

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Financial Statements
With Independent Auditor's Report Thereon
June 30, 2008**

INTRODUCTORY SECTION

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**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

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CARLSBAD MUNICIPAL SCHOOL DISTRICT

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**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT**

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**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT**

**Official Roster
June 30, 2008**

BOARD OF EDUCATION

Bill McInroy	President
Angela Campos	Vice-President
Ron Singleton	Secretary
Martin Dorado	Member
Israel Palma	Member

SCHOOL OFFICIALS

Paul B. Sandford	Interim Superintendent
Laura Garcia	Director of Finance

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Board of Education
Carlsbad Municipal School District No. 20
Carlsbad, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, budgetary comparisons, discretely presented component unit, and the aggregate remaining fund information of the Carlsbad Municipal School District No. 20 (the "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 have also audited the financial statements of the discretely presented component unit, the District's non-major governmental funds and the budgetary comparisons 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 of America. 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the primary government, as of June 30, 2008, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the General 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 non-major governmental and fiduciary fund of Carlsbad Municipal School District No. 20 and the discretely presented component unit as of June 30, 2008, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison statements for the Bond Building Fund, Capital Improvement HB-33 Fund and the Capital Improvement SB-9 Fund and the discretely presented component unit and the remaining non-major governmental 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 17, 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 *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 5 through 10 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons presented as supplemental information. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The additional schedules listed under supplementary information are presented for purposes of additional analysis are not a required part of the basic financial statements of Carlsbad Municipal School District No. 20. 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.

Miller & Associates, CPA, P.C.

Miller & Associates, CPA, P.C.
November 17, 2008

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2008**

Introduction

This discussion and analysis of Carlsbad Municipal School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2008 are as follows:

- Capital assets increased from \$86,105,287 in the year ending June 30, 2007 to \$92,315,677 in the year ending June 30, 2008. This increase is attributed to improvements made to land and buildings and the purchases of vehicles and equipment. Asset additions totaled \$11,065,279.
- Accumulated depreciation as of June 30, 2008 of \$37,456,413 was recorded. This includes current year depreciation of \$2,767,819.
- The overall unrestricted Fund Balance increased from \$21,283,534 for the year ending June 30, 2007 to \$28,526,229 for the year ending June 30, 2008. This increase is attributed to the general operations of the district.
- Total assets of governmental fund activities increased \$ 10.69 million or 14.38 %.
- Total liabilities of government-wide fund activities increased \$5.47 million or 61.0%. The increase can be attributed to the issuance of a new bond in the amount of \$7.1 million.
- The District had \$60 million in expenses related to governmental activities: \$11.1 million of these expenses were offset by program specific charges for services and sales, grants, and contributions. General revenues (primarily State Equalization Guarantee, property taxes, and grants and entitlements) of \$54.5 million were adequate to provide for these programs.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2008**

Condensed Statement of Net Assets (in thousands of dollars)

		June 30, 2008		June 30, 2007
		Primary		Primary
		Government		Government
		Governmental		Governmental
		Activities		Activities
Current and other assets	\$	30,154	\$	22,998
Net capital assets		54,859		51,324
Total assets		85,013		74,322
Long-term debt outstanding		11,135		5,710
Other liabilities		3,303		3,260
Total liabilities		14,438		8,970
Net assets	\$	70,575	\$	65,352
Invested in capital assets net of related debt	\$	42,049	\$	44,068
Restricted		-		-
Unrestricted		28,526		21,284
Total net assets	\$	70,575	\$	65,352

Condensed Statement of Activities (in thousands of dollars)

		June 30, 2008		June 30, 2007
Revenues:				
Program revenues				
Charges for services	\$	1,755	\$	1,651
Operating grants		9,207		8,607
Capital grants		165		331
General revenues				
Property taxes		8,133		7,281
State aid		45,961		43,187
Other		395		470
Total revenue		65,616		61,527
Expenses:				
Instruction		33,205		31,409
Support services:				
Students		4,981		4,368
Instruction		2,161		1,617
General administration		753		792
School administration		3,408		3,807
Central services		1,244		1,234
Operation & maintenance of plant		5,863		5,118
Student transportation		1,734		1,783
Other support		18		-
Operation of non instructional services:				
Food services		3,239		3,146
Community services		53		81
Capital outlay		1,584		1,913
Interest on long term debt		224		285
Depreciation		1,926		1,834
Total expenses		60,393		57,387
Increase (decrease) in net assets	\$	5,223	\$	4,140

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2008**

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Carlsbad Municipal School District as a financial whole, or as an entire operating entity.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in a single column. For Carlsbad Municipal School District, the General Fund is the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and Statement of Activities

While this report contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2008?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it identifies whether the financial position of the School District has improved or diminished for the School District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, facility conditions, required educational programs, and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District reports only governmental activities:

Governmental Activities – Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, 2007 Bond Building, HB-33 Capital Improvement Fund, and SB-9 Capital Improvement Fund.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2008**

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements.

Governmental Activities

The Statement of Activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The Statement of Activities (pages 12-13), for government activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by revenues from state entitlements.

The dependence upon revenues from the State of New Mexico for governmental activities is apparent. Over 80 percent of Direct Instruction activities are supported through general revenues. The School District's food service operation is dependent upon revenues from federal sources.

The School District's food service operation had revenues of \$3.5 million and expenses of \$3.24 million for fiscal year 2008.

The food service operation has remained self-operating without assistance from the General Fund. The activity receives no support from tax revenues.

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of \$65.4 million and expenditures and other financing uses of \$65.4 million. The net change in fund balance for the year was an increase of \$433 thousand.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Mexico law and New Mexico Public Education Department Regulations and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2008, the School District amended its budget as needed.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2008**

The following table examines the summary budget performance of the major and combined nonmajor funds for the fiscal year ending June 30, 2008. Detail budget performance is examined through the Budgetary Comparison Statement for each major fund and the Schedule of Revenues and Expenditures Budget and Actual for the nonmajor funds.

	Final Budget	Actual	Variance
General Fund	\$ 53,470,221	\$ 48,632,896	\$ 4,837,325
Bond Building	10,279,910	2,774,176	7,505,734
Capital Improvement HB-33 Fund	9,520,886	2,332,431	7,188,455
Capital Improvement SB-9 Fund	8,264,635	2,652,649	5,611,986
Other Nonmajor Funds	10,411,377	6,710,411	3,700,966

For the General Fund, final budgeted revenues and other financing sources are equal to budget expenditures of \$53.5 million.

General Fund expenditures and other financing uses were budgeted at \$53.5 million while actual expenditures were \$48.6 million. The difference between budget and actual expenditures was due to the budgeted emergency reserve and other budgetary savings through out the budget.

The General Fund is predominately funded by revenues from the State Of New Mexico Equalization Guarantee Formula. This fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administrative staff.

Actual revenues for the general fund were \$49.6 million and revenues from state sources constitute 98% of the total. Actual revenue surpassed expenditures by \$970 thousand.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2008, the District had \$92.3 million invested in capitalized assets with associated accumulated depreciation of \$37.5 million (see note 6). The value of District owned land and buildings were adjusted to correspond to historical cost or to appraised value (if historical cost was not available). The increase in capital assets during the current year is the result of continued construction at the Natatorium and improvements throughout the school district.

Debt

At June 30, 2008, the District had outstanding bonds payable of \$12,810,000.

The District is bonded to 23.7% of the legal limit in the amount of \$54.0 million.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Management's Discussion and Analysis
(Required Supplementary Information)
June 30, 2008**

Economic Factors and Next Year's Budget

Carlsbad Municipal School is located in Eddy County. Eddy County, like the rest of urban New Mexico, has a strong and balanced economy. Employment in the area has been stable for the past three years.

While Eddy County's population continues to increase, Carlsbad Municipal School District has experienced a decline in enrollment since the peak of 7,031 students in 1993-94. The number of school age children has declined for the past several years and is projected to stabilize in the following years. The enrollment for 2006-2007 was 5,997 and the enrollment for 2007-08 was 5,958. Projected enrollment for 2008-2009 is 5,958, which substantiates the stabilization prediction for the following years.

Carlsbad Municipal School District receives approximately 65% of its annual operating budget from the State of New Mexico through the State Equalization Guaranteed Funding. The objectives of the formula are (1) to equalize educational opportunity statewide (by crediting certain local and federal support and then distributing state support in an objective manner) and (2) to retain local autonomy in actual use of funds by allowing funds to be used in local districts at the discretion of local policy making bodies. The basis for the formula is in the number of students enrolled. Weighting factors are assigned to students that receive special services, i.e., special education and bilingual education services as well as other factors based on the training and experience of the teaching staff and the district's at-risk population.

Contacting the School District's Financial Management

The financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the monies it receives. Question about this report or additional financial information needs should be directed to:

Laura Garcia
Director of Finance
Carlsbad Municipal Schools
408 N. Canyon
Carlsbad, NM 88220
Laura.Garcia@carlsbad.k12.nm.us
(505) 234-3300

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Net Assets
June 30, 2008

	Primary Government	Component Unit
	Governmental Activities	Governmental Activities
ASSETS		
Cash and cash equivalents	\$ 25,949,985	\$ 129,459
Receivables	2,257,055	488
Prepaid expenses	1,364,471	-
Inventory	492,138	-
Other assets	90,708	-
Capital assets (net of accumulated depreciation):		
Land	1,346,923	-
Land improvements	3,538,097	13,697
Buildings and building improvements	37,282,923	-
Leasehold improvements	-	-
Furniture, fixtures, and equipment	3,574,577	35,044
Capital leases	432,013	-
Construction in progress	8,684,731	-
Total Assets	<u>\$ 85,013,621</u>	<u>\$ 178,688</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 1,282,292	\$ 39,285
Accrued interest	1,440	-
Deferred revenue	125,930	20,139
Noncurrent liabilities:		
Bond premium	53,050	-
Compensated absences	165,416	-
Bonds payable:		
Due within one year	1,675,000	-
Due in more than one year	11,135,000	-
Total liabilities	<u>14,438,128</u>	<u>59,424</u>
Invested in capital assets, net of related debt	42,049,264	48,741
Restricted for:		
Debt service	-	-
Capital projects	-	-
Other activities	-	-
Unrestricted	28,526,229	70,523
Total net assets	<u>70,575,493</u>	<u>119,264</u>
Total Liabilities and Net Assets	<u>\$ 85,013,621</u>	<u>\$ 178,688</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
Instruction	\$ 33,204,815	\$ 717,317	\$ 4,098,283	\$ -
Support services:				
Students	4,981,184	-	31,542	-
Instruction	2,161,234	-	102,191	-
General administration	752,753	-	224,469	-
School administration	3,407,948	-	473,071	-
Central services	1,243,880	-	-	-
Operation & maint. of plant	5,862,924	-	-	-
Student transportation	1,733,795	-	1,706,997	-
Other support services	17,500	-	-	-
Operation of non instr. serv:				
Food services	3,238,826	1,037,626	2,458,652	-
Community services	53,399	-	-	-
Capital outlay	1,584,358	-	111,622	-
Interest on long-term debt	223,732	-	-	165,188
Depreciation - unallocated	1,926,402	-	-	-
Total Primary Government	\$ 60,392,750	\$ 1,754,943	\$ 9,206,827	\$ 165,188
Component unit:				
Jefferson Montessori Academy	\$ 1,058,004	\$ 6,328	\$ 141,298	\$ -
General revenues:				
State equalization guarantee				
Property taxes:				
General purposes				
Debt service				
Capital projects				
Oil and gas taxes:				
General purposes				
Debt service				
Capital projects				
Unrestricted investment earnings				
Loss on sale of assets				
Total general revenues				
Change in net assets				
Net assets - beginning				
Net assets, ending				

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

Net (Expense) Revenue and Changes in Net
Assets

Primary Government		Component Unit	
Governmental Activities		Governmental Activities	
\$	(28,389,215)	\$	-
	(4,949,642)		-
	(2,059,043)		-
	(528,284)		-
	(2,934,877)		-
	(1,243,880)		-
	(5,862,924)		-
	(26,798)		-
	(17,500)		-
	257,452		-
	(53,399)		-
	(1,472,736)		-
	(58,544)		-
	(1,926,402)		-
	(49,265,792)		-
			(910,378)
	45,961,429		1,058,206
	275,922		-
	767,485		-
	2,391,780		-
	404,644		-
	1,056,275		-
	3,237,154		-
	403,761		-
	(9,108)		-
	54,489,342		1,058,206
	5,223,550		147,828
	65,351,943		(28,564)
\$	70,575,493	\$	119,264

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Balance Sheet
Governmental Funds
June 30, 2008

	General Fund	Bond Building	Capital Improvement HB-33
ASSETS			
Cash and Cash Equivalents	\$ 4,723,479	\$ 6,623,898	\$ 6,613,315
Accounts Receivable:			
Taxes	81,236	-	328,878
Due from Other Governments	-	-	-
Due from Other Funds	1,504,683	-	-
Prepaid expenses	1,333,608	-	-
Inventory	435,066	-	-
	<u>\$ 8,078,072</u>	<u>\$ 6,623,898</u>	<u>\$ 6,942,193</u>
<i>Total Assets</i>			
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 994,497	\$ 155,680	\$ -
Due to Other Governments	-	-	-
Due to Other Funds	-	-	-
Deferred Revenue:	2,034	-	9,512
	<u>996,531</u>	<u>155,680</u>	<u>9,512</u>
<i>Total Liabilities</i>			
<i>Fund Balances:</i>			
Reserved:			
Reserved for inventory	435,066	-	-
Reserved for debt service	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
General Fund	4,120,795	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	6,932,681
Undesignated, reported in:			
General Fund	2,525,680	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	6,468,218	-
	<u>7,081,541</u>	<u>6,468,218</u>	<u>6,932,681</u>
<i>Total Fund Balances</i>			
	<u>\$ 8,078,072</u>	<u>\$ 6,623,898</u>	<u>\$ 6,942,193</u>
<i>Total Liabilities and Fund Balances</i>			

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

Capital Improvement SB-9	Other Governmental Funds	Total Governmental Funds
\$ 4,886,498	\$ 3,102,795	\$ 25,949,985
328,878	214,482	953,474
-	1,303,581	1,303,581
-	28,916	1,533,599
-	30,863	1,364,471
-	57,072	492,138
<u>\$ 5,215,376</u>	<u>\$ 4,737,709</u>	<u>\$ 31,597,248</u>
\$ 130,786	\$ 1,329	\$ 1,282,292
-	-	-
-	1,511,953	1,511,953
9,512	132,191	153,249
<u>140,298</u>	<u>1,645,473</u>	<u>2,947,494</u>
-	57,072	492,138
-	2,342,846	2,342,846
-	-	4,120,795
-	457,131	457,131
5,075,078	3,993	12,011,752
-	-	2,525,680
-	231,194	231,194
-	-	6,468,218
<u>5,075,078</u>	<u>3,092,236</u>	<u>28,649,754</u>
<u>\$ 5,215,376</u>	<u>\$ 4,737,709</u>	<u>\$ 31,597,248</u>

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**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2008**

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

Fund balances - total governmental funds	\$	28,649,754
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.</p>		
		54,859,264
<p>Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:</p>		
Property taxes		5,673
Bond issue costs		90,708
<p>Other liabilities are not due and payable in the current period and therefore are not reported in the funds:</p>		
Accrued interest payable		(1,440)
Bond premium liability		(53,050)
<p>Long-term liabilities, including bonds payable, capital leases payable and compensated absences are not due and payable in the current period and therefore are not reported in the fund financial statements.</p>		
		(12,975,416)
Net assets of governmental activities in the statement of net assets	\$	70,575,493

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008

	General Fund	Bond Building	Capital Improvement HB- 33
REVENUES			
Property taxes	\$ 273,888	\$ -	\$ 1,166,561
Oil and gas taxes	404,644	-	1,618,577
Investment income	-	74,267	108,791
Food services	-	-	-
District activities	100,515	-	-
Revenue from local sources	338,172	-	-
Revenue from state sources	48,448,872	-	-
Revenue from federal sources	59,943	-	-
Other items	-	-	-
Total Revenues	<u>49,626,034</u>	<u>74,267</u>	<u>2,893,929</u>
EXPENDITURES			
Current:			
Instruction	29,715,260	-	-
Support services			
Students	4,095,791	-	-
Instruction	1,825,033	-	-
General administration	647,802	-	11,711
School administration	3,344,553	-	-
Central services	1,235,006	-	-
Operation and maintenance of plant	5,449,861	-	-
Student transportation	1,706,117	-	-
Other support	17,500	-	-
Operation of non instructional services			
Food services operations	-	-	-
Community service	47,272	-	-
Capital outlay	-	741,549	2,320,720
Debt service	-	-	-
Total Expenditures	<u>48,084,195</u>	<u>741,549</u>	<u>2,332,431</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,541,839</u>	<u>(667,282)</u>	<u>561,498</u>
Other Financing Sources (uses)			
Increase (decrease) in inventory	(29,257)	-	-
Proceeds of long-term debt issuance	-	7,100,000	-
Bond premium	-	35,500	-
Net Changes in Fund Balances	<u>1,512,582</u>	<u>6,468,218</u>	<u>561,498</u>
Fund Balances--Beginning of the Year	<u>5,568,959</u>	<u>-</u>	<u>6,371,183</u>
Fund Balances--End of the Year	<u>\$ 7,081,541</u>	<u>\$ 6,468,218</u>	<u>\$ 6,932,681</u>

