u>28,499</u>	<u>24,261</u>	<u>4,238</u>
Total Expenditures	<u>1,336</u>	<u>28,499</u>	<u>24,261</u>	<u>4,238</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,336)	(1,336)	13,944	15,280
Cash Balance Beginning of Year	<u>1,336</u>	<u>1,336</u>	<u>1,336</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,280</u>	<u>\$ 15,280</u>
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 13,944</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 13,944</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-FAMILY & YOUTH - 27140  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Sources				
State Grant	\$ 33,274	\$ 63,274	\$ 42,594	\$ (20,680)
Total State Sources	<u>33,274</u>	<u>63,274</u>	<u>42,594</u>	<u>(20,680)</u>
Total Revenues	<u>33,274</u>	<u>63,274</u>	<u>42,594</u>	<u>(20,680)</u>
<b>Expenditures</b>				
Support Services-Students				
Personnel Services	0	21,619	21,619	0
Employee Benefits	0	8,038	8,038	0
Purchased Services	0	343	343	0
Total Support Services-Students	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	33,274	33,274	12,594	(20,680)
Cash Balance Beginning of Year	<u>(33,274)</u>	<u>(33,274)</u>	<u>(33,274)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (20,680)</u>	<u>\$ (20,680)</u>
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 12,594	
Net change in Due from Grantor			<u>(12,594)</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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-LEGISLATIVE APPROPRIATION LAWS OF NM - 27144  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State Sources</b>				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total State Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
<b>Support Services-Instruction</b>				
Supplies	<u>30,753</u>	<u>30,753</u>	<u>0</u>	<u>30,753</u>
Total Support Services-Instruction	<u>30,753</u>	<u>30,753</u>	<u>0</u>	<u>30,753</u>
Total Expenditures	<u>30,753</u>	<u>30,753</u>	<u>0</u>	<u>30,753</u>
Excess (Deficiency) of Revenues Over Expenditures	(30,753)	(30,753)	0	30,753
Cash Balance Beginning of Year	<u>30,753</u>	<u>30,753</u>	<u>30,753</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,753</u>	<u>\$ 30,753</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-LIBRARY GO BONDS-27145  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Sources				
State Grant	\$ 28,252	\$ 28,252	\$ 0	\$ (28,252)
Total State Sources	<u>28,252</u>	<u>28,252</u>	<u>0</u>	<u>(28,252)</u>
Total Revenues	<u>28,252</u>	<u>28,252</u>	<u>0</u>	<u>(28,252)</u>
<b>Expenditures</b>				
Support Services-Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services-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	28,252	28,252	0	(28,252)
Cash Balance Beginning of Year	<u>(28,252)</u>	<u>(28,252)</u>	<u>(28,252)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (28,252)</u>	<u>\$ (28,252)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-BEGINNING TEACHER MENTORING PROGRAM-27154  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State Sources</b>				
State Grant	\$ 0	\$ 33,522	\$ 38,687	\$ 5,165
Total State Sources	<u>0</u>	<u>33,522</u>	<u>38,687</u>	<u>5,165</u>
Total Revenues	<u>0</u>	<u>33,522</u>	<u>38,687</u>	<u>5,165</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Purchased Services	0	5,475	5,013	462
Supplies	1,311	26,833	26,833	0
Fixed Assets	0	1,825	1,825	0
Total Instruction	<u>1,311</u>	<u>34,133</u>	<u>33,671</u>	<u>462</u>
<b>Support Services Instruction</b>				
Supplies	0	700	700	0
Total Support Services- Instruction	<u>0</u>	<u>700</u>	<u>700</u>	<u>0</u>
Total Expenditures	<u>1,311</u>	<u>34,833</u>	<u>34,371</u>	<u>462</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,311)	(1,311)	4,316	5,627
Cash Balance Beginning of Year	<u>1,311</u>	<u>1,311</u>	<u>1,311</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,627</u>	<u>\$ 5,627</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,316	
Net change in Accounts Payable			<u>(577)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 3,739</u>	

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-CLASSROOM BREAKFAST-27155  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State Sources</b>				
State Grant	\$ 10,292	\$ 10,292	\$ 10,292	\$ 0
Total State Sources	<u>10,292</u>	<u>10,292</u>	<u>10,292</u>	<u>0</u>
Total Revenues	<u>10,292</u>	<u>10,292</u>	<u>10,292</u>	<u>0</u>
<b>Expenditures</b>				
<b>Food Services</b>				
Supplies	10,292	10,292	10,292	0
Total Food Services	<u>10,292</u>	<u>10,292</u>	<u>10,292</u>	<u>0</u>
Total Expenditures	<u>10,292</u>	<u>10,292</u>	<u>10,292</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			\$ 0	