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

Capital Improvement	SB-9	Other Governmental Funds	Total Governmental Funds
\$	1,166,561	\$ 761,272	\$ 3,368,282
	1,618,578	1,056,275	4,698,074
	57,442	23,553	264,053
	-	1,037,626	1,037,626
	-	151,375	251,890
	-	127,351	465,523
	-	841,321	49,290,193
	-	5,858,885	5,918,828
	-	151,923	151,923
	<u>2,842,581</u>	<u>10,009,581</u>	<u>65,446,392</u>
	-	2,857,061	32,572,321
	-	721,119	4,816,910
	-	395,160	2,220,193
	11,711	64,914	736,138
	-	10,806	3,355,359
	-	570	1,235,576
	-	391,985	5,841,846
	-	-	1,706,117
	-	-	17,500
	-	3,162,515	3,162,515
	-	593	47,865
	2,640,939	2,193,933	7,897,141
	-	1,793,908	1,793,908
	<u>2,652,650</u>	<u>11,592,564</u>	<u>65,403,389</u>
	<u>189,931</u>	<u>(1,582,983)</u>	<u>43,003</u>
	-	(22,316)	(51,573)
	-	-	7,100,000
	-	-	35,500
	<u>189,931</u>	<u>(1,605,299)</u>	<u>7,126,930</u>
	<u>4,885,147</u>	<u>4,697,535</u>	<u>21,522,824</u>
\$	<u>5,075,078</u>	\$ <u>3,092,236</u>	\$ <u>28,649,754</u>

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STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Reconciliation of Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2008

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

Net change in fund balances - total governmental funds	\$ 7,126,930
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Governmental funds reported capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures	6,410,853
Depreciation expense	(2,767,819)
Disposal of capital asset	(9,108)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:

Property taxes	27,271
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The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Increase in accrued interest payable	25,176
Increase in the reserve for compensated absences	2,760
Increase in bond premium liability	(33,244)
Increase in capitalized bond issue costs	(4,269)
Principal payments on bonds	1,545,000
Proceeds from bond issuance	<u>(7,100,000)</u>

Change in net assets of governmental activities	<u><u>\$ 5,223,550</u></u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 704,077	\$ 704,077	\$ 656,372	\$ (47,705)
District activities	108,039	108,039	100,515	(7,524)
Revenue from local sources	310,072	310,072	338,172	28,100
Revenue from state sources	47,688,782	47,770,579	48,448,872	678,293
Revenue from federal sources	113,222	113,222	59,943	(53,279)
<i>Total Revenues</i>	48,924,192	49,005,989	49,603,874	597,885
EXPENDITURES				
Instruction:				
Personnel services - compensation	23,242,067	23,242,067	22,130,011	1,112,056
Personnel services - employee benefits	6,482,898	6,771,638	6,519,807	251,831
Other Purchased services	369,568	369,568	313,647	55,921
Supplies	2,574,818	2,122,879	758,650	1,364,229
Property	-	227,382	225,802	1,580
Total Instruction	32,669,351	32,733,534	29,947,917	2,785,617
Support services - student:				
Personnel services - compensation	3,102,341	2,900,163	2,900,163	-
Personnel services - employee benefits	826,452	830,564	830,561	3
Purchased professional & technical services	221,523	90,121	86,866	3,255
Purchased property services	-	30,066	30,066	-
Other purchased services	12,000	24,144	24,144	-
Supplies	17,727	274,398	259,362	15,036
Property	-	1,672	1,672	-
Total support services - student	4,180,043	4,151,128	4,132,834	18,294
Support services - instruction:				
Personnel services - compensation	912,988	962,332	962,332	-
Personnel services - employee benefits	292,869	315,460	315,444	16
Purchased professional & technical services	232,200	83,252	83,252	-
Purchased property services	-	16,799	16,799	-
Other purchased services	13,000	3,718	3,718	-
Supplies	236,801	256,331	248,519	7,812
Property	-	171,778	171,778	-
Total support services - instruction	1,687,858	1,809,670	1,801,842	7,828

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Support services - general administration:				
Personnel services - compensation	378,872	378,872	373,278	5,594
Personnel services - employee benefits	107,851	116,557	109,403	7,154
Purchased professional & technical services	91,063	182,776	165,508	17,268
Other purchased services	19,500	25,937	22,937	3,000
Supplies	48,546	79,469	78,593	876
Property	1,000	1,000	-	1,000
Total support services - general admin	<u>646,832</u>	<u>784,611</u>	<u>749,719</u>	<u>34,892</u>
Support services - school administration:				
Personnel services - compensation	2,637,565	2,657,774	2,571,049	86,725
Personnel services - employee benefits	754,112	787,208	757,692	29,516
Purchased property services	-	280	280	-
Other purchased services	22,000	22,845	17,865	4,980
Supplies	3,000	31,062	31,062	-
Property	-	3,615	3,615	-
Total support services - school admin.	<u>3,416,677</u>	<u>3,502,784</u>	<u>3,381,563</u>	<u>121,221</u>
Support services - central services:				
Personnel services - compensation	846,774	846,774	799,004	47,770
Personnel services - employee benefits	266,851	256,747	246,412	10,335
Purchased professional & technical services	38,000	56,050	42,574	13,476
Purchased property services	10,000	18,516	12,419	6,097
Other purchased services	17,800	28,676	27,047	1,629
Supplies	1,534,075	753,027	113,038	639,989
Property	1,000	3,776	3,776	-
Total support services - central serv.	<u>2,714,500</u>	<u>1,963,566</u>	<u>1,244,270</u>	<u>719,296</u>
Support services - operation and maintenance of plant:				
Personnel services - compensation	2,340,330	2,382,972	2,179,916	203,056
Personnel services - employee benefits	745,195	794,216	748,827	45,389
Purchased professional & technical services	2,000	2,000	-	2,000
Purchased property services	1,683,566	1,754,170	1,522,306	231,864

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>EXPENDITURES (continued)</i>				
Other purchased services	846,561	1,034,203	1,031,591	2,612
Supplies	121,542	142,266	49,216	93,050
Property	20,000	72,717	70,729	1,988
Total support services - operation and maintenance of plant	<u>5,759,194</u>	<u>6,182,544</u>	<u>5,602,585</u>	<u>579,959</u>
Support services - other support:				
Debt service and miscellaneous	<u>568,055</u>	<u>585,555</u>	<u>17,500</u>	<u>568,055</u>
Total support services - other support	<u>568,055</u>	<u>585,555</u>	<u>17,500</u>	<u>568,055</u>
Operation of non instructional services - community services:				
Personnel services - compensation	39,912	38,905	37,302	1,603
Personnel services - employee benefits	9,920	10,884	10,324	560
Other purchased services	-	43	43	-
Total Operation of non instructional services - community services	<u>49,832</u>	<u>49,832</u>	<u>47,669</u>	<u>2,163</u>
Support services - student transportation:				
Personnel services - compensation	65,510	59,131	59,131	-
Personnel services - employee benefits services	30,239	22,542	22,542	-
Purchased property services	30,000	8,755	8,755	-
Other purchased services	280,222	302,334	302,334	-
Supplies	1,263,111	1,298,118	1,298,118	-
Total Support services - student transportation	<u>27,000</u>	<u>16,117</u>	<u>16,117</u>	<u>-</u>
Total Support services - student transportation	<u>1,696,082</u>	<u>1,706,997</u>	<u>1,706,997</u>	<u>-</u>
Capital Outlay	-	-	-	-
<i>Total Expenditures</i>	<u>53,388,424</u>	<u>53,470,221</u>	<u>48,632,896</u>	<u>4,837,325</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,464,232)</u>	<u>(4,464,232)</u>	<u>970,978</u>	<u>5,435,210</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Other financing sources (uses):</i>				
Designated cash balance	4,464,232	4,464,232	-	(4,464,232)
<i>Total other financing sources (uses)</i>	4,464,232	4,464,232	-	(4,464,232)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	970,978	970,978
<i>Fund balance - beginning of year</i>	-	-	4,605,537	4,605,537
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 5,576,515	\$ 5,576,515

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

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STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2008

	<u>Agency Funds</u>
ASSETS	
<i>Current Assets</i>	
Cash	\$ 752,612
	<u> </u>
LIABILITIES	
<i>Current Liabilities</i>	
Deposits Held in Trust for Others	\$ 752,612
	<u> </u>

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

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**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Carlsbad Municipal School District No. 20 is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the City of Carlsbad and surrounding area. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Carlsbad Municipal School District No. 20's management who is responsible for their integrity and objectivity. The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the government's accounting policies are described below.

A. *Financial Reporting Entity*

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB-14. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20

Notes to the Financial Statements
June 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. *Financial Reporting Entity* (continued)

Included in the reporting entity:

Jefferson Montessori Academy – This component unit has a separate elected and/or appointed council of trustees and provides services to students, generally within the geographic boundaries of the government. The New Mexico State Auditor, through Rule 2 NMAC 2.2, requires the inclusion of this unit in the reporting entity.

B. *Government-Wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants whose purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are secluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20

Notes to the Financial Statements
June 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. District school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments provide revenues. Expenditures include all costs associated with the daily operations of the schools except for those items included in other funds.

Operational – to account for resources traditionally associated with government, which is not required to be accounted for in another fund.

Transportation – to account for revenues received for the purpose of transporting students.

Instructional Materials – to account for revenues received for the purpose of purchasing instructional materials.

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20

Notes to the Financial Statements
June 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement focus, basis of Accounting, and Financial Statement Presentation (continued)

The *Bond Building 2007 Fund* is used to account for the erecting, remodeling, additions and furnishings of school buildings. This particular Bond Building Fund is for the bond issued in 2007.

The *Capital Improvement HB-33 Fund* is used to account for two mill levy funds authorized by the Public School Capital Improvement Act. The levy must be voted on by local residents and allows the District to impose a property tax.

The *Capital Improvement SB-9 Fund* is used to account for expenditures of property taxes levied and state matching funds restricted to maintenance and capital improvement projects as adopted by school board resolution. Authority for the creation of this fund is NMSA 22-25-1 to 22-25-10.

Additionally, the government reports the following fund types:

The *Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

Deposits and Investments: The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20

Notes to the Financial Statements
June 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

Receivables and Payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of inter-fund loans). All other outstanding balances are reported as “due to/from other funds.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in Eddy County. The funds are collected by the Eddy County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the Eddy County Treasurer in July and August 2008 is considered ‘measurable and available’ and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2008.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Instructional Materials: The New Mexico State Department of Education receives federal material leasing funds for which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of material listed in the State Board of Education ‘State Adopted Instructional Material’ list, while thirty percent of each allocation is available for purchases directly from vendors, for which the school district receives cash draw-downs, or transfer to the seventy percent account for requisition of material from the adopted list. The districts are allowed to carry forward unused textbook credits from year to year.

Inventory: Inventory is valued at cost utilizing the purchase basis of accounting. Inventory in the General Fund consists of expendable supplies held for consumption. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and deferred revenue. Non-commodity 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. No deferred revenue was recorded for unused commodity inventory as of June 30, 2008.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. However, the District does not construct or maintain infrastructure assets, accordingly, the District is not subject to this provision of GASB Statement No. 34. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment, including software, is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9C(5). The District considers library books to have a useful life of less than one year; accordingly the cost of library books is expensed annually.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays and NM Public School Facilities Authority Payments for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

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

Assets	Years
Land Improvements	20
Buildings	50
Building Improvements	20
Furniture, fixtures and equipment	5-20
Capital leases	20

Deferred Revenues: Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be "available" under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

Compensated Absences: The District permits administrative employees to accumulate a limited amount of earned but unused vacation, which will be paid if not used, upon termination from the District. Accumulated sick leave benefits vest with each employee in accordance with District policy. All vacation pay and applicable accumulated sick leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is reported for unpaid accumulated sick leave, as no payment is required upon termination of service employees. The liability for compensated absences increased \$2,760 for a total of \$170,937 as of June 30, 2008.

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

Net Assets and Fund Balance:

Equity is classified as net assets in three components:

- a) Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity (continued)

Reclassifications: Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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

E. Revenues

State Equalization Guarantee: School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the district's program costs."

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$45,961,429 in state equalization guarantee distributions during the year ended June 30, 2008.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District recognized \$8,133,260 in tax revenues during the year ended June 30, 2008. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$1,706,997 in transportation distributions during the year ended June 30, 2008.

Instructional Materials: The District had allocations allowed by the State to carry over from the prior year of \$474,001 and received allocations for the current year of \$603,515 for a total of \$1,077,516. The full amount of allocations used to purchase textbooks during the year was \$822,911, resulting in a carry over to the following year of \$254,605. Allocations received and utilized are reflected in revenue and expenditures of the General Fund.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is therefore presented as a designated portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series' this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Budgetary Information (continued)

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the Superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The Superintendent is authorized to transfer budgeted amounts between departments within any fund; however, the school board and the State of New Mexico Board of Education must approve any revisions that alter the total expenditures of any fund.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

6. Budgets for the General, Special Revenue, Debt Service Fund and Capital Projects Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The School Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administration Code 6.20.2.9 prohibits a school district from exceeding budgetary control at the function level. The District had no unfavorable variances within functions.

The appropriated budget for the year ended June 30, 2008 was properly amended by the District's Board of Education throughout the year. These amendments resulted in the following changes:

Budgeted Funds:	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
General Fund	(4,464,232)	(4,464,232)
Title 1 Fund	(200,000)	(200,000)
IDEA B Entitlement	-	-
Special Capital Outlay Fund	-	-
Capital Improvement HB-33 Fund	(6,542,154)	(6,449,920)
Capital Improvement SB-9 Fund	(5,286,737)	(5,287,669)
Nonmajor Governmental Funds	(3,376,517)	(3,376,517)

The District is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The following is a reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund type.

	General Fund	Bond Building	Cafeteria	Special Capital Outlay State
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP basis)	\$ 1,512,582	\$ 6,468,218	\$ 319,992	\$ -
Adjustments:				
Cash	-	-	-	-
Inventory	-	-	22,317	-
Investment Income	-	1,689	-	-
Capital Outlay	-	(2,032,627)	-	-
Accounts payable	-	-	-	-
Accrued expenses	-	-	-	-
Deferred revenue	-	-	-	-
Excess (deficiency) of revenues and other sources (uses) over expenditures (Budget basis)	\$ 970,978	\$ 4,437,280	\$ 342,309	\$ -

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

Budgetary Information (continued)

	Capital Improvement HB-33	Capital Improvement SB-9	Other Governmental funds	Component Unit
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP basis)	\$ -	\$ -	\$ -	\$ -
Adjustments:				
Cash	-	-	-	-
Inventory	-	-	-	-
Investment Income	-	-	-	-
Capital Outlay	-	-	-	-
Accounts payable	-	-	-	-
Accrued expenses	-	-	-	-
Other	-	-	-	-
Deferred revenue	-	-	-	-
Excess (deficiency) of revenues and other sources (uses) over expenditures (Budget basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 3: DEPOSITS AND INVESTMENTS

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State Investment requirements as of June 30, 2008.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of the deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States Government, or by their departments or agencies, and which are either direct obligations of the State or United States or are backed by the full faith and credit of those governments.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2007, \$31,560,077 of the District's bank balances were exposed to custodial credit risk as follows:

	<u>District</u>	<u>Component Unit</u>
Insured (FDIC)	\$ 300,000	\$ 100,000
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the District's name	23,688,918	151,072
Uninsured and uncollateralized	<u>7,871,159</u>	<u>-</u>
Balance exposed to custodial credit risk	<u>31,560,077</u>	<u>-</u>
Total bank balances	<u>31,860,077</u>	<u>171,971</u>
Carrying Amount	<u>\$ 26,415,625</u>	<u>\$ 129,259</u>

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

The State Treasurer Local Government Investment Pool is not SEC Registered. Section 6-10-10-1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment funds in securities that are issued by the United States Government or by its departments or agencies and are either backed by the full faith and credit of the United States Government or are agencies sponsored by the United States Government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares; at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distribution dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2008. The State of New Mexico is the regulatory oversight entity and participation in the pool is voluntary.

Collateral Pledged

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution, and one hundred two percent of the amount in overnight repurchase accounts on deposit with the institution. The schedule listed below will meet the State of New Mexico Office of the State Auditor's requirements in reporting the insured portion of the deposits.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 3: DEPOSITS AND INVESTMENTS (continued)

Collateral Pledged (continued)

	District			Component Unit
	Carlsbad National Bank	Western Commerce Bank	Wells Fargo Bank	Western Commerce Bank
Total amount of deposits	\$ 7,411,778	\$21,413,622	\$ 3,034,677	\$ 171,971
FDIC coverage	100,000	100,000	100,000	100,000
Total uninsured public funds	<u>\$ 7,311,778</u>	<u>\$21,313,622</u>	<u>\$ 2,934,677</u>	<u>\$ 71,971</u>
Collateral requirement (50% of uninsured public funds)	\$ 3,655,889	\$ 10,656,811	\$ 1,467,339,	\$ 35,986
Pledged securities	6,035,827	14,226,582	3,426,509	-
Over (under) collateralization	<u>\$ 2,379,938</u>	<u>\$ 3,569,771</u>	<u>\$ 1,959,170</u>	<u>\$ 115,087</u>

The collateral pledged is listed on p. 127-128 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

Reconciliation to the Statements of Net Assets

The carrying amount of deposits and investments shown above are included in the District's balance sheet as follows:

	District	Component Unit
Carrying amount - Deposits	<u>\$ 26,415,625</u>	<u>\$ 129,259</u>
Included in the following balance sheet captions:		
Cash and cash equivalents	<u>\$ 26,415,625</u>	<u>\$ 129,259</u>

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 4: RECEIVABLES

Accounts receivable as of June 30, 2008, are as follows:

	General	Bond Building 2007	Capital Improvement HB-33	Capital Improvement SB-9	Other Government Funds	Total
Eddy County Treasurer						
Property tax receivable	\$ 5,912	\$ -	\$ 26,210	\$ 26,210	\$ 17,134	\$ 75,466
Oil & gas tax receivable	75,324	-	302,668	302,668	197,347	878,007
Due from other governments		-	-	-	1,303,628	1,303,628
Totals	\$ 81,236	\$ -	\$ 328,878	\$ 328,878	\$ 1,518,109	\$ 2,257,101

The above receivables are deemed 100% collectible.

NOTE 5: INTERFUND RECEIVABLES

Interfund balances represent short-term advances to funds that receive grants on a reimbursement basis. The composition of interfund balances during the year ended June 30, 2008 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Title I	\$ 471,832
General Fund	IDEA-B Entitlement	180,049
General Fund	IDEA-B Preschool	6,178
General Fund	Carl Perkins Vocational Ed	30,838
General Fund	NM Partnership in Character Education	15,500
General Fund	Technology Literacy	53
General Fund	Title V-A	7,960
General Fund	Teacher/Principal Training & Recruiting	56,832
General Fund	Safe & Drug Free Schools	12,463
General Fund	Family & Youth Resource Program	45,000
General Fund	Go Bond C Library	49
General Fund	Beginning Teacher Mentoring	12,268
General Fund	Technology Equity	391,137
General Fund	School Improvement Framework	395
General Fund	Libraries GO Bond	6,388
General Fund	English Language Acquisition	13,058
General Fund	Special Capital Outlay	254,683
Title XIX Medicaid	Carl Perkins Vocational Ed	7,270
		<u>\$ 1,511,953</u>

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 6: CAPITAL ASSETS

A summary of capital assets and changes for the District occurring during the year ended June 30, 2008 follows:

	<u>Balance 06/30/07</u>	<u>Additions and transfers in</u>	<u>Deletions and transfers out</u>	<u>Balance 06/30/08</u>
<i>Governmental activities:</i>				
Capital assets, not being depreciated:				
Land	\$ 1,346,923	\$ -	\$ -	\$ 1,346,923
Construction in progress	8,782,801	4,654,427	(4,752,497)	8,684,731
Total capital assets not being depreciated	<u>10,129,724</u>	<u>4,654,427</u>	<u>(4,752,497)</u>	<u>10,031,654</u>
Capital assets being depreciated:				
Land improvements	4,919,159	348,794	-	5,267,953
Building and building improvements	62,922,231	4,569,330	-	67,491,561
Furniture, fixtures and equipment	7,196,036	1,492,728	(102,392)	8,586,372
Equipment acquired under capital lease	938,137	-	-	938,137
Total capital assets being depreciated	<u>75,975,563</u>	<u>6,410,852</u>	<u>(102,392)</u>	<u>82,284,023</u>
Total capital assets	86,105,287	11,065,279	(4,854,889)	92,315,677
Less accumulated depreciation:				
Land improvements	(1,510,613)	(219,243)	-	(1,729,856)
Building and building improvements	(28,645,903)	(1,562,735)	-	(30,208,638)
Furniture, fixtures and equipment	(4,166,145)	(938,934)	93,284	(5,011,795)
Equipment acquired under capital lease	(459,217)	(46,907)	-	(506,124)
	<u>\$51,323,409</u>	<u>\$8,297,460</u>	<u>\$(4,761,605)</u>	<u>\$ 54,859,264</u>

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 6: CAPITAL ASSETS (continued)

A summary of capital assets and changes for the Component Unit occurring during the year ended June 30, 2008 follows:

	<u>Balance 06/30/07</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/08</u>
Leasehold improvements	\$ 48,701	\$ -	\$ -	\$ 48,701
Furniture, fixtures and equipment	<u>175,819</u>	<u>-</u>	<u>-</u>	<u>175,819</u>
Total capital assets	224,520	-	-	224,520
Less accumulated depreciation:				
Leasehold improvements	(25,268)	(9,740)	-	(35,008)
Furniture, fixtures and equipment	<u>(109,402)</u>	<u>(31,369)</u>	<u>-</u>	<u>(140,771)</u>
	<u>\$ 89,850</u>	<u>\$ (41,109)</u>	<u>\$ -</u>	<u>\$ 48,741</u>

Depreciation expense for the year ended June 30, 2008 was charged to the following functions and programs of the primary government:

	<u>District</u>	<u>Component Unit</u>
Instruction	\$ 498,207	\$ -
Support services:		
Students	52,589	-
Instruction	52,589	-
School administration	52,589	-
General administration	19,375	-
Central services	8,303	-
Operation and maintenance of plant	77,499	-
Student transportation	27,678	-
Food services	47,053	-
Community services	5,536	-
Unallocated	<u>1,926,401</u>	<u>41,109</u>
Total depreciation expense	<u>\$ 2,767,819</u>	<u>\$ 41,109</u>

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 6: CAPITAL ASSETS (continued)

The District has active construction projects as of June 30, 2008. The projects include renovations and improvements to existing school buildings and grounds. A portion of the outstanding projects is funded by payments made directly to contractors by the Deficiencies Correction Unit (DCU). The DCU was created by Laws 2001, Chapter 338, pursuant to the Public School Capital Outlay Act as codified in Section 22-24-4.2 NMSA 1978 to assist in identifying and funding all outstanding deficiencies in public schools and grounds that may adversely affect the health or safety of students and school personnel no later than June 30, 2008.

NOTE 7: LONG – TERM DEBT

Bonds outstanding at June 30, 2008, consisted of the following issues:

General Obligation Bonds

Series: May 1, 1998

Original Issue: \$9,900,000

Principal: August 1

Interest: February 1 and August 1

Rates: 4.00% to 5.00%

Purpose of the bonds is to erect, remodel, make additions to and furnish school buildings, and to purchase and improve school grounds within the District.

Series: May 18, 2004

Original Issue: \$7,100,000

Principal: August 1

Interest: February 1 and August 1

Rates: 2.50% to 4.00%

Purpose of the bonds is to erect, remodel, make additions to and furnish school buildings, and to purchase and improve school grounds within the District.

Series: November 20, 2007

Original Issue: \$7,100,000

Principal: August 1

Interest: February 1 and August 1

Rates: 3.70% to 4.125%

Purpose of the bonds is to erect, remodel, make additions to and furnish school buildings, and to purchase and improve school grounds within the District.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 7: LONG – TERM DEBT (continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Fiscal Year Ending June 30	1998 Issue			2004 Issue		
	Principal	Interest	Total	Principal	Interest	Total
2009	800,000	17,800	817,800	475,000	174,282	649,282
2010	-	-	-	1,435,000	139,422	1,574,422
2011	-	-	-	500,000	104,437	604,437
2012	-	-	-	500,000	86,825	586,825
2013	-	-	-	500,000	67,875	567,875
2014-2018	-	-	-	1,500,000	88,750	1,588,750
	<u>\$ 800,000</u>	<u>\$ 17,800</u>	<u>\$ 817,800</u>	<u>\$ 4,910,000</u>	<u>\$ 661,591</u>	<u>\$ 5,571,591</u>

Fiscal Year Ending June 30	2007 Issue		
	Principal	Interest	Total
2009	400,000	325,217	725,217
2010	165,000	259,025	424,025
2011	1,160,000	232,525	1,392,525
2012	500,000	199,325	699,325
2013	275,000	183,825	458,825
2014-2020	4,600,000	818,463	5,418,463
	<u>\$ 7,100,000</u>	<u>\$ 2,018,380</u>	<u>\$ 9,118,380</u>

NOTE 8: CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2008, was as follows:

	June 30, 2007	Additions	Reductions	June 30, 2008	Due Within One Year
General obligation bonds	\$ 7,255,000	\$ 7,100,000	\$ 1,545,000	\$12,810,000	\$1,675,000
Compensated absences	168,177	140,535	137,775	170,937	-
Long-term liabilities	<u>\$ 7,423,177</u>	<u>\$ 7,240,535</u>	<u>\$ 1,682,775</u>	<u>\$12,980,937</u>	<u>\$1,675,000</u>

In prior years, the general fund has typically been used to liquidate long-term liabilities other than debt including capital leases and compensated absences.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 9: RISK MANAGEMENT

The District is a member of the New Mexico Public School Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 or each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2008, there have been no claims that have exceeded insurance coverage.

NOTE 11: ERA PENSION PLAN

Plan Description. Substantially all of Carlsbad Municipal School District No. 20's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (ERA) (Chapter 22, Article 11 NMSA 1978.) The Educational Retirement Board is the administrator of the plan, which is a cost sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, and cost-of-living adjustments to plan members and beneficiaries. ERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to ERA, P.O. Box 26129, Santa Fe, New Mexico 87502.

Funding Policy. Plan members are required to contribute 7.825% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. The contribution requirements of plan members and the District are established under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Districts contributions to ERA for the years ended June 30, 2008, 2007 and 2006 were \$3,775,303, \$3,384,745 and \$2,955,137 and the employee contributions were \$2,710,255, \$2,584,418 and \$2,375,836, respectively.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 12: POST-EMPLOYMENT BENEFITS

The Retiree Health Care Act (the "Act") (Chapter 10, Article 7C, NMSA, 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or out-of-pocket payments of eligible retirees. Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees.

Eligible employers are institution of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Education Retirement Act (ERA), Public Employees Retirement Association (PERA), Volunteer Firefighters Retirement Act, Judicial Retirement Act of the Magistrate Retirement Act. 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 Retiree Health Care Act on the person's behalf unless that person retires before the employer's HMRHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employers effective date and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990 and former legislators who served at least two years. Each participating employer makes contributions to the fund in the amount of 1.3% of each participating employee's annual salary. Each employee contributes to the fund an employee contribution in an amount equal to .65% of the employee's salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employer's NMRHCA effective date or is a former legislator. Participants may also enroll in optional plans of coverage.

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of the employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The Retiree Health Care Authority issued a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, New Mexico 87107.

For the years ended June 30, 2008, 2007, and 2006, the District remitted \$453,352, \$439,520 and \$413,344 in employer contributions and \$226,695, \$219,758 and \$206,669 in employee contributions, respectively.

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20

Notes to the Financial Statements
June 30, 2008

NOTE 13: CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

NOTE 14: ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) today issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The Statement provides needed guidance regarding how to identify, account for, and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature, and has an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, computer software, water rights, timber rights, patents, and trademarks. The requirements Statement 51 are effective for financial statements for periods beginning after June 15, 2009. The District believes it will have no significant effect on the financial statements for the upcoming year.

In December 2006, the Governmental Accounting Standards Board (GASB) issued Statement No. 49, *Pollution Remedial Obligations*. This statement is effective for financial statements for the periods beginning after December 15, 2007. This statement establishes accounting standards for the recognition and reporting of liabilities related to environmental clean-up efforts. The District believes it will have no significant effect on the financial statements for the upcoming year.

In June 2008, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Statement 53 is intended to improve how state and local governments report information about derivative instruments—financial arrangements used by governments to manage specific risks or make investments—in their financial statements. The guidance in this Statement also addresses hedge accounting requirements and is effective for financial statements for reporting periods beginning after June 15, 2009, with earlier application encouraged. The District is analyzing the effect that this standard will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Notes to the Financial Statements
June 30, 2008**

NOTE 14: ACCOUNTING STANDARDS (continued)

In November 2007, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. The statement improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. Reporting those investments at fair value provides more decision-useful information about their composition, current value, and recent changes in value. GASB Statement No. 52 is effective for financial statements for periods beginning after June 15, 2008. The District is analyzing the effect that this standard will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOLS DISTRICT NO. 20
Combining Balance Sheet
General Fund
June 30, 2008

	Operational	Transportation	Instructional Materials	Total General Fund
ASSETS				
Cash and Cash Equivalents	\$ 4,502,201	\$ -	\$ 221,278	\$ 4,723,479
Receivables:				
Taxes	81,236	-	-	81,236
Due from Other Funds	1,504,683	-	-	1,504,683
Prepaid expenses	1,332,728	880	-	1,333,608
Inventory	435,066	-	-	435,066
Total Assets	<u>\$ 7,855,914</u>	<u>\$ 880</u>	<u>\$ 221,278</u>	<u>\$ 8,078,072</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 912,557	\$ -	\$ 81,940	\$ 994,497
Deferred Revenue	2,034	-	-	2,034
Total Liabilities	<u>914,591</u>	<u>-</u>	<u>81,940</u>	<u>996,531</u>
<i>Fund Balances:</i>				
Reserved:				
Reserved for inventory	435,066	-	-	435,066
Unreserved:				
Designated for subsequent year's expenditures reported in:				
General Fund	4,120,795	-	-	4,120,795
Transportation	-	-	-	-
Instructional Materials	-	-	-	-
Undesignated, reported in:				
General Fund	2,385,462	-	-	2,385,462
Transportation	-	880	-	880
Instructional Materials	-	-	139,338	139,338
<i>Total Fund Balances</i>	<u>6,941,323</u>	<u>880</u>	<u>139,338</u>	<u>7,081,541</u>
Total Liabilities and Fund Balances	<u>\$ 7,855,914</u>	<u>\$ 880</u>	<u>\$ 221,278</u>	<u>\$ 8,078,072</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOLS DISTRICT NO. 20
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2008