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



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-AFTER SCHOOL ENRICHMENT-27168  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State Sources</b>				
State Grant	\$ 0	\$ 90,000	\$ 35,260	\$ (54,740)
Total State Sources	<u>0</u>	<u>90,000</u>	<u>35,260</u>	<u>(54,740)</u>
Total Revenues	<u>0</u>	<u>90,000</u>	<u>35,260</u>	<u>(54,740)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	65,188	65,188	0
Employee Benefits	0	15,881	15,881	0
Purchased Services	0	824	824	0
Supplies	0	8,107	8,107	0
Total Instruction	<u>0</u>	<u>90,000</u>	<u>90,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>90,000</u>	<u>90,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(54,740)	(54,740)
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>\$ (54,740)</u>	<u>\$ (54,740)</u>
Reconciliation of Budgetary Basis to GAAP Basis			(54,740)	
Net Change in Due from Grantor			54,740	
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  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
SPECIAL REVENUE FUND-GO BONDS-27170  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non-GAAP-Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State Sources</b>				
State Grant	\$ 0	\$ 35,623	\$ 10,867	\$ (24,756)
Total State Sources	<u>0</u>	<u>35,623</u>	<u>10,867</u>	<u>(24,756)</u>
Total Revenues	<u>0</u>	<u>35,623</u>	<u>10,867</u>	<u>(24,756)</u>
<b>Expenditures</b>				
<b>Support Services-Instruction</b>				
Supplies	0	35,623	29,437	6,186
Total Instruction	<u>0</u>	<u>35,623</u>	<u>29,437</u>	<u>6,186</u>
Total Expenditures	<u>0</u>	<u>35,623</u>	<u>29,437</u>	<u>6,186</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(18,570)	(18,570)
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>\$ (18,570)</u>	<u>\$ (18,570)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (18,570)	
Net change in Due from Grantor			18,570	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

**NONMAJOR CAPITAL PROJECTS FUNDS**

**Special 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.

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 CAPITAL PROJECTS FUND-SPECIAL CAPITAL OUTLAY-STATE-31400  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Non-GAAP-Budgetary Basis)  
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State Sources</b>				
State Grant	\$ 695,000	\$ 695,000	\$ 514,995	\$ (180,005)
Total State Sources	<u>695,000</u>	<u>695,000</u>	<u>514,995</u>	<u>(180,005)</u>
Total Revenues	<u>695,000</u>	<u>695,000</u>	<u>514,995</u>	<u>(180,005)</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Building Improvements	536,704	536,704	345,000	191,704
Land Improvements	175,000	175,000	169,995	5,005
Total Capital Outlay	<u>711,704</u>	<u>711,704</u>	<u>514,995</u>	<u>196,709</u>
Total Expenditures	<u>711,704</u>	<u>711,704</u>	<u>514,995</u>	<u>196,709</u>
Excess (Deficiency) of Revenues Over Expenditures	(16,704)	(16,704)	0	16,704
Cash Balance Beginning of Year	<u>16,704</u>	<u>16,704</u>	<u>16,704</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>16,704</u>	\$ <u>16,704</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</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.

**OTHER SUPPLEMENTAL INFORMATION**

**AGENCY FUND**

**Activity Trust Fund**

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 AGENCY FUNDS  
 Statement of Fiduciary Assets and Liabilities-Agency Funds  
 For the Year Ended June 30, 2008

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	<u>Balance</u> <u>06/30/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/08</u>
<b>ASSETS</b>				
Cash in Bank	\$ 838,907	\$ 8,374,452	\$ 8,387,515	\$ 825,844
Total Assets	<u>\$ 838,907</u>	<u>\$ 8,374,452</u>	<u>\$ 8,387,515</u>	<u>\$ 825,844</u>
<b>LIABILITIES</b>				
Deposits Held for Others	\$ 838,907	\$ 8,374,452	\$ 8,387,515	\$ 825,844
Total Liabilities	<u>\$ 838,907</u>	<u>\$ 8,374,452</u>	<u>\$ 8,387,515</u>	<u>\$ 825,844</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 AGENCY FUNDS - ACTIVITY  
 Schedule of Changes in Assets and Liabilities - Agency Funds  
 For the Year Ended June 30, 2008

	Balance 06/30/07	Receipts	Disbursements	Balance 06/30/08
<b>ASSETS</b>				
<b>Other</b>				
Red Ribbon Campaign	\$ 635	\$ 0	\$ 334	\$ 301
APS Math Programs	2,551	151,672	9,695	144,528
Book Fund	6,301	6,148	8,496	3,953
Elementary Art Program	161	0	0	161
General Fund	1,335	0	0	1,335
Gifted Programs	2,801	16	0	2,817
Cafeteria General	0	9,071	9,037	34
Maintenance General	35,996	432	0	36,428
Tech Poster Production	208	0	0	208
Cisco Systems Virtual	35	0	0	35
Summer School	70	17,277	16,487	860
Snack Bar	726	9	0	735
Yeso General	8,203	25,984	28,806	5,381
Central Memorial	2,225	1,882	1,433	2,674
Central General	5,505	3,161	3,863	4,803
Central Special Account	1,086	43	0	1,129
Grand Heights General	14,669	7,851	17,801	4,719
CSPD	1,964	0	1,964	0
Hermosa General	13,256	8,474	16,158	5,572
Hermosa Special	5	0	0	5
Penasco General	1,376	6,494	4,809	3,061
AHS Paw Prowlers	1,406	0	915	491
Roselawn General	7,843	8,437	10,781	5,499
Elementary Science P.I.E.	20	0	0	20
Yucca General	12,593	6,998	8,449	11,142
	<u>120,970</u>	<u>253,949</u>	<u>139,028</u>	<u>235,891</u>
<b>Artesia High School</b>				
HS Activity	4,591	2,627	2,515	4,703
HS Boys A Club	4,990	5,222	1,076	9,136
HS Boys Track Team	8,920	11,976	10,344	10,552
HS Girls A Club	223	0	0	223
Lou Smith Scholarship	2,639	1,816	1,800	2,655
J. Clark Bruce Scholarship	26	0	0	26
Mack Chase Scholarship	126,027	972	45,000	81,999
HS Arts & Crafts	2,733	920	770	2,883
HS Annual	\$ 13,449	\$ 19,353	\$ 32,802	\$ 0



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 AGENCY FUNDS - ACTIVITY  
 Schedule of Changes in Assets and Liabilities - Agency Funds  
 For the Year Ended June 30, 2008

	Balance 06/30/07	Receipts	Disbursements	Balance 06/30/08
HS Basketball Boosters	\$ 0	\$ 6,505	\$ 5,470	\$ 1,035
HS Band Fund	2,700	18,030	16,593	4,137
HS Baseball Boosters	0	21,200	21,200	0
HS Beacon	0	4,663	3,846	817
HS Girls Basketball	1,699	7,500	4,376	4,823
HS Tennis	350	835	1,032	153
HS Boys Basketball Camp	0	1,197	588	609
HS Cheerleaders	12,195	63,308	68,020	7,483
LDZ Fund	183	0	0	183
HS Chorus	8,186	20,124	25,870	2,440
HS Night Classes	24,113	5,889	16,233	13,769
Workbook Fees	7,913	616	0	8,529
Science Scholarship	0	506	0	506
Class of 2010	266	4,705	1,136	3,835
Class of 2008	6,659	108	6,065	702
Zac Herrera Memorial	1,731	115	0	1,846
RDC Scholarship	127,095	898	63,200	64,793
Class of 2009	5,197	2,020	2,461	4,756
Chase Special Projects	134,857	1,618	0	136,475
HS Concessions	330	6,574	6,330	574
HS Cross Country	3,703	3,465	4,257	2,911
AHS Girls Soccer	344	13,323	13,243	424
HS Boys Soccer	551	7,442	6,312	1,681
Drivers Education	205	12,172	12,232	145
HS Deca	26	20,275	20,214	87
HS FFA	2,742	101,763	104,117	388
HS Volleyball	643	7,669	7,691	621
HS FHA Hero	5,974	2,093	2,786	5,281
HS Football Boosters	17,761	34,327	36,070	16,018
HS Football Playoffs	40,667	54,305	48,058	46,914
HS General	2,719	3,582	1,656	4,645
HS French Club	526	6	0	532
HS Health Occupations	886	11	0	897
HS Honor Society	345	1,073	954	464
HS Industrial Arts	6,628	1,348	2,013	5,963
Grads Co-Pay	36	50,229	50,096	169
HS Library	275	1,569	1,068	776
HS Locker Fund	1,513	371	75	1,809
HS Masquers	385	3,324	3,709	0
Math-Science Club	1,587	19	0	1,606
HS Mechanical Drawing	594	7	0	601
HS PC/Networks	0	3,274	3,274	0
HS BPA (D.E.A.)	1,641	13,525	12,357	2,809
Scholarship Fund	\$ 24,077	\$ 26,524	\$ 24,949	\$ 25,652