	Operational	Transportation	Instructional Materials	Total General Fund
REVENUES				
Taxes	\$ 678,532	\$ -	\$ -	\$ 678,532
District activities	100,515	-	-	100,515
Revenue from local sources	338,172	-	-	338,172
Revenue from state sources	46,084,398	1,706,997	657,477	48,448,872
Revenue from federal sources	59,943	-	-	59,943
Other items	-	-	-	-
Total Revenues	<u>47,261,560</u>	<u>1,706,997</u>	<u>657,477</u>	<u>49,626,034</u>
EXPENDITURES				
Current:				
Instruction	28,940,613	-	774,647	29,715,260
Support services:				
Students	4,095,791	-	-	4,095,791
Instruction	1,776,769	-	48,264	1,825,033
General administration	647,802	-	-	647,802
School administration	3,344,553	-	-	3,344,553
Central services	1,235,006	-	-	1,235,006
Operation and maintenance of plant	5,449,861	-	-	5,449,861
Student transportation	-	1,706,117	-	1,706,117
Other support	17,500	-	-	17,500
Operation of non instructional services:				
Community services	47,272	-	-	47,272
Total Expenditures	<u>45,555,167</u>	<u>1,706,117</u>	<u>822,911</u>	<u>48,084,195</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,706,393</u>	<u>880</u>	<u>(165,434)</u>	<u>1,541,839</u>
Other Financing Sources (uses)				
Increase (decrease) in inventory	<u>(29,257)</u>	<u>-</u>	<u>-</u>	<u>(29,257)</u>
Net Changes in Fund Balances	1,677,136	880	(165,434)	1,512,582
Fund Balances - Beginning of Year	<u>5,264,187</u>	<u>-</u>	<u>304,772</u>	<u>5,568,959</u>
Fund Balances - End of Year	<u>\$ 6,941,323</u>	<u>\$ 880</u>	<u>\$ 139,338</u>	<u>\$ 7,081,541</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Operational
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 704,077	\$ 704,077	\$ 656,372	\$ (47,705)
District activities	108,039	108,039	100,515	(7,524)
Revenue from local sources	310,072	310,072	338,172	28,100
Revenue from state sources	45,430,240	45,430,240	46,084,398	654,158
Revenue from federal sources	113,222	113,222	59,943	(53,279)
<i>Total Revenues</i>	<u>46,665,650</u>	<u>46,665,650</u>	<u>47,239,400</u>	<u>573,750</u>
EXPENDITURES				
Instruction:				
Personnel services - compensation	23,242,067	23,242,067	22,130,011	1,112,056
Personnel services - employee benefits	6,482,898	6,771,638	6,519,807	251,831
Other Purchased services	369,568	369,568	313,647	55,921
Supplies	1,718,298	1,202,176	37,906	1,164,270
Property	-	227,382	225,802	1,580
Instruction	<u>31,812,831</u>	<u>31,812,831</u>	<u>29,227,173</u>	<u>2,585,658</u>
Support services - student:				
Personnel services - compensation	3,102,341	2,900,163	2,900,163	-
Personnel services - employee benefits	826,452	830,564	830,561	3
Purchase prof. & tech. services	221,523	90,121	86,866	3,255
Purchased property services	-	30,066	30,066	-
Other purchased services	12,000	24,144	24,144	-
Supplies	17,727	274,398	259,362	15,036
Property	-	1,672	1,672	-
Total support services - student	<u>4,180,043</u>	<u>4,151,128</u>	<u>4,132,834</u>	<u>18,294</u>
Support services - instruction:				
Personnel services - compensation	912,988	962,332	962,332	-
Personnel services - employee benefits	292,869	315,460	315,444	16
Purchase prof. & tech. services	232,200	83,252	83,252	-
Purchased property services	-	16,799	16,799	-
Other purchased services	13,000	3,718	3,718	-
Supplies	187,424	200,255	200,255	-
Property	-	171,778	171,778	-
Total support services - instruction	<u>1,638,481</u>	<u>1,753,594</u>	<u>1,753,578</u>	<u>16</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Operational
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>EXPENDITURES (continued)</i>				
Support services - general administration:				
Personnel services - compensation	378,872	378,872	373,278	5,594
Personnel services - employee benefits	107,851	116,557	109,403	7,154
Purchased professional & technical services	91,063	182,776	165,508	17,268
Other purchased services	19,500	25,937	22,937	3,000
Supplies	48,546	79,469	78,593	876
Property	1,000	1,000	-	1,000
Total support services - general admin	<u>646,832</u>	<u>784,611</u>	<u>749,719</u>	<u>34,892</u>
Support services - school administration:				
Personnel services - compensation	2,637,565	2,657,774	2,571,049	86,725
Personnel services - employee benefits	754,112	787,208	757,692	29,516
Purchased property services	-	280	280	-
Other purchased services	22,000	22,845	17,865	4,980
Supplies	3,000	31,062	31,062	-
Property	-	3,615	3,615	-
Total support services - school admin.	<u>3,416,677</u>	<u>3,502,784</u>	<u>3,381,563</u>	<u>121,221</u>
Support services - central services:				
Personnel services - compensation	846,774	846,774	799,004	47,770
Personnel services - employee benefits	266,851	256,747	246,412	10,335
Purchased professional & technical services	38,000	56,050	42,574	13,476
Purchased property services	10,000	18,517	12,419	6,098
Other purchased services	17,800	28,675	27,047	1,628
Supplies	1,534,075	753,027	113,038	639,989
Property	1,000	3,776	3,776	-
Total support services - central serv.	<u>2,714,500</u>	<u>1,963,566</u>	<u>1,244,270</u>	<u>719,296</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Operational
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>EXPENDITURES (continued)</i>				
Support services - operation and maintenance of plant:				
Personnel services - compensation	2,340,330	2,382,972	2,179,916	203,056
Personnel services - employee benefits	745,195	794,216	748,827	45,389
Purchased professional & technical services	2,000	2,000	-	2,000
Purchased property services	1,683,566	1,754,170	1,522,306	231,864
Other purchased services	846,561	1,034,203	1,031,591	2,612
Supplies	121,542	142,266	49,216	93,050
Property	20,000	72,717	70,729	1,988
Total support services - operation and maintenance of plant	<u>5,759,194</u>	<u>6,182,544</u>	<u>5,602,585</u>	<u>579,959</u>
Support services - other support:				
Debt service and miscellaneous	568,055	585,555	17,500	568,055
Total support services - other support	<u>568,055</u>	<u>585,555</u>	<u>17,500</u>	<u>568,055</u>
Operation of non instructional services - community services:				
Personnel services - compensation	39,912	38,905	37,302	1,603
Personnel services - employee benefits	9,920	10,884	10,324	560
Other purchased services	-	43	43	-
Total transportation services	<u>49,832</u>	<u>49,832</u>	<u>47,669</u>	<u>2,163</u>
Capital Outlay	-	-	-	-
Non-operating	-	-	-	-
<i>Total Expenditures</i>	<u>50,786,445</u>	<u>50,786,445</u>	<u>46,156,891</u>	<u>4,629,554</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,120,795)</u>	<u>(4,120,795)</u>	<u>1,082,509</u>	<u>5,203,304</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Operational
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Other financing sources (uses):</i>				
Designated cash balance	4,120,795	4,120,795	-	(4,120,795)
<i>Total other financing sources (uses)</i>	4,120,795	4,120,795	-	(4,120,795)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	1,082,509	1,082,509
<i>Fund balance - beginning of year</i>	-	-	4,272,729	4,272,729
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 5,355,238	\$ 5,355,238

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Transportation
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues from state sources	\$ 1,696,082	\$ 1,706,997	\$ 1,706,997	\$ -
<i>Total Revenues</i>	<u>1,696,082</u>	<u>1,706,997</u>	<u>1,706,997</u>	<u>-</u>
EXPENDITURES				
Support Services:				
Student transportation	1,696,082	1,706,997	1,706,997	-
<i>Total Expenditures</i>	<u>1,696,082</u>	<u>1,706,997</u>	<u>1,706,997</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Instructional Materials
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues from state sources	562,460	633,342	657,477	24,135
<i>Total Revenues</i>	<u>562,460</u>	<u>633,342</u>	<u>657,477</u>	<u>24,135</u>
EXPENDITURES				
Instruction	856,520	920,703	720,744	199,959
Support services:				
Instruction	49,377	56,076	48,264	7,812
<i>Total Expenditures</i>	<u>905,897</u>	<u>976,779</u>	<u>769,008</u>	<u>207,771</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(343,437)</u>	<u>(343,437)</u>	<u>(111,531)</u>	<u>231,906</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	343,437	343,437	-	(343,437)
<i>Total other financing sources (uses)</i>	<u>343,437</u>	<u>343,437</u>	<u>-</u>	<u>(343,437)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(111,531)	(111,531)
<i>Fund balances - beginning of year</i>	-	-	332,808	332,808
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,277</u>	<u>\$ 221,277</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Bond Building
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 47,730	\$ 47,730	\$ 75,956	\$ 28,226
Bond sale	-	7,100,000	7,135,500	35,500
<i>Total Revenues</i>	<u>47,730</u>	<u>7,147,730</u>	<u>7,211,456</u>	<u>63,726</u>
EXPENDITURES				
Capital outlay	31,379,910	10,279,910	2,774,176	7,505,734
<i>Total Expenditures</i>	<u>31,379,910</u>	<u>10,279,910</u>	<u>2,774,176</u>	<u>7,505,734</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(31,332,180)</u>	<u>(3,132,180)</u>	<u>4,437,280</u>	<u>7,569,460</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	31,332,180	3,132,180	-	(3,132,180)
<i>Total other financing sources (uses)</i>	<u>31,332,180</u>	<u>3,132,180</u>	<u>-</u>	<u>(3,132,180)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	4,437,280	4,437,280
<i>Fund balances - beginning of year</i>	-	-	2,184,687	2,184,687
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,621,967</u>	<u>\$ 6,621,967</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Capital Improvement HB-33
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,881,966	\$ 2,881,966	\$ 2,785,138	\$ (96,828)
Investment income	189,000	189,000	108,791	(80,209)
<i>Total Revenues</i>	<u>3,070,966</u>	<u>3,070,966</u>	<u>2,893,929</u>	<u>(177,037)</u>
EXPENDITURES				
Support services:				
General administration	10,779	11,710	11,710	-
Capital outlay	9,602,341	9,509,176	2,320,721	7,188,455
<i>Total Expenditures</i>	<u>9,613,120</u>	<u>9,520,886</u>	<u>2,332,431</u>	<u>7,188,455</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,542,154)</u>	<u>(6,449,920)</u>	<u>561,498</u>	<u>7,011,418</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	6,542,154	6,449,920	-	(6,449,920)
<i>Total other financing sources (uses)</i>	<u>6,542,154</u>	<u>6,449,920</u>	<u>-</u>	<u>(6,449,920)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	561,498	561,498
<i>Fund balances - beginning of year</i>	-	-	6,406,103	6,406,103
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,967,601</u>	<u>\$ 6,967,601</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Capital Improvement SB-9
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,881,966	\$ 2,881,966	\$ 2,785,139	\$ (96,827)
Investment income	95,000	95,000	57,441	(37,559)
<i>Total Revenues</i>	2,976,966	2,976,966	2,842,580	(134,386)
EXPENDITURES				
Support services:				
General administration	10,778	11,710	11,710	-
Capital outlay	8,252,925	8,252,925	2,640,939	5,611,986
<i>Total Expenditures</i>	8,263,703	8,264,635	2,652,649	5,611,986
<i>Excess (deficiency) of revenues over expenditures</i>	(5,286,737)	(5,287,669)	189,931	5,477,600
<i>Other financing sources (uses):</i>				
Designated cash balance	5,286,737	5,287,669	-	(5,287,669)
<i>Total other financing sources (uses)</i>	-	-	-	(5,287,669)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(5,286,737)	(5,287,669)	189,931	189,931
<i>Fund balances - beginning of year</i>	-	-	4,149,327	4,149,327
<i>Fund balances - end of year</i>	\$ (5,286,737)	\$ (5,287,669)	\$ 4,339,258	\$ 4,339,258

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

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Nonmajor Governmental Funds
June 30, 2008**

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

Cafeteria Fund – This fund is utilized to account for Federal and Local sources of income relating to the food service programs. The Cafeteria Fund is segregated into two categories, one being the Federal funds and the other being Non-Federal funds. Federal funds consist of the National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. The Non-Federal funds consist of income derived from Snack Bar facilities located in the District. Authority for the creation of this fund is NMSA 22-13-13.

Athletics – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.0 NMAC.

Transition Specialist Cadre – The objective of this grant is to provide building capacity to improve service to students with disabilities. Funding for this grant is provided through the Office of Special Education and Rehabilitative Services, Department of Education. Authority for creation of this fund is established under the Individuals with Disabilities Education Act (IDEA), Part B Section 611, and Part D Section 674 as amended, 20 U.S.C 1411 and 1420.

IDEA-B Preschool – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

IDEA-B Entitlement – The objective of the fund is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. Authority of the creation of this fund is Part B of the Handicapped Act, Public Law 105-17.

NM Partnership in Character Education - This is a direct grant that requires school personnel to attend training and then implement the Character Counts! program in the schools.

Technology Literacy – The objective of this program is to (a) improve student academic achievement through the use of technology in schools; (b) assist all students in becoming technologically literate by the end of the eighth grade; and (c) encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods. Authority for creation of this fund is Part D of Title II of the Elementary and Secondary Act (ESEA), as amended by the No Child Left Behind Act of 2001.

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Nonmajor Governmental Funds
June 30, 2008**

SPECIAL REVENUE FUNDS

Title V-A – The objectives of Title V, Part A are to: (1) support local educational reform efforts that are consistent with and support statewide education reform efforts; (2) provide funding to enable State Educational Agencies (SEAs) and Local Educational Agencies (LEAs) to implement promising educational reform programs and school improvement programs based on scientifically based research; (3) provide a continuing source of innovation, and educational improvement, including support programs to provide library services and instructional and media materials; (4) meet the educational needs of all students, including at-risk youth; and (5) develop and implement education programs to improve school, student, and teacher performance, including professional development activities and class size reduction programs (Title V, Part A, Section 5101(a) of the ESEA (20 USC 7201(a)). Authority for creation of this fund is No Child Left Behind Act (NCLB Act), Pub. L. No. 107-110, as Title V, Part A of the Elementary and Secondary Education Act (ESEA).

Teacher/Principal Training and Recruiting – The objective of the Improving Teacher Quality State Grants program is to provide funds to State Educational agencies (SEAs), local education agencies (LEAs), State agencies for higher education (SAHEs), and partnerships comprised of institutions of higher education (IHEs), high-need LEAs and other entities to increase the academic achievement of all students by helping schools and school districts to: (1) improve teacher and principal quality (including hiring teachers to reduce class size) and (2) ensure that all teachers are highly qualified. Authority for creation of this fund is Title II, Part A of the Elementary and Secondary Education Act (ESEA) of 1965, as amended by the No Child Left Behind Act of 2001 (NCLB) (Pub. L. No. 107-110).

Safe and Drug Free Schools – The objective of the Safe and Drug-Free Schools program is to support programs that prevent violence in and around schools and by strengthening programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and are coordinated with related Federal, State, and community efforts and resources. Authority for creation of this fund is authorized by the Safe and Drug-Free Schools and Communities Act (SDFSCA), contained in Title IV of ESEA.

Rural and Low Income Schools – To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Authority for creation of this fund is Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

Carl Perkins Vocational Ed – The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

Title XIX Medicaid – The objective of this program is to provide federal funds for the implementation of the Medical Assistance Program Medicaid providing payments for medical assistance to low-income persons who are age 65 or over, blind, disabled, or members of families with dependent children or qualified pregnant women or children. Authority for creation of the Title XIX Medical Assistance Program is the Medicaid Title XIX of the Social Security Act, as amended, (42 USC 1396, et seq.)

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

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Nonmajor Governmental Funds
June 30, 2008**

SPECIAL REVENUE FUNDS

Elementary Physical Education - In conjunction with the Governor's emphasis on child health, the District applied for and received grant funds that pay the salary and benefits of a 1.00 FTE elementary PE teacher, up to \$65,000. The chosen teacher is required to attend state trainings and submit study data regarding obesity for the two schools served: Monterrey and Eddy.

School Improvement – The purpose of this state grant is to provide funds for use in providing student educational trips, automation of the District's libraries, and other educational materials. Authority for creation of this fund is Laws of 1997, chapter 32.

GO Bond C Library - This is a continuation grant awarded from the 2004 General Obligation Bonds. The funds are allocated to each district library based on a unit value per enrollment. The District restricted the use of these funds to the purchase of library and reference books. No equipment, software, audio cassettes, compact discs, VHS or DVD items were eligible for purchase with these funds.

Steroid Testing - Carlsbad was selected for this pilot program grant to conduct random steroid testing on all students active in athletics, organizations, and/or extra-curricular activities. This award was based on the District implementing a Random Drug Testing program within the schools as a means of establishing a drug-free environment.

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

Technology Equity –

School Improvement Framework –

Suicide Prevention - Carlsbad was one of four sites selected by the State to receive this grant. It requires a SBHC to be in operation and a wellness plan must be submitted and approved. A coordinator is required to develop and facilitate intervention programs to reduce the incidence of youth suicide in the selected communities. Training and specific activities are required, such as, the development of Peer Helpers and the implementation of a Prevention Curriculum.

School Based Health Clinic - Carlsbad was one of several sites chosen to receive funding to construct and implement a school-based health clinic. The Carlsbad SBHC is located on the campus of the High School. The SBHC is a Level II facility which means it is entitled to 16 hours weekly for both health care and mental health services.

Title 1 – The major objectives are to provide supplemental educational opportunities for academically disadvantaged children in the area where they reside. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title 1 campus is eligible to receive Title 1 services. Poverty is the criteria that identifies a campus; education need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Nonmajor Governmental Funds
June 30, 2008**

SPECIAL REVENUE FUNDS

Mexico Department of Education. Authority for the creation of this fund is Part A of Chapter 1 of Title 1 of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

English Language Acquisition – The objective of Title III, Part A of the Elementary and Secondary Education Act (ESEA) is to improve the education of limited English proficient (LEP) children and youths by helping them learn English and meet challenging state academic content and student academic achievement standards. The program also provides enhanced instructional opportunities for immigrant children and youths.

Family & Youth Resource Program –

Breakfast for Elementary Students –

Libraries 2006 GO Bonds –

CAPITAL PROJECTS FUNDS

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

The District has three separate funds classified as Capital Projects Funds as follows:

Bond Building Fund 2004 – This fund is used to account for the erecting, remodeling, additions and furnishings of school buildings.

Special Capital Outlay-State – The District was selected to receive special capital outlay appropriations. The appropriations are funded by State Severance Tax Bonds, the State General Fund, or the State Highway Division.

Public Schools Capital Outlay – The purpose of this fund is to account for resources received from the local ad valorem tax levy for use in remodeling and equipping classroom facilities.

Energy Efficiency Act – The purpose of this fund is to account for revenue pursuant to Public Building Energy Efficiency Act, NMSA 1978 6-23-1 to 6-23-10. Funds will be utilized to retrofit the District's buildings to provide energy cost savings.

DEBT SERVICE FUNDS

Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2008

	Special Revenue Funds		
	Cafeteria	Athletics	Transition Specialist Cadre
ASSETS			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 313,820	\$ 286,992	\$ 12
Accounts Receivable:			
Taxes	-	-	-
Due from Other Governments	64,735	-	-
Due from Other Funds	-	-	-
Prepaid Expenses	-	-	-
Inventory	57,072	-	-
<i>Total Assets</i>	<u>\$ 435,627</u>	<u>\$ 286,992</u>	<u>\$ 12</u>
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities:</i>			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-
Due to Other Funds	-	-	-
Deferred Revenue	-	-	12
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>12</u>
<i>Fund Balances:</i>			
Reserved:			
Reserved for Inventory	57,072	-	-
Reserved for Debt Service	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special Revenue Funds	378,555	78,576	-
Capital Project Funds	-	-	-
Undesignated, reported in:			
Special Revenue Funds	-	208,416	-
Capital Project Funds	-	-	-
<i>Total Fund Balances</i>	<u>435,627</u>	<u>286,992</u>	<u>-</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 435,627</u>	<u>\$ 286,992</u>	<u>\$ 12</u>

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

Special Revenue Funds

IDEA-B Preschool	IDEA-B Entitlement	NM Partnership in Character Education	Technology Literacy	Title V-A	Teacher / Principal Training & Recruiting	Safe and Drug Free Schools
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
5,738	169,160	15,500	53	7,960	54,620	12,118
-	-	-	-	-	-	-
439	11,005	-	-	-	3,379	346
-	-	-	-	-	-	-
<u>\$ 6,177</u>	<u>\$ 180,165</u>	<u>\$ 15,500</u>	<u>\$ 53</u>	<u>\$ 7,960</u>	<u>\$ 57,999</u>	<u>\$ 12,464</u>
\$ -	\$ 116	\$ -	\$ -	\$ -	\$ 1,167	\$ -
-	-	-	-	-	-	-
6,177	180,049	15,500	53	7,960	56,832	12,464
-	-	-	-	-	-	-
<u>6,177</u>	<u>180,165</u>	<u>15,500</u>	<u>53</u>	<u>7,960</u>	<u>57,999</u>	<u>12,464</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 6,177</u>	<u>\$ 180,165</u>	<u>\$ 15,500</u>	<u>\$ 53</u>	<u>\$ 7,960</u>	<u>\$ 57,999</u>	<u>\$ 12,464</u>

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2008

	Special Revenue Funds		
	Rural and Low Income Schools	Carl Perkins Vocational Ed	Title XIX Medicaid
ASSETS			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 33	\$ -	\$ 77,560
Accounts Receivable:			
Taxes	-	-	-
Due from Other Governments	-	38,108	-
Due from Other Funds	-	-	7,317
Prepaid Expenses	-	-	-
Inventory	-	-	-
	\$ 33	\$ 38,108	\$ 84,877
<i>Total Assets</i>	\$ 33	\$ 38,108	\$ 84,877
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities:</i>			
Accounts Payable	\$ -	\$ -	\$ 46
Due to Other Governments	-	-	-
Due to Other Funds	-	38,108	-
Deferred Revenue	33	-	84,831
	33	38,108	84,877
<i>Total Liabilities</i>	33	38,108	84,877
<i>Fund Balances:</i>			
Reserved:			
Reserved for Inventory	-	-	-
Reserved for Debt Service	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special Revenue Funds	-	-	-
Capital Project Funds	-	-	-
Undesignated, reported in:			
Special Revenue Funds	-	-	-
Capital Project Funds	-	-	-
	-	-	-
<i>Total Fund Balances</i>	-	-	-
<i>Total Liabilities and Fund Balances</i>	\$ 33	\$ 38,108	\$ 84,877

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

Special Revenue Funds

Technology in Education	Elementary Physical Education	School Improvement	GO Bond C Library	Steroid Testing	Model for Effective Teacher Mentoring
\$ 29,727	\$ 1,650	\$ 952	\$ -	\$ 23	\$ -
-	-	-	-	-	-
-	-	-	49	-	12,268
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 29,727</u>	<u>\$ 1,650</u>	<u>\$ 952</u>	<u>\$ 49</u>	<u>\$ 23</u>	<u>\$ 12,268</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	49	-	12,268
<u>29,727</u>	<u>1,650</u>	<u>952</u>	<u>-</u>	<u>23</u>	<u>-</u>
<u>29,727</u>	<u>1,650</u>	<u>952</u>	<u>49</u>	<u>23</u>	<u>12,268</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 29,727</u>	<u>\$ 1,650</u>	<u>\$ 952</u>	<u>\$ 49</u>	<u>\$ 23</u>	<u>\$ 12,268</u>

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2008

	Special Revenue Funds		
	Technology Equity	School Improvement Framework	Suicide Prevention
ASSETS			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ -	\$ -	\$ 586
Accounts Receivable:			
Taxes	-	-	-
Due from other Governments	391,137	395	-
Due from other funds	-	-	-
Prepaid Expenses	-	-	-
Inventory	-	-	-
	<u>\$ 391,137</u>	<u>\$ 395</u>	<u>\$ 586</u>
<i>Total Assets</i>	<u>\$ 391,137</u>	<u>\$ 395</u>	<u>\$ 586</u>
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities:</i>			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-
Due to Other Funds	391,137	395	-
Deferred Revenue	-	-	586
	<u>391,137</u>	<u>395</u>	<u>586</u>
<i>Total Liabilities</i>	<u>391,137</u>	<u>395</u>	<u>586</u>
<i>Fund Balances:</i>			
Reserved:			
Reserved for Inventory	-	-	-
Reserved for Debt Service	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special Revenue Funds	-	-	-
Capital Project Funds	-	-	-
Undesignated, reported in:			
Special Revenue Funds	-	-	-
Capital Project Funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Fund Balances</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 391,137</u>	<u>\$ 395</u>	<u>\$ 586</u>

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

Special Revenue Funds

School Based Health Clinic	Title I	English Language Acquisition	Family & Youth Resource Program	Breakfast for Elementary Students	Libraries 2006 Go Bonds	Nonmajor Special Revenue Funds
\$ 19,786	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 731,141
-	-	-	-	-	-	-
11,156	456,138	13,058	45,000	-	6,388	1,303,581
-	-	-	-	-	-	7,317
-	15,694	-	-	-	-	30,863
-	-	-	-	-	-	57,072
<u>\$ 30,942</u>	<u>\$ 471,832</u>	<u>\$ 13,058</u>	<u>\$ 45,000</u>	<u>\$ -</u>	<u>\$ 6,388</u>	<u>\$ 2,129,974</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,329
-	-	-	-	-	-	-
-	471,832	13,058	45,000	-	6,388	1,257,270
8,164	-	-	-	-	-	125,978
<u>8,164</u>	<u>471,832</u>	<u>13,058</u>	<u>45,000</u>	<u>-</u>	<u>6,388</u>	<u>1,384,577</u>
-	-	-	-	-	-	57,072
-	-	-	-	-	-	-
-	-	-	-	-	-	457,131
-	-	-	-	-	-	-
22,778	-	-	-	-	-	231,194
-	-	-	-	-	-	-
<u>22,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>745,397</u>
<u>\$ 30,942</u>	<u>\$ 471,832</u>	<u>\$ 13,058</u>	<u>\$ 45,000</u>	<u>\$ -</u>	<u>\$ 6,388</u>	<u>\$ 2,129,974</u>

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2008

	Capital Outlay Funds		
	Bond Building 2004	Special Capital Outlay	Public Schools Capital Outlay
ASSETS			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ -	\$ 224,376	\$ 12,701
Accounts Receivable:			
Taxes	-	-	-
Due from other Governments	-	-	-
Due from other funds	-	-	-
Prepaid Expenses	-	-	-
Inventory	-	-	-
<i>Total Assets</i>	\$ -	\$ 224,376	\$ 12,701
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities:</i>			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-
Due to Other Funds	-	254,683	-
Deferred Revenue	-	-	-
<i>Total Liabilities</i>	-	254,683	-
<i>Fund Balances:</i>			
Reserved:			
Reserved for Inventory	-	-	-
Reserved for Debt Service	-	-	-
Unreserved:			
Designated for subsequent year's expenditures reported in:			
Special Revenue Funds	-	-	-
Capital Project Funds	-	(30,307)	12,701
Undesignated, reported in:			
Special Revenue Funds	-	-	-
Capital Project Funds	-	-	-
<i>Total Fund Balances</i>	-	(30,307)	12,701
<i>Total Liabilities and Fund Balances</i>	\$ -	\$ 224,376	\$ 12,701

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

<u>Energy Effeciency Act</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 237,077	\$ 2,134,577	\$ 3,102,795
-	-	214,482	214,482
-	-	-	1,303,581
21,599	21,599	-	28,916
-	-	-	30,863
-	-	-	57,072
<u>\$ 21,599</u>	<u>\$ 258,676</u>	<u>\$ 2,349,059</u>	<u>\$ 4,737,709</u>
\$ -	\$ -	\$ -	\$ 1,329
-	-	-	-
-	254,683	-	1,511,953
-	-	6,213	132,191
-	<u>254,683</u>	<u>6,213</u>	<u>1,645,473</u>
-	-	-	57,072
-	-	2,342,846	2,342,846
-	-	-	457,131
21,599	3,993	-	3,993
-	-	-	231,194
-	-	-	-
<u>21,599</u>	<u>3,993</u>	<u>2,342,846</u>	<u>3,092,236</u>
<u>\$ 21,599</u>	<u>\$ 258,676</u>	<u>\$ 2,349,059</u>	<u>\$ 4,737,709</u>

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Cafeteria	Athletics	Transition Specialist Cadre
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment income	2,054	622	-
Food services	1,037,626	-	-
District activities	-	151,375	-
Revenue from local sources	334	15,395	-
Revenue from state sources	-	-	-
Revenue from federal sources	2,306,395	-	-
Other items	151,923	-	-
<i>Total Revenues</i>	3,498,332	167,392	-
EXPENDITURES			
Current:			
Instruction	-	123,584	-
Support services			
Students	-	-	-
Instruction	-	-	-
General administration	-	-	-
School administration	-	-	-
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Operation of non instructional services			
Food services operation	3,156,024	-	-
Community service	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
<i>Total Expenditures</i>	3,156,024	123,584	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	342,308	43,808	-
<i>Other financing sources(uses):</i>			
Increase (decrease) in Inventory	(22,316)	-	-
<i>Net Changes in Fund Balance</i>	319,992	43,808	-
<i>Fund Balances--Beginning of the Year</i>	115,635	243,184	-
<i>Fund Balances--End of the Year</i>	\$ 435,627	\$ 286,992	\$ -

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

Special Revenue Funds

IDEA-B Preschool	IDEA-B Entitlement	NM Partnership in Character Education	Technology Literacy	Title V-A	Teacher / Principal Training & Recruiting	Safe and Drug Free Schools
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
55,036	1,361,795	15,500	3,940	17,371	371,343	31,541
-	-	-	-	-	-	-
<u>55,036</u>	<u>1,361,795</u>	<u>15,500</u>	<u>3,940</u>	<u>17,371</u>	<u>371,343</u>	<u>31,541</u>
33,540	1,100,915	3,885	1,403	6,731	327,860	32
19,955	153,959	11,615	2,378	3,809	34,745	30,556
671	85,808	-	6	-	224	-
792	19,569	-	153	1,261	7,083	953
-	1,029	-	-	4,932	1,169	-
-	-	-	-	369	131	-
-	-	-	-	269	131	-
-	-	-	-	-	-	-
78	515	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>55,036</u>	<u>1,361,795</u>	<u>15,500</u>	<u>3,940</u>	<u>17,371</u>	<u>371,343</u>	<u>31,541</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Rural and Low Income Schools	Carl Perkins Vocational Ed	Title XIX Medicaid
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Revenue from local sources	-	-	-
Revenue from state sources	-	-	-
Revenue from federal sources	-	79,116	112,657
Other items	-	-	-
<i>Total Revenues</i>	-	79,116	112,657
EXPENDITURES			
Current:			
Instruction	-	69,710	-
Support services			
Students	-	4,958	108,971
Instruction	-	-	387
General administration	-	1,065	3,229
School administration	-	3,383	-
Central services	-	-	70
Operation and maintenance of plant	-	-	-
Operation of non instructional services			
Food services operaiton	-	-	-
Community service	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
<i>Total Expenditures</i>	-	79,116	112,657
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-
<i>Other financing sources(uses):</i>			
Increses (decreases)in Inventory	-	-	-
<i>Net Changes in Fund Balance</i>	-	-	-
<i>Fund Balances--Beginning of the Year</i>	-	-	-
<i>Fund Balances--End of the Year</i>	\$ -	\$ -	\$ -

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

Special Revenue Funds

Technology in Education	Elementary Physical Education	School Improvement	GO Bond C Library	Steroid Testing	Model for Effective Teacher Mentoring
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
102,191	-	-	-	-	20,433
-	-	-	-	-	-
-	-	-	-	-	-
<u>102,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,433</u>
4,077	-	-	-	-	-
-	-	-	-	-	2,230
98,114	-	-	-	-	18,203
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>102,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,433</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Technology Equity	School Improvement Framework	Suicide Prevention
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Revenue from local sources	-	-	-
Revenue from state sources	391,585	395	61,053
Revenue from federal sources	-	-	-
Other items	-	-	-
<i>Total Revenues</i>	391,585	395	61,053
EXPENDITURES			
Current:			
Instruction	-	-	-
Support services			
Students	-	-	61,053
Instruction	-	102	-
General administration	-	-	-
School administration	-	293	-
Central services	-	-	-
Operation and maintenance of plant	391,585	-	-
Operation of non instructional services			
Food services operation	-	-	-
Community service	-	-	-
Capital outlay	-	-	-
Debt service	-	-	-
<i>Total Expenditures</i>	391,585	395	61,053
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-
<i>Other financing sources(uses):</i>			
Increases (decreases)in Inventory	-	-	-
<i>Net Changes in Fund Balance</i>	-	-	-
<i>Fund Balances--Beginning of the Year</i>	-	-	-
<i>Fund Balances--End of the Year</i>	\$ -	\$ -	\$ -

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

Special Revenue Funds

School Based Health Clinic	Title I	English Language Acquisition	Family & Youth Resource Program	Breakfast for Elementary Students	Libraries 2006 Go Bonds	Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	2,676
-	-	-	-	-	-	1,037,626
-	-	-	-	-	-	151,375
111,622	-	-	-	-	-	127,351
-	-	-	45,000	6,491	48,986	676,134
-	1,487,681	16,510	-	-	-	5,858,885
-	-	-	-	-	-	151,923
<u>111,622</u>	<u>1,487,681</u>	<u>16,510</u>	<u>45,000</u>	<u>6,491</u>	<u>48,986</u>	<u>8,005,970</u>
-	1,185,324	-	-	-	-	2,857,061
88,844	198,046	-	-	-	-	721,119
-	81,386	16,273	45,000	-	48,986	395,160
-	22,925	237	-	-	-	57,267
-	-	-	-	-	-	10,806
-	-	-	-	-	-	570
-	-	-	-	-	-	391,985
-	-	-	-	6,491	-	3,162,515
-	-	-	-	-	-	593
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>88,844</u>	<u>1,487,681</u>	<u>16,510</u>	<u>45,000</u>	<u>6,491</u>	<u>48,986</u>	<u>7,597,076</u>
<u>22,778</u>	-	-	-	-	-	408,894
-	-	-	-	-	-	(22,316)
<u>22,778</u>	-	-	-	-	-	386,578
-	-	-	-	-	-	358,819
<u>\$ 22,778</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 745,397</u>