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 AGENCY FUNDS - ACTIVITY  
 Schedule of Changes in Assets and Liabilities - Agency Funds  
 For the Year Ended June 30, 2008

	Balance 06/30/07	Receipts	Disbursements	Balance 06/30/08
HS Key Club	\$ 1,277	\$ 15	\$ 0	\$ 1,292
HS Special Education	792	45	441	396
HS Student Council	231	575	788	18
HS Swimming Fund	4,020	3,950	2,998	4,972
HS Vocational Ag	2,166	340	2,506	0
HS Vending Machine	5,559	76,007	68,788	12,778
HS Vica-Auto Mechanics	89	3,784	3,820	53
HS Girls Softball	203	3,000	2,997	206
HS Testing	2,611	3,814	2,864	3,561
	<u>627,848</u>	<u>662,523</u>	<u>777,060</u>	<u>513,311</u>
<b>Park Junior High School</b>				
Park Activity Miscellaneous	2,972	36	0	3,008
Park Annual	15,523	4,222	16,679	3,066
Park Vending	0	8,719	4,576	4,143
Park Arts & Crafts	1,121	1,647	1,609	1,159
Park Band	1,923	11,438	13,361	0
Park Cheerleaders	8,195	15,020	19,999	3,216
Park FHA	659	14,735	13,384	2,010
Park General	5,394	18,714	19,683	4,425
AJHS Football	565	261	0	826
Park Honor Society	2,204	913	3,117	0
Park Border Conf.	166	1,456	1,546	76
Park Industrial Arts	6,539	14,212	17,233	3,518
AJHS Track	631	382	0	1,013
Park Library	1,851	394	253	1,992
APS Trans	1,139	93	532	700
Park Student Council	6,758	524	706	6,576
	<u>\$ 55,640</u>	<u>\$ 92,766</u>	<u>\$ 112,678</u>	<u>\$ 35,728</u>
<b>Zia Intermediate School</b>				
Academic Decathlon	76	0	0	76
AIS Boys Athletics	78	706	171	613
AIS Super Computer	0	3,541	3,541	0
Zia General	6,176	14,449	16,405	4,220
Zia Library	571	5,835	5,926	480
District 4-AAA	421	0	0	421
Zia Grants	6	0	0	6
Zia Vending	411	9,135	8,500	1,046
Zia Band	78	1,671	1,730	19
Bilingual	414	0	0	414
Zia Student Council	733	2,873	2,360	1,246
Teacher Scholarship	\$ 1,045	\$ 0	\$ 84	\$ 961

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 AGENCY FUNDS - ACTIVITY  
 Schedule of Changes in Assets and Liabilities - Agency Funds  
 For the Year Ended June 30, 2008

	Balance 06/30/07	Receipts	Disbursements	Balance 06/30/08
AIS Chorus	\$ 6,180	\$ 19,842	\$ 14,526	\$ 11,496
AIS Art	0	1,973	1,554	419
AIS Girls Ath.	411	1,311	460	1,262
NMAA District Chair	6,976	10,955	13,400	4,531
AIS Bowling	0	6,866	6,866	0
AIS Robotics	0	1,000	1,000	0
NMPSIA Clearing Account	1,956	1,482	714	2,724
Title I	3,195	26	515	2,706
Credit Union NMPSIA and ERB	5,722	7,283,549	7,280,997	8,274
	<u>\$ 34,449</u>	<u>\$ 7,365,214</u>	<u>\$ 7,358,749</u>	<u>\$ 40,914</u>
<b>Total Assets</b>	<u>\$ 838,907</u>	<u>\$ 8,374,452</u>	<u>\$ 8,387,515</u>	<u>\$ 825,844</u>
<b>LIABILITIES</b>				
Deposits Held for Others	\$ 838,907	\$ 8,374,452	\$ 8,387,515	\$ 825,844
<b>Total Liabilities</b>	<u>\$ 838,907</u>	<u>\$ 8,374,452</u>	<u>\$ 8,387,515</u>	<u>\$ 825,844</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 Cash Reconciliations - All Funds  
 For the Year Ended June 30, 2008