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2008

	Capital Outlay Funds		
	Bond Building 2004	Special Capital Outlay	Public Schools Capital Outlay
REVENUES			
Taxes	\$ -	\$ -	\$ -
Investment income	1,689	-	-
Food services	-	-	-
District activities	-	-	-
Revenue from local sources	-	-	-
Revenue from state sources	-	165,187	-
Revenue from federal sources	-	-	-
Other items	-	-	-
<i>Total Revenues</i>	<u>1,689</u>	<u>165,187</u>	<u>-</u>
EXPENDITURES			
Current:			
Instruction	-	-	-
Support services			
Students	-	-	-
Instruction	-	-	-
General administration	-	-	-
School administration	-	-	-
Central services	-	-	-
Operation and maintenance of plant	-	-	-
Operation of non instructional services			
Food services operaiton	-	-	-
Community service	-	-	-
Capital outlay	2,032,627	161,306	-
Debt service	-	-	-
<i>Total Expenditures</i>	<u>2,032,627</u>	<u>161,306</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,030,938)</u>	<u>3,881</u>	<u>-</u>
<i>Other financing sources(uses):</i>			
Increase (decrease) in Inventory	-	-	-
<i>Net Changes in Fund Balance</i>	<u>(2,030,938)</u>	<u>3,881</u>	<u>-</u>
<i>Fund Balances--Beginning of the Year</i>	<u>2,030,938</u>	<u>(34,188)</u>	<u>12,701</u>
<i>Fund Balances--End of the Year</i>	<u>\$ -</u>	<u>\$ (30,307)</u>	<u>\$ 12,701</u>

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

Energy Effeciency Act	Total Nonmajor Capital Projects Funds	Debt Service	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,817,547	\$ 1,817,547
-	1,689	19,188	23,553
-	-	-	1,037,626
-	-	-	151,375
-	-	-	127,351
-	165,187	-	841,321
-	-	-	5,858,885
-	-	-	151,923
-	166,876	1,836,735	10,009,581
-	-	-	\$ 2,857,061
-	-	-	721,119
-	-	-	395,160
-	-	7,647	64,914
-	-	-	10,806
-	-	-	570
-	-	-	391,985
-	-	-	3,162,515
-	-	-	593
-	2,193,933	-	2,193,933
-	-	1,793,908	1,793,908
-	2,193,933	1,801,555	11,592,564
-	(2,027,057)	35,180	(1,582,983)
-	-	-	(22,316)
-	(2,027,057)	35,180	(1,605,299)
21,599	2,031,050	2,307,666	4,697,535
\$ 21,599	\$ 3,993	\$ 2,342,846	\$ 3,092,236

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Cafeteria Special Revenue Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ 7,100	\$ 7,100	\$ 2,055	\$ (5,045)
District activities	1,015,890	1,015,890	1,037,960	22,070
Revenues from state sources	33,700	33,700	-	(33,700)
Revenues from federal sources	2,125,271	2,125,271	2,306,395	181,124
Other items	-	-	151,923	151,923
<i>Total Revenues</i>	<u>3,181,961</u>	<u>3,181,961</u>	<u>3,498,333</u>	<u>316,372</u>
EXPENDITURES				
Operation of non-instructional services:				
Food services	3,298,138	3,298,138	3,156,024	142,114
<i>Total Expenditures</i>	<u>3,298,138</u>	<u>3,298,138</u>	<u>3,156,024</u>	<u>142,114</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(116,177)</u>	<u>(116,177)</u>	<u>342,309</u>	<u>458,486</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	116,177	116,177	-	(116,177)
<i>Total other financing sources (uses)</i>	<u>116,177</u>	<u>116,177</u>	<u>-</u>	<u>(116,177)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	342,309	342,309
<i>Fund balances - beginning of year</i>	-	-	36,246	36,246
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 378,555</u>	<u>\$ 378,555</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Athletics Special Revenue Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ 400	\$ 400	\$ 622	\$ 222
District activities	135,200	135,200	151,375	16,175
Other revenue local sources	20,000	20,000	15,395	(4,605)
<i>Total Revenues</i>	<u>155,600</u>	<u>155,600</u>	<u>167,392</u>	<u>11,792</u>
EXPENDITURES				
Instruction	234,176	234,176	123,584	110,592
<i>Total Expenditures</i>	<u>234,176</u>	<u>234,176</u>	<u>123,584</u>	<u>110,592</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(78,576)</u>	<u>(78,576)</u>	<u>43,808</u>	<u>122,384</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	78,576	78,576	-	(78,576)
<i>Total other financing sources (uses)</i>	<u>78,576</u>	<u>78,576</u>	<u>-</u>	<u>(78,576)</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	43,808	43,808
<i>Fund balances - beginning of year</i>	-	-	243,184	243,184
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 286,992</u>	<u>\$ 286,992</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Transition Specialist Cadre Special Revenue Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total Revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
Support services:	-	-	-	-
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Operations & maintenance of plant	-	-	-	-
Operation of non-instructional services:	-	-	-	-
Community services	-	-	-	-
<i>Total Expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	12	12
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 12	\$ 12

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
IDEA-B-Preschool Special Revenue Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Revenue from federal sources	\$ 48,037	\$ 64,838	\$ 55,036	\$ (9,802)
<i>Total Revenues</i>	<u>48,037</u>	<u>64,838</u>	<u>55,036</u>	<u>(9,802)</u>
EXPENDITURES				
Instruction	26,582	41,710	33,545	8,165
Support services:				
Students	17,030	21,407	19,955	1,452
Instruction	700	700	671	29
General administration	691	947	792	155
Operation of non-instructional services:				
Community services	3,034	74	73	1
<i>Total Expenditures</i>	<u>48,037</u>	<u>64,838</u>	<u>55,036</u>	<u>9,802</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(1,343)	(1,343)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,343)</u>	<u>\$ (1,343)</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
IDEA-B Entitlement Special Revenue Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 1,338,057	\$ 1,617,590	\$ 1,361,795	\$ (255,795)
<i>Total Revenues</i>	<u>1,338,057</u>	<u>1,617,590</u>	<u>1,361,795</u>	<u>(255,795)</u>
EXPENDITURES				
Insruction	1,338,057	1,356,710	1,100,915	255,795
Support services:				
Students	-	153,959	153,959	-
Instruction	-	85,807	85,807	-
General administration	-	19,569	19,569	-
School administration	-	1,030	1,030	-
Operations & maintenance of plant	-	-	-	-
Operation of non-instructional services:				
Community services	-	515	515	-
<i>Total Expenditures</i>	<u>1,338,057</u>	<u>1,617,590</u>	<u>1,361,795</u>	<u>255,795</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(226,334)</u>	<u>(226,334)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (226,334)</u>	<u>\$ (226,334)</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
NM Partnership in Character Education Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 15,500	\$ 15,500	\$ -
<i>Total Revenues</i>	-	15,500	15,500	-
EXPENDITURES				
Instruction	-	3,885	3,885	-
Support services:				
Students	-	11,615	11,615	-
<i>Total Expenditures</i>	-	15,500	15,500	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(9,587)	(9,587)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (9,587)	\$ (9,587)

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Technology Literacy
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ 4,484	\$ 3,940	\$ (544)
<i>Total Revenues</i>	-	4,484	3,940	(544)
EXPENDITURES				
Instruction	-	1,947	1,403	544
Support services:				
Instruction	-	6	6	-
General administration	-	153	153	-
Students	-	2,378	2,378	-
<i>Total Expenditures</i>	-	4,484	3,940	544
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(9,462)	(9,462)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (9,462)	\$ (9,462)

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Title V-A
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 17,759	\$ 17,216	\$ 17,371	\$ 155
<i>Total Revenues</i>	<u>17,759</u>	<u>17,216</u>	<u>17,371</u>	<u>155</u>
EXPENDITURES				
Instruction	17,759	6,575	6,730	(155)
Support services:				
Students	-	3,809	3,809	-
General administration	-	1,261	1,261	-
School administration	-	4,932	4,932	-
Central		369	369	-
Operating & maintenance of plant.		270	270	-
<i>Total Expenditures</i>	<u>17,759</u>	<u>17,216</u>	<u>17,371</u>	<u>(155)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,332)</u>	<u>(3,332)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,332)</u>	<u>\$ (3,332)</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Teacher/Principal Training and Recruiting Special Revenue Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 388,558	\$ 400,117	\$ 371,342	\$ (28,775)
<i>Total Revenues</i>	<u>388,558</u>	<u>400,117</u>	<u>371,342</u>	<u>(28,775)</u>
EXPENDITURES				
Instruction	453,558	421,633	327,860	93,773
Support services:				
Students	-	34,745	34,745	-
Instruction	-	224	224	-
General administration	-	7,084	7,084	-
School administration	-	1,169	1,169	-
Central	-	130	130	-
Operating & Maintenance of Plant	-	130	130	-
<i>Total Expenditures</i>	<u>453,558</u>	<u>465,115</u>	<u>371,342</u>	<u>93,773</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(65,000)</u>	<u>(64,998)</u>	<u>-</u>	<u>64,998</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	65,000	64,998	-	-
<i>Total other financing sources (uses)</i>	<u>65,000</u>	<u>64,998</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	64,998
<i>Fund balances - beginning of year</i>	-	-	(25,783)	(25,783)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,783)</u>	<u>\$ 39,215</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Safe and Drug Free Schools Special Revenue Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 32,363	\$ 32,567	\$ 31,542	\$ (1,025)
<i>Total Revenues</i>	<u>32,363</u>	<u>32,567</u>	<u>31,542</u>	<u>(1,025)</u>
EXPENDITURES				
Instruction	33,863	2,558	33	2,525
Support services:				
Students	-	30,556	30,556	-
General administration	-	953	953	-
<i>Total Expenditures</i>	<u>33,863</u>	<u>34,067</u>	<u>31,542</u>	<u>2,525</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,500)</u>	<u>(1,500)</u>	<u>-</u>	<u>1,500</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	1,500	1,500	-	-
<i>Total other financing sources (uses)</i>	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	1,500
<i>Fund balances - beginning of year</i>	-	-	(4,532)	(4,532)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,532)</u>	<u>\$ (3,032)</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Rural & Low Income Schools Special Revenue Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ -	\$ -	\$ -	\$ -
<i>Total Revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
General administration	-	-	-	-
<i>Total Expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(33)	(33)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (33)	\$ (33)

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Carl Perkins Vocational Ed Special Revenue Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 94,987	\$ 94,987	\$ 79,116	\$ (15,871)
<i>Total Revenues</i>	<u>94,987</u>	<u>94,987</u>	<u>79,116</u>	<u>(15,871)</u>
EXPENDITURES				
Instruction	-	85,081	69,710	15,371
Support services:				
Students	-	4,960	4,960	-
School administration	-	3,382	3,382	-
General administration	-	1,064	1,064	-
<i>Total Expenditures</i>	<u>-</u>	<u>94,487</u>	<u>79,116</u>	<u>15,371</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>94,987</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>94,987</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
<i>Fund balances - beginning of year</i>	-	-	(38,035)	(38,035)
<i>Fund balances - end of year</i>	<u>\$ 94,987</u>	<u>\$ 500</u>	<u>\$ (38,035)</u>	<u>\$ (38,535)</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Title XIX Medicaid
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 240,000	\$ 240,000	\$ 112,657	\$ (127,343)
<i>Total Revenues</i>	<u>240,000</u>	<u>240,000</u>	<u>112,657</u>	<u>(127,343)</u>
EXPENDITURES				
Support services:				
Students	253,881	250,195	108,971	141,224
Instruction	-	387	387	-
General administration	-	3,228	3,228	-
Central	-	71	71	-
<i>Total Expenditures</i>	<u>253,881</u>	<u>253,881</u>	<u>112,657</u>	<u>141,224</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(13,881)</u>	<u>(13,881)</u>	<u>-</u>	<u>13,881</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	13,881	13,881	-	-
<i>Total other financing sources (uses)</i>	<u>13,881</u>	<u>13,881</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	13,881
<i>Fund balances - beginning of year</i>	-	-	161,941	161,941
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,941</u>	<u>\$ 175,822</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Technology in Education
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 131,920	\$ 102,191	\$ (29,729)
<i>Total Revenues</i>	-	131,920	102,191	(29,729)
EXPENDITURES				
Instruction	-	33,806	4,077	29,729
Support services:				
Instruction	-	98,114	98,114	-
<i>Total Expenditures</i>	-	131,920	102,191	29,729
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	169	169
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 169	\$ 169

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Elementary Physical Education
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total Revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
<i>Total Expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(41,005)	(41,005)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (41,005)	\$ (41,005)

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
School Improvement
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total Revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
Instruction	-	-	-	-
School administration	-	-	-	-
Operation & maint. of plant	-	-	-	-
<i>Total Expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	953	953
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 953	\$ 953

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

STATE OF NEW MEXICO
 CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Steroid Testing
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total Revenues</i>	-	-	-	-
EXPENDITURES				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
General administration	-	-	-	-
<i>Total Expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	23	23
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 23	\$ 23

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Model for Effective Teacher Mentoring
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 20,437	\$ 20,433	\$ (4)
<i>Total Revenues</i>	-	20,437	20,433	(4)
EXPENDITURES				
Support services:				
School administration	-	-	-	-
Students	-	2,231	2,231	-
Instruction	-	18,206	18,202	4
<i>Total Expenditures</i>	-	20,437	20,433	4
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(14,352)	(14,352)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (14,352)	\$ (14,352)

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Technology Equity
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 445,754	\$ 391,585	\$ (54,169)
<i>Total Revenues</i>	-	445,754	391,585	(54,169)
EXPENDITURES				
Support services				
Operating & Maintenance of Plant	-	481,754	391,585	90,169
<i>Total Expenditures</i>	-	481,754	391,585	90,169
<i>Excess (deficiency) of revenues over expenditures</i>	-	(36,000)	-	36,000
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	(36,000)	-	36,000
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ (36,000)	\$ -	\$ 36,000

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
School Improvement Framework
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 2,000	\$ 395	\$ (1,605)
<i>Total Revenues</i>	-	2,000	395	(1,605)
EXPENDITURES				
Support services:				
Instruction	-	1,707	102	1,605
School administration	-	293	293	-
<i>Total Expenditures</i>	-	2,000	395	1,605
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO
 CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Suicide Prevention
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 67,000	\$ 60,343	\$ 61,053	\$ 710
<i>Total Revenues</i>	67,000	60,343	61,053	710
EXPENDITURES				
Support services:				
Students	68,296	61,639	61,053	586
<i>Total Expenditures</i>	68,296	61,639	61,053	586
<i>Excess (deficiency) of revenues over expenditures</i>	(1,296)	(1,296)	-	1,296
<i>Other financing sources (uses):</i>				
Designated cash balance	1,296	1,296	-	-
<i>Total other financing sources (uses)</i>	1,296	1,296	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	1,296
<i>Fund balances - beginning of year</i>	-	-	1,639	1,639
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1,639	\$ 2,935

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
School Based Health Clinic
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other revenue from local sources	\$ 85,000	\$ 85,000	\$ 111,622	\$ 26,622
<i>Total Revenues</i>	<u>85,000</u>	<u>85,000</u>	<u>111,622</u>	<u>26,622</u>
EXPENDITURES				
Support services:				
Students	119,786	119,786	88,844	30,942
<i>Total Expenditures</i>	<u>119,786</u>	<u>119,786</u>	<u>88,844</u>	<u>30,942</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(34,786)</u>	<u>(34,786)</u>	<u>22,778</u>	<u>57,564</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	34,786	34,786	-	-
<i>Total other financing sources (uses)</i>	<u>34,786</u>	<u>34,786</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	22,778	57,564
<i>Fund balances - beginning of year</i>	-	-	34,786	34,786
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,564</u>	<u>\$ 92,350</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Title I
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 1,453,298	\$ 1,520,831	\$ 1,487,682	\$ (33,149)
<i>Total Revenues</i>	<u>1,453,298</u>	<u>1,520,831</u>	<u>1,487,682</u>	<u>(33,149)</u>
EXPENDITURES				
Instruction	1,653,298	1,418,473	1,185,324	233,149
Support services:				
Students	-	198,047	198,047	-
Instruction	-	81,386	81,386	-
General administration	-	22,925	22,925	-
School administration	-	-	-	-
<i>Total Expenditures</i>	<u>1,653,298</u>	<u>1,720,831</u>	<u>1,487,682</u>	<u>233,149</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources(uses) over expenditures</i>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(279,438)</u>	<u>(279,438)</u>
<i>Fund balances - end of year</i>	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	<u>\$ (279,438)</u>	<u>\$ (79,438)</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
English Language Acquisition
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from federal sources	\$ 16,790	\$ 16,518	\$ 16,510	\$ (8)
<i>Total Revenues</i>	<u>16,790</u>	<u>16,518</u>	<u>16,510</u>	<u>(8)</u>
EXPENDITURES				
Support services:				
Instruction	-	16,273	16,272	1
Students	4,000	-	-	-
General administration	12,790	245	238	7
<i>Total Expenditures</i>	<u>16,790</u>	<u>16,518</u>	<u>16,510</u>	<u>8</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance		-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
 Family & Youth Resource Program
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ 45,000	\$ 45,000	\$ -
<i>Total Revenues</i>	-	45,000	45,000	-
EXPENDITURES				
Support services:				
Instruction	-	45,000	45,000	-
<i>Total Expenditures</i>	-	45,000	45,000	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Breakfast for Elementary Students
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 6,491	\$ 6,491	\$ 6,491	\$ -
<i>Total Revenues</i>	<u>6,491</u>	<u>6,491</u>	<u>6,491</u>	<u>-</u>
EXPENDITURES				
Food Services	6,491	6,491	6,491	-
<i>Total Expenditures</i>	<u>6,491</u>	<u>6,491</u>	<u>6,491</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Libraries 2006 GO Bonds
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ 512,995	\$ 51,295	\$ 48,986	\$ (2,309)
<i>Total Revenues</i>	512,995	51,295	48,986	(2,309)
EXPENDITURES				
Support services:				
Instruction	51,295	51,295	48,986	2,309
<i>Total Expenditures</i>	51,295	51,295	48,986	2,309
<i>Excess (deficiency) of revenues over expenditures</i>	461,700	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	461,700	-	-	-
<i>Fund balances - beginning of year</i>	-	-	(49)	(49)
<i>Fund balances - end of year</i>	\$ 461,700	\$ -	\$ (49)	\$ (49)