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	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 1,411,622	\$ 20	\$ 42,564
Certificates of Deposit	<u>0</u>	<u>0</u>	<u>0</u>
Balance 6/30/07	<u>1,411,622</u>	<u>20</u>	<u>42,564</u>
Add: 2007-08			
Revenues	25,713,333	1,483,109	421,927
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL Cash Available	<u>27,124,955</u>	<u>1,483,129</u>	<u>464,491</u>
Less: 2007-08			
Expenditures	25,463,102	1,483,129	432,988
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
	<u>25,463,102</u>	<u>1,483,129</u>	<u>432,988</u>
 TOTAL Cash 6/30/08	 <u>\$ 1,661,853</u>	 <u>\$ 0</u>	 <u>\$ 31,503</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 Cash Reconciliations - All Funds  
 For the Year Ended June 30, 2008

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	<u>Food Service</u>	<u>Athletics</u>	<u>Federal Flowthrough</u>
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 7,655	\$ 97,413	\$ (200,630)
Certificates of Deposit	<u>0</u>	<u>0</u>	<u>0</u>
Balance 6/30/07	<u>7,655</u>	<u>97,413</u>	<u>(200,630)</u>
Add: 2007-08			
Revenues	1,271,590	177,391	2,133,070
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL Cash Available	<u>1,279,245</u>	<u>274,804</u>	<u>1,932,440</u>
Less: 2007-08			
Expenditures	1,278,285	190,956	2,318,925
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1,278,285</u>	<u>190,956</u>	<u>2,318,925</u>
 TOTAL Cash 6/30/08	 <u>\$ 960</u>	 <u>\$ 83,848</u>	 <u>(386,485)</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 Cash Reconciliations - All Funds  
 For the Year Ended June 30, 2008

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	<u>Federal Grants</u>	<u>State and Other Grants</u>	<u>Special Capital Outlay State</u>
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 27,181	\$ (48,272)	\$ 16,704
Certificates of Deposit	<u>0</u>	<u>0</u>	<u>0</u>
Balance 6/30/07	<u>27,181</u>	<u>(48,272)</u>	<u>16,704</u>
Add: 2007-08			
Revenues	198,807	315,652	514,995
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL Cash Available	<u>225,988</u>	<u>267,380</u>	<u>531,699</u>
Less: 2007-08			
Expenditures	105,526	296,174	514,996
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
	<u>105,526</u>	<u>296,174</u>	<u>514,996</u>
 TOTAL Cash 6/30/08	 <u>\$ 120,462</u>	 <u>(28,794)</u>	 <u>\$ 16,703</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 Cash Reconciliations - All Funds  
 For the Year Ended June 30, 2008

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	<u>HB 33</u>	<u>Senate Bill Nine</u>	<u>Debt Service</u>
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 4,280,832	\$ 660,450	\$ 1,094,608
Certificates of Deposit	<u>0</u>	<u>0</u>	<u>0</u>
Balance 6/30/07	<u>4,280,832</u>	<u>660,450</u>	<u>1,094,608</u>
Add: 2007-08			
Revenues	5,304,564	2,925,051	815,659
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL Cash Available	<u>9,585,396</u>	<u>3,585,501</u>	<u>1,910,267</u>
Less: 2007-08			
Expenditures	4,093,686	3,006,623	936,556
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
	<u>4,093,686</u>	<u>3,006,623</u>	<u>936,556</u>
 TOTAL Cash 6/30/08	 <u>\$ 5,491,710</u>	 <u>\$ 578,878</u>	 <u>\$ 973,711</u>

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

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 Cash Reconciliations - All Funds  
 For the Year Ended June 30, 2008

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	<u>Activities</u>	<u>Totals</u>
Net Cash in Bank 6/30/07		
Cash in Bank	\$ 838,906	\$ 8,229,053
Certificates of Deposit	<u>0</u>	<u>0</u>
Balance 6/30/07	<u>838,906</u>	<u>8,229,053</u>
 Add: 2007-08		
Revenues	8,374,453	49,649,601
Transfers	<u>0</u>	<u>0</u>
TOTAL Cash Available	<u>9,213,359</u>	<u>57,878,654</u>
 Less: 2007-08		
Expenditures	8,387,515	48,508,461
Transfers	<u>0</u>	<u>0</u>
	<u>8,387,515</u>	<u>48,508,461</u>
 TOTAL Cash 6/30/08	 <u>\$ 825,844</u>	 <u>\$ 9,370,193</u>