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Special Capital Outlay State
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	873,530	873,530	165,188	(708,342)
<i>Total Revenues</i>	<u>873,530</u>	<u>873,530</u>	<u>165,188</u>	<u>(708,342)</u>
EXPENDITURES				
Capital outlay	873,530	873,530	161,306	712,224
<i>Total Expenditures</i>	<u>873,530</u>	<u>873,530</u>	<u>161,306</u>	<u>712,224</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,882</u>	<u>3,882</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,882</u>	<u>3,882</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>324,372</u>	<u>324,372</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,254</u>	<u>\$ 328,254</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Public Schools Capital Outlay
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total Revenues</i>	-	-	-	-
EXPENDITURES				
Capital outlay	12,700	12,700	-	12,700
<i>Total Expenditures</i>	12,700	12,700	-	12,700
<i>Excess (deficiency) of revenues over expenditures</i>	(12,700)	(12,700)	-	12,700
<i>Other financing sources (uses):</i>				
Designated cash balance	12,700	12,700	-	(12,700)
<i>Total other financing sources (uses)</i>	12,700	12,700	-	(12,700)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	23,373	23,373
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 23,373	\$ 23,373

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Energy Efficiency Act
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from state sources	\$ -	\$ -	\$ -	\$ -
<i>Total Revenues</i>	-	-	-	-
EXPENDITURES				
Capital outlay	21,598	21,598	-	21,598
<i>Total Expenditures</i>	21,598	21,598	-	21,598
<i>Excess (deficiency) of revenues over expenditures</i>	(21,598)	(21,598)	-	21,598
<i>Other financing sources (uses):</i>				
Designated cash balance	21,598	21,598	-	(21,598)
<i>Total other financing sources (uses)</i>	21,598	21,598	-	(21,598)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	21,599	21,599
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 21,599	\$ 21,599

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 2,881,966	\$ 2,881,966	\$ 1,817,547	\$ (1,064,419)
Investment income	95,000	95,000	19,188	(75,812)
<i>Total Revenues</i>	2,976,966	2,976,966	1,836,735	(1,140,231)
EXPENDITURES				
Support services:				
General administration	7,053	7,647	7,647	-
Debt service	4,094,272	4,093,678	1,793,908	2,299,770
<i>Total Expenditures</i>	4,101,325	4,101,325	1,801,555	2,299,770
<i>Excess (deficiency) of revenues over expenditures</i>	(1,124,359)	(1,124,359)	35,180	1,159,539
<i>Other financing sources (uses):</i>				
Designated cash balance	1,124,359	1,124,359	-	(1,124,359)
<i>Total other financing sources (uses)</i>	1,124,359	1,124,359	-	(1,124,359)
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	35,180	35,180
<i>Fund balances - beginning of year</i>	-	-	2,521,718	2,521,718
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,556,898	\$ 2,556,898

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

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Fiduciary Funds
June 30, 2008**

AGENCY FUNDS

Agency funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Carlsbad Municipal School District No. 20 has two separate funds classified as Agency Funds as follows:

Student Activity – To account for Elementary, Junior High, and Senior High assets held by the District until distributed to various organizations and clubs at the schools.

Other Funds – To account for assets held by the District until distributed to the other organizations.

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2008

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
Elementary Schools:				
Early Childhood	\$ 18,141	\$ 8,246	\$ 14,323	\$ 12,064
Craft	2,326	12,592	8,841	6,077
Eddy	3,310	1,446	1,364	3,392
Hillcrest	13,785	4,005	7,658	10,132
Monterrey	3,567	7,505	8,297	2,775
Pate	6,165	11,843	12,679	5,329
Puckett	7,025	7,913	7,836	7,102
Riverside	8,707	10,171	10,828	8,050
E.M. Smith	7,246	917	1,894	6,269
Joe Stanley Smith	5,886	2,256	5,292	2,850
Sunset	10,460	10,235	11,320	9,375
Total Elementary Schools	86,618	77,129	90,332	73,415
Alta Vista Middle School				
Principal's account	13,667	8,498	15,308	6,857
Art	-	955	48	907
Drafting	456	1	-	457
Home economics	2,149	616	1,173	1,592
Liabrary	2,747	4,534	3,892	3,389
Computer club	19	-	-	19
Photo Journalism	318	1	-	319
Science	141	-	-	141
Gifted	434	846	296	984
Trades	279	1,043	1,057	265
Band	11	8,146	7,674	483
Chorus	108	5,831	3,998	1,941
Power & Energy	267	433	90	610
Honor Society	1,363	1,213	1,661	915
Renaissance	179	-	33	146
Student Council	2,095	1,212	1,367	1,940
Spanish Club	8	-	-	8
Cheerleaders	1,956	2,497	4,453	-
Student Store	196	1	-	197
Athletic Office	29	3,242	2,873	398
MESA	1,978	8,038	10,016	-
Total Alta Vista Middle School	28,400	47,107	53,939	21,568

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2008

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
P.R. Leyva Middle School				
Principal's account	\$ 23,211	\$ 6,754	\$ 2,990	\$ 26,975
Art	930	1,255	1,430	755
Drafting	302	6	115	193
Home Economics	4,527	1,241	1,383	4,385
Library	2,039	2,028	1,081	2,986
Computer Club	48	-	-	48
English Expo	19,264	12,737	13,466	18,535
Greenhouse	2,318	497	422	2,393
Gifted	515	5,418	5,852	81
Trades	2,437	1,075	277	3,235
Band	355	4,310	4,053	612
Business	3	85	88	-
FHA	505	2	-	507
Chorus	2,128	8,994	7,271	3,851
Power & Energy	1,794	269	193	1,870
BPA	10	-	-	10
Typing	119	-	-	119
Honor Society	1,465	1,682	2,467	680
Renaissance	1	459	453	7
Student Council	2,095	12,034	10,903	3,226
Spanish Club	191	1	-	192
Cheerleaders	223	320	541	2
Student Store	1,931	2,253	1,557	2,627
Physical Education	23	-	-	23
Athletic Office	415	1	-	416
MESA	2,444	1,634	3,497	581
Social Studies	399	-	-	399
Total P.R. Leyva Middle School	69,692	63,055	58,039	74,708
Total Middle Schools	98,092	110,162	111,978	96,276
Senior High School:				
Athletics-Secondary Schools	243,184	167,689	123,880	286,993
Principal's account	20,564	14,409	15,158	19,815
Odyssey of the Mind	969	1	685	285
Art	1,088	873	1,660	301
Crafts	255	1,521	1,394	382
Drafting	1,474	2,353	2,300	1,527

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2008

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
Senior High School (continued)				
Home Economics	\$ 2,131	\$ 3,649	\$ 5,110	\$ 670
Concessions	27,411	2,874	4,066	26,219
Library	998	376	1,123	251
English Expo	816	4,838	5,275	379
Science	11,208	8,640	10,405	9,443
Printing	2,555	-	1,843	712
Textbooks	-	-	-	-
Gifted	533	1	130	404
Trades	922	1,733	1,981	674
Art Club	86	-	-	86
Band	787	3	-	790
Echo	26,221	62,843	62,537	26,527
French Club	324	226	223	327
Business	695	1,370	1,820	245
FHA	-	-	-	-
Chorus	5,083	3,278	5,725	2,636
FFA	1,335	13,209	12,992	1,552
BPA	8,112	13,171	14,126	7,157
Computers	1,247	1,378	1,641	984
DECA	822	1,381	1,237	966
Web Development Club	78		78	-
CRT	-	511	420	91
VICA	4,033	3,582	3,020	4,595
Auto Technology	883	2,118	1,958	1,043
Honor Society	1,591	2,689	3,065	1,215
Chronicle	1,405	1,311	2,716	-
Tennis Club	162	-	-	162
Renaissance	61	1,400	1,396	65
Student Council	7,008	18,323	19,862	5,469
Spanish Club	560	28	138	450
Football	545	6,738	-	7,283
Welding	474	780	888	366
Wrestling	76	-	45	31
Crime Stoppers	1,331	4	-	1,335
Natatorium	5,666	46,712	32,193	20,185
F.H.S.S.	142	112	-	254
Mummers	10,223	8,989	10,359	8,853
Athletic Office	15,326	8,505	9,245	14,586

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2008

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
Senior High School (continued)				
MESA	\$ 1,204	\$ 7,656	\$ 8,354	\$ 506
Girls Track	126	-	-	126
Telecommunication	172	80	190	62
Key Club	312	-	-	312
Boys Basketball	73	-	-	73
Girls Basketball	37	-	-	37
Baseball	132	-	132	-
Softball	89	6,100	6,129	60
Pre-Voc Special Education	555	2,979	3,142	392
Rodeo Club	484	2	-	486
Chemistry Club	1,034	3,925	2,912	2,047
Boys Track	213	1	-	214
Security	41	7,649	2,631	5,059
Golf	99	54	-	153
Volleyball	958	2	406	554
Biology Club	975	1,438	2,117	296
Craft Aware	1,134	3	60	1,077
CHS Dance Company	16	-	-	16
Geology	396	901	975	322
Marine Biology	297	1	-	298
Teen Court	84	575	638	21
Jag	431	1	-	432
AP History	1,604	-	1,448	156
Choir Trip	-	8,674	3,921	4,753
Total Senior High School	418,850	447,659	393,749	472,760
Other				
CHS Phoenix Program	2,015	312	1,914	413
Community Service	98,333	40,833	31,279	107,887
Superintendent's Activity	1,402	806	347	1,861
	101,750	41,951	33,540	110,161
	\$ 705,310	\$ 676,901	\$ 629,599	\$ 752,612

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Combining Balance Sheet
Charter School - Jefferson Montessori Academy
June 30, 2008

	General Fund		Special Revenue	
	Operational Fund	Instructional Materials	Food Services	IDEA-B
ASSETS				
Cash in bank	\$ 147,344	\$ 11,494	\$ -	\$ -
Accounts receivable	487	-	-	-
Due from other funds	-	3,742	-	24,352
<i>Total assets</i>	<u>\$ 147,831</u>	<u>\$ 15,236</u>	<u>\$ -</u>	<u>\$ 24,352</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 966	\$ 6,019	\$ -	\$ -
Cash deficit	-	-	13,972	2,310
Due to other funds	41,592	-	1,288	-
Other accrued liabilities	30,397	-	-	1,902
Deferred revenue	-	-	-	20,140
<i>Total liabilities</i>	<u>72,955</u>	<u>6,019</u>	<u>15,260</u>	<u>24,352</u>
Unreserved	<u>74,876</u>	<u>9,217</u>	<u>(15,260)</u>	<u>-</u>
Total fund balance (deficit)	<u>74,876</u>	<u>9,217</u>	<u>(15,260)</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 147,831</u>	<u>\$ 15,236</u>	<u>\$ -</u>	<u>\$ 24,352</u>

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

Libraries Go Bonds	Special Revenue		Capital Projects		Total
	Model for Effective Teacher Mentoring	Reading Materials	Public Schools Capital Outlay		
\$ -	\$ 2,787	\$ -	\$ -	\$ 161,625	
-	-	-	-	487	
519	-	-	17,054	45,667	
<u>\$ 519</u>	<u>\$ 2,787</u>	<u>\$ -</u>	<u>\$ 17,054</u>	<u>\$ 207,779</u>	
\$ -	\$ -	\$ -	\$ -	\$ 6,985	
2,629	-	3,754	9,500	32,165	
-	2,787	-	-	45,667	
-	-	-	-	32,299	
-	-	-	-	20,140	
<u>2,629</u>	<u>2,787</u>	<u>3,754</u>	<u>9,500</u>	<u>137,256</u>	
<u>(2,110)</u>	<u>-</u>	<u>(3,754)</u>	<u>7,554</u>	<u>70,523</u>	
<u>(2,110)</u>	<u>-</u>	<u>(3,754)</u>	<u>7,554</u>	<u>70,523</u>	
<u>\$ 519</u>	<u>\$ 2,787</u>	<u>\$ -</u>	<u>\$ 17,054</u>	<u>\$ 207,779</u>	

Reconciliation of the Balance Sheet to the Statement of
Net Assets

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

Fund balance - Balance Sheet \$ 70,523

Capital assets used in governmental activities are not current
financial resources and, therefore, are not reported in this fund
financial statement, but are reported in the governmental activities
of the Statement of Net Assets. 48,741

Net Assets in the Statement of Net Assets \$ 119,264

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Combining Statement of Revenues, Expenditures and Change in Fund Balance
Charter School - Jefferson Montessori Academy
For the Year Ended June 30, 2008

	General Fund		Special Revenue	
	Operational Fund	Instructional Materials	Food Services	IDEA-B
REVENUES				
Food services	\$ -	\$ -	\$ 6,328	\$ -
Revenue from local sources	22,533	-	-	-
Revenue from state sources	1,058,203	14,119	-	-
Revenue from federal sources	-	-	19,625	19,235
<i>Total revenues</i>	1,080,736	14,119	25,953	19,235
EXPENDITURES				
Current:				
Instruction	476,341	7,737	-	19,235
Support services:				
Students	40,342	907	-	-
Instruction	-	-	-	-
General administration	34,311	-	-	-
School administration	82,052	-	-	-
Central Services	125,565	-	-	-
Operation & maint. of plant	133,002	-	-	-
Food Services	-	-	32,000	-
<i>Total expenditures</i>	891,613	8,644	32,000	19,235
Excess (deficiency) of revenues over expenditures	189,123	5,475	(6,047)	-
Fund balance - beginning	(114,247)	3,742	(9,213)	-
Fund balance - end of year	\$ 74,876	\$ 9,217	\$ (15,260)	\$ -

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

Libraries Go Bonds	Special Revenue		Capital Projects		Total
	Model for Effective Teacher Mentoring	Reading Materials	Public Schools Capital Outlay		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,328
-	-	-	-	-	22,533
-	2,787	-	63,000	-	1,138,109
-	-	-	-	-	38,860
-	2,787	-	63,000	-	1,166,970
-	2,787	3,754	-	-	509,854
-	-	-	-	-	41,249
2,110	-	-	-	-	2,110
-	-	-	-	-	34,311
-	-	-	-	-	82,052
-	-	-	-	-	125,565
-	-	-	56,750	-	189,752
-	-	-	-	-	32,000
2,110	2,787	3,754	56,750	-	1,016,893
(2,110)	-	(3,754)	6,250	-	188,937
-	-	-	1,304	-	(118,414)
\$ (2,110)	\$ -	\$ (3,754)	\$ 7,554	\$ -	\$ 70,523

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities

Net change in fund balance - Statement of Revenues, Expenditures and Changes in Fund Balance \$ 188,937

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as

Capital expenditures	-
Depreciation	(41,112)
Disposal of capital assets	-
	<u>-</u>