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



**FEDERAL COMPLIANCE**

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2008

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:			
USDA National School Lunch Program	10.553	21000	706,676
Total Child Nutrition Cluster			<u>706,676</u>
Pass-through State Department of Human Services:			
USDA Commodities Program	10.55	21000 (1)	61,534
Total U. S. Department of Agriculture			\$ <u>768,210</u>
<u>U. S. Department of Education</u>			
Pass-through State Public Education Department:			
Special Education Cluster			
IDEA, Part B, Entitlement	84.027	24106	\$ 929,413
IDEA Preschool	84.173	24109	47,264
Total Special Education Cluster			<u>976,677</u>
Title I	84.010	24101	964,229
Title V	84.332	24150	5,879
English Language Acquisition	84.340	24153	12,819
Title II-A	84.332	24154	228,288
Title IV-A	84.186	24157	18,086
Rural and Low Income	84.358	24160	113,546
Direct Program:			
Grads Childcare	93.590	25149	5,000
Grads	93.558	25162	12,000
Total U. S. Department of Education			\$ <u>2,336,524</u>
<u>Department of Health &amp; Human Services</u>			
Direct Program:			
Title XIX Medicaid	93.778	25153	\$ 88,606
Total Department of Health & Human Services			<u>88,606</u>
Total Federal Assistance			\$ <u>3,193,340</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.

**Note 4: Reconciliation of the SEFA to expenditures reported of the schedule of Revenues, Expenditures and Changes in Fund Balance**

Expenditures reported on the SEFA	\$ <u>3,193,340</u>
Federal Grants reported on Statement for Revenues, Expenditures and Changes in Fund Balances	3,286,541
Difference in Medicaid Revenues and Expenditures	<u>(93,201)</u>
	<u>3,193,340</u>

93,201

De'Aun Willoughby CPA, PC

Certified Public Accountant

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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*

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the ARTESIA PUBLIC SCHOOL DISTRICT NO. 22

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons for the general fund and the major special revenue fund and the combining and individual funds presented as supplemental information of the ARTESIA PUBLIC SCHOOL DISTRICT NO. 22, (District), as of and for the year ended June 30, 2008, and have issued our report thereon dated November 12, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### 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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the District, the State Auditor, the New Mexico Legislature and its committees, New Mexico Department of Finance and Administration, and applicable federal grantors and is not intended to be and should not be used by anyone other than these specified parties.

*De'Ann Willoughby, CPA PC*

November 12, 2008

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

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the ARTESIA PUBLIC SCHOOL DISTRICT NO. 22

Mr. Balderas and Members of the Board

Compliance

We have audited the compliance of ARTESIA PUBLIC SCHOOL DISTRICT NO. 22 (District), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance.

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-Profits 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. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

### Internal Control Over Compliance

The management of the District, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A insignificant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*De'Ann Willoughby, CPA PC*

November 12, 2008



STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2008

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**A. SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting

- \* Significant deficiencies \_\_\_\_\_ yes       X  no
- \* Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes       X  none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes       X  no

Federal Awards

Internal control over major programs:

- \* Significant deficiencies \_\_\_\_\_ yes       X  no
- \* Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes       X  none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 \_\_\_\_\_ yes       X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
10.555	Child Nutrition Cluster
10.553	USDA National School Lunch Program
84.010	USDA School Breakfast Program
	Title I

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

Auditee qualified as low risk auditee  X  yes      \_\_\_\_\_ no

STATE OF NEW MEXICO  
**ARTESIA PUBLIC SCHOOL DISTRICT NO. 22**  
Schedule of Findings and Responses  
For the Year Ended June 30, 2008

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**Prior Year Audit Findings**

There were no previous year audit findings.

**Current Year Audit Findings**

There are no current year audit findings.

**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 November 12, 2008. Those present were James M. Phipps, Superintendent, Carolyn Shearman, Vice President, Jacquelyn Sanderson, Business Manager, Juan C. Saiz, Assistant Superintendent for Operations, Camille George, Assistant Superintendent for Curriculum, Joy Conklin, Assistant Business Manager, Cindy Panzer, Payroll Clerk, Melany Cardwell, STARS Coordinator and De'Aun Willoughby CPA.