Change in net assets of governmental activities. \$ 147,825

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Charter School - Jefferson Montessori Academy - Operational Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
District activities	\$ -	\$ -	\$ -	\$ -
Revenues from local sources	-	250	22,533	22,283
Revenues from state sources	997,230	1,058,206	1,058,203	(3)
Revenues from federal sources	-	-	-	-
<i>Total revenues</i>	<u>997,230</u>	<u>1,058,456</u>	<u>1,080,736</u>	<u>22,280</u>
EXPENDITURES				
Instruction:				
Personnel services - compensation	398,663	333,179	319,327	13,852
Personnel services - employee benefits	136,499	126,257	108,270	17,987
Purchased professional and technical services	1,525	25,496	23,187	2,309
Other purchased services	12,300	9,300	6,091	3,209
Supplies	42,943	43,743	27,481	16,262
Property	-	-	-	-
Support services:				
Personnel services - compensation	161,788	163,528	163,371	157
Personnel services - employee benefits	42,530	49,239	45,041	4,198
Purchased professional and technical services	77,596	171,216	159,668	11,548
Purchased property services	87,728	95,369	85,585	9,784
Other purchased services	28,458	22,659	19,785	2,874
Supplies	6,200	17,320	17,140	180
Property	1,000	1,150	1,089	61
Debt services and miscellaneous	-	-	-	-
<i>Total expenditures</i>	<u>997,230</u>	<u>1,058,456</u>	<u>976,035</u>	<u>82,421</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>104,701</u>	<u>104,701</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>104,701</u>	<u>104,701</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(114,247)</u>	<u>(114,247)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,546)</u>	<u>\$ (9,546)</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Charter School - Jefferson Montessori Academy - Instruction
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues from state sources	\$ 7,010	\$ 14,119	\$ 14,119	\$ -
<i>Total revenues</i>	<u>7,010</u>	<u>14,119</u>	<u>14,119</u>	<u>-</u>
EXPENDITURES				
Instruction	6,442	12,969	1,718	11,251
Support services:				
Supplies	568	1,150	907	243
<i>Total expenditures</i>	<u>7,010</u>	<u>14,119</u>	<u>2,625</u>	<u>11,494</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>11,494</u>	<u>11,494</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>11,494</u>	<u>11,494</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,742</u>	<u>3,742</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,236</u>	<u>\$ 15,236</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Charter School - Jefferson Montessori Academy - Food Services Special Revenue Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues from local sources	\$ 32,000	\$ 32,000	\$ 28,918	\$ (3,082)
<i>Total revenues</i>	32,000	32,000	28,918	(3,082)
EXPENDITURES				
Food services	32,000	32,000	32,000	-
<i>Total expenditures</i>	32,000	32,000	32,000	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(3,082)	(3,082)
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(3,082)	(3,082)
<i>Fund balances - beginning of year</i>	-	-	(12,179)	(12,179)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (15,261)	\$ (15,261)

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Charter School - Jefferson Montessori Academy - IDEA B Special Revenue Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues from federal sources	\$ 19,235	\$ 19,235	\$ 19,235	\$ -
<i>Total revenues</i>	<u>19,235</u>	<u>19,235</u>	<u>19,235</u>	<u>-</u>
EXPENDITURES				
Instruction	19,235	19,235	19,235	-
<i>Total expenditures</i>	<u>19,235</u>	<u>19,235</u>	<u>19,235</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>29,291</u>	<u>29,291</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,291</u>	<u>\$ 29,291</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Charter School - Jefferson Montessori Academy - Public Schools Capital Outlay Capital Projects Fund
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenues from state sources	-	63,000	63,000	-
<i>Total revenues</i>	-	63,000	63,000	-
EXPENDITURES				
Support services:				
Rental - land and building	-	63,000	56,750	6,250
<i>Total expenditures</i>	-	63,000	56,750	6,250
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	6,250	6,250
<i>Other financing sources (uses):</i>				
Designated cash balance	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	6,250	6,250
<i>Fund balances - beginning of year</i>	-	-	1,304	155,104
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 7,554	\$ 161,354

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Schedule of Collateral Pledged by Depository
June 30, 2008

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2008	Name and Location of Safekeeper
Carlsbad National Bank	FFCB # 1280 Due 10/23/09	\$ 1,027,373	Federal Home Loan Bank Irving, TX
Carlsbad National Bank	FFCB # 1284 Due 01/11/10	1,029,684	Federal Home Loan Bank Irving, TX
Carlsbad National Bank	FFCB # 1281 Due 03/22/10	1,031,993	Federal Home Loan Bank Irving, TX
Carlsbad National Bank	FNMA # 1219 Due 08/01/10	720,528	Federal Home Loan Bank Irving, TX
Carlsbad National Bank	FNMA # 1214 Due 08/01/10	567,925	Federal Home Loan Bank Irving, TX
Carlsbad National Bank	FHLB # 1283 Due 12/28/12	1,658,324	Federal Home Loan Bank Irving, TX
		<u>6,035,827</u>	
Wells Fargo Bank	FGIOH0H00895 Due 06/01/37	911,532	Wells Fargo Bank San Francisco, CA
Wells Fargo Bank	FNCL # 257004 Due 10/01/37	273,532	Wells Fargo Bank San Francisco, CA
Wells Fargo Bank	FNCL #545277 Due 11/01/31	9,041	Wells Fargo Bank San Francisco, CA
Wells Fargo Bank	FNCL # 614123 Due 12/01/31	8,030	Wells Fargo Bank San Francisco, CA
Wells Fargo Bank	FNCL # 867437 Due 05/01/36	1,343,110	Wells Fargo Bank San Francisco, CA
Wells Fargo Bank	FNCL # 879100 Due 05/01/36	881,264	Wells Fargo Bank San Francisco, CA
		<u>3,426,509</u>	
Western Commerce Bank	FNMA #62942 "B" Due 07/01/27	34,750	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA # 254501 Due 09/01/22	451,292	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA #254589 Due 01/01/23	1,414,668	Federal Home Loan Bank of Dallas - Irving, TX

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Schedule of Collateral Pledged by Depository
June 30, 2008

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2008	Name and Location of Safekeeper
Western Commerce Bank	FNMA # 52597 Due 07/01/27	33,167	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA # 70864 Due 09/01/27	43,894	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA # 77037 Due 03/01/19	13,636	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA # 128776 Due 02/01/31	23,720	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA # 758904 Due 12/01/33	456,685	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA # 256714 Due 04/01/27	1,759,406	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA #256852 Due 08/01/27	1,812,715	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA #826080 Due 07/01/35	4,481,238	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FNMA #745740 Due 07/01/36	3,636,188	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	GNMA POOL # 8306 Due 01/20/18	26,038	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	GNMA POOL # 8457 Due 07/20/24	39,185	Federal Home Loan Bank of Dallas - Irving, TX
		<u>14,226,582</u>	
		<u>\$ 23,688,918</u>	

Jefferson Montessori Academy

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2008	Name and Location of Safekeeper
Western Commerce Bank	FNMA # 67694 Due 10/01/28	\$ 113,161	Federal Home Loan Bank of Dallas - Irving, TX
Western Commerce Bank	FHLMC #420191 Due 06/01/30	37,911	Federal Home Loan Bank of Dallas - Irving, TX
		<u>\$ 151,072</u>	

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Schedule of Cash and Temporary Investments by Depository
June 30, 2008

Deposit or Investment Account Type	Western Commerce Bank	Carlsbad National Bank	Wells Fargo Bank	Total
Checking	\$ 254,969	\$ 563,437	\$ 781,967	\$ 1,600,373
Checking	-	224,443	50,179	274,622
Checking	772,542	6,623,898	67,954	7,464,394
Checking	11,600,318	-	2,134,577	13,734,895
Checking	5,500,290	-	-	5,500,290
Checking	3,285,503	-	-	3,285,503
Total on deposit	21,413,622	7,411,778	3,034,677	31,860,077
Reconciling items	(5,195,645)	(249,684)	878	(5,444,451)
Reconciled balance at June 30, 2008	\$ 16,217,977	\$ 7,162,094	\$ 3,035,555	\$ 26,415,626
Reconciliation to financial statements:				
Cash and cash equivalents:				
				\$ 25,949,985
				752,612
				<u>\$ 26,702,597</u>

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

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Cash Reconciliation
June 30, 2008

	Operational Account	Transportation Account	Instructional Materials Account	Food Services Account
Cash, June 30, 2007	\$ 2,582,618	\$ -	\$ 332,808	\$ 36,247
Add:				
2007-08 revenues	47,239,400	1,706,997	657,477	3,433,598
Adjustment	-	-	-	-
Loans from other funds	1,254,683	-	-	-
Total cash available	51,076,701	1,706,997	990,285	3,469,845
Less:				
2007-08 expenditures	(46,156,890)	(1,706,997)	(769,007)	(3,156,025)
Change in insurance accounts	1,087,073	-	-	-
Change in held checks	-	-	-	-
Cash transfers	(1,504,683)	-	-	-
Miscellaneous	-	-	-	-
Loans to other funds	-	-	-	-
Cash, June 30, 2008	<u>\$ 4,502,201</u>	<u>\$ -</u>	<u>\$ 221,278</u>	<u>\$ 313,820</u>
Bank balance end of year	\$ 5,080,215	\$ -	\$ 221,278	\$ 563,437
Outstanding checks	(1,665,087)	-	-	(249,617)
Interest earned	-	-	-	-
Deposits in transit	-	-	-	-
Adjustment for held checks	-	-	-	-
Amounts held in escrow	1,087,073	-	-	-
Cash, June 30, 2008	<u>\$ 4,502,201</u>	<u>\$ -</u>	<u>\$ 221,278</u>	<u>\$ 313,820</u>

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

Athletics Account	Non- Instructional Account	Federal Projects Account	Local/State Account	Bond Building	Spec. Cap. Outlay-State	Cap.Improv. HB-33
\$ 243,183	\$ 462,128	\$ 461,254	\$ (35,481)	\$ 2,184,687	\$ 220,494	\$ 6,155,009
167,690	522,024	3,483,251	409,568	7,211,456	165,188	2,958,435
-	-	-	-	-	-	-
-	-	(1,000,000)	-	-	(254,683)	-
410,873	984,152	2,944,505	374,087	9,396,143	130,999	9,113,444
(123,881)	(518,513)	(3,571,661)	(776,599)	(2,772,245)	(161,306)	(2,500,130)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,250,000	-	-	254,683	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 286,992</u>	<u>\$ 465,639</u>	<u>\$ 622,844</u>	<u>\$ (402,512)</u>	<u>\$ 6,623,898</u>	<u>\$ 224,376</u>	<u>\$ 6,613,314</u>
\$ 286,992	\$ 485,550	\$ 657,481	\$ (402,512)	\$ 6,623,898	\$ 224,443	\$ 6,613,314
-	(19,911)	(34,637)	-	-	-	-
-	-	-	-	-	(67)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 286,992</u>	<u>\$ 465,639</u>	<u>\$ 622,844</u>	<u>\$ (402,512)</u>	<u>\$ 6,623,898</u>	<u>\$ 224,376</u>	<u>\$ 6,613,314</u>

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Cash Reconciliation
June 30, 2008

	Cap. Improv. SB-9	Energy Efficiency	Public Schools Cap. Out.- 20%	Debt Service Fund	Total
Cash, June 30, 2007	\$ 4,814,875	\$ 21,599	\$ 12,701	\$ 2,156,086	\$ 19,648,208
Add:					
2007-08 revenues	2,754,316	-	-	1,780,046	72,489,446
Adjustment	-	-	-	-	-
Loans from other funds	-	-	-	-	(0)
Total cash available	7,569,191	21,599	12,701	3,936,132	92,137,654
Less:					
2007-08 expenditures	(2,682,694)	-	-	(1,801,555)	-
Change in insurance accounts	-	-	-	-	1,087,073
Change in held checks	-	-	-	-	-
Change in escrow	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Loans to other funds	-	(21,599)	-	-	-
Cash, June 30, 2008	\$ 4,886,497	\$ -	\$ 12,701	\$ 2,134,577	\$ 26,505,625
Bank balance end of year	\$ 4,886,497	\$ -	\$ 12,701	\$ 2,134,577	\$ 27,387,871
Outstanding checks	-	-	-	-	(1,969,252)
Interest earned	-	-	-	-	(67)
Deposits in transit	-	-	-	-	-
Adjustment for held checks	-	-	-	-	-
Amounts held in escrow	-	-	-	-	1,087,073
Cash, June 30, 2008	\$ 4,886,497	\$ -	\$ 12,701	\$ 2,134,577	\$ 26,505,625

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

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STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Schedule of Joint Powers Agreements
For the Year Ended June 30, 2008

Participants	Responsible Party	Description
Carlsbad Municipal School District and CARC, Inc.	Carlsbad Municipal School District	The purpose of this agreement is to establish CARC, Inc. as the provider of special education services to students who are placed with or referred to them by the Carlsbad Municipal School District. CARC, Inc. will provide all special education services specified in each student's IEP related to the provision of vocational training goals.
Public Educational Institutions within the State of New Mexico and Cooperative Educational Services	Department of Finance and Administration	The purpose of this agreement is to pool efforts and resources in order to bring additional, necessary educational services and items of tangible personal property to the respective institutions at an affordable cost.
Carlsbad Municipal Schools NM Human Services Department	NM Human Services Department	The purpose of this agreement is to enable the school district to participate in the Medicaid School-Based Service Program. The intent of the parties in entering into this agreement is to improve the health and developmental outcomes of children and youth in New Mexico by providing quality health care and services through the Medicaid School-Based Services program and assuring the appropriate use of public funds in accordance with applicable state and federal requirements.

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

Beginning/ Ending Date	Total Estimated Amount of Project	Amount Agency Contributed	Portion Applicable to Agency	Audit Responsibility	Reporting Agency
June 1, 2007 through June 30, 2009	Undetermined	None	None	Carlsbad Municipal School District	None
April 10, 2002 until rescinded or terminated by a majority vote of the participating members. Any member may unilaterally terminate its participation by giving 30 days written notice of its intention to do so.	Undetermined	None	None	None	None
March 7, 2005 through June 30, 2008	Undetermined	None	None	Carlsbad Municipal School District	NM Human Services Department

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COMPLIANCE SECTION

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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**

Hector H. Balderas
New Mexico State Auditor and
The Board of Education
Carlsbad Municipal School District No. 20
Carlsbad, New Mexico

We have audited the financial statements of the governmental activities of the Carlsbad Municipal School District No. 20 (the "District") and the discretely presented component unit (Jefferson Montessori Academy), each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue funds, as of and for the year ended June 30, 2008, and have issued our report thereon dated November 17, 2008. We have also audited the financial statements of the discretely presented component unit, the District's nonmajor governmental funds and the budgetary comparisons presented as supplemental information as of and for the year ended June 30, 2008, and have issued our report thereon dated November 17, 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 in order to determine 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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

entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2007-3 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result 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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the control deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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, Carlsbad Municipal School District No. 20, the State Auditor, the Public Education Department, the cognizant audit agency, and other federal audit agencies, and is not intended to be, and should not be used by anyone other than these specified parties.



Miller & Associates, CPA, P.C.
November 17, 2008

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Hector H. Balderas
New Mexico State Auditor and
The Board of Education
Carlsbad Municipal School District No. 20
Carlsbad, New Mexico

Compliance

We have audited the compliance of Carlsbad Municipal School District No. 20 (the "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 Institute's management. Our responsibility is to express an opinion on the Institute's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Carlsbad Municipal School District No. 20 complied, in all material respects, with the requirements referred to above that are applicable in each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Carlsbad Municipal School District No. 20 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 Institute'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 on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant 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 Institute's internal control.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this selection and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. 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 audit committee, management, others within the organization, the Office of the State Auditor, the Public Education Department, 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.

Miller & Associates, CPA, P.C.

Miller & Associates, CPA, P.C.
November 17, 2008

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Grantor/Pass - Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<i>Direct Programs:</i>			
U.S. Department of Health and Human Services			
Medicaid Title XIX	93.778	25153	\$ 248,034
Total Direct Programs			<u>248,034</u>
U.S. Department of Agriculture			
Passed through State Department of Education:			
Commodities Program	10.550	21000	125,239
School Breakfast Program	10.553	21000	659,902
National School Lunch Program	10.555	21000	1,172,024
Total U.S. Department of Agriculture			<u>1,957,165</u>
U.S. Department of Education			
Passed through State Department of Education:			
ESEA-Title I Basic (1)	84.010	24101	1,662,149
IDEA B Entitlement (1)	84.027	24106	1,256,797
IDEA B Preschool	84.173	24109	45,348
Carls Perkins Vocational	84.048A	24174	84,994
Technology Literacy	84.318	24133	13,724
Title V (Part A) Innovative Education			
Program Strategies	84.298	24150	4,236
Teacher/Principal Training & Recruiting	84.367A	24154	344,463
Safe and Drug Free Schools and Communities	84.186A	24157	32,124
Total U.S. Department of Education			<u>3,443,835</u>
Other Programs			
U.S. Department of Agriculture			
Forest Reserve	10.224		7,561
Federal Communications Commission			
Universal Service Program			436,647
Total Other Programs			<u>444,208</u>
Total Federal Financial Assistance			<u><u>\$ 6,093,242</u></u>

Note:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Carlsbad Municipal School District and is presented on the budgetary basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in, or used in the presentation of the governmental fund financial statements may not be consistent with amounts used in the Schedule of Expenditures of Federal Awards.

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2007 was \$125,239 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550.

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

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Schedule of Findings and Questioned Costs
June 30, 2008**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the primary government, and an unqualified opinion on the discretely presented component unit of Carlsbad Municipal School District No. 20.
2. One control deficiency on compliance over financial reporting were disclosed during the audit of the financial statements. There were no significant deficiencies.
3. No significant deficiencies were identified during the audit of internal control over major federal award programs.
4. No significant deficiencies were identified during the audit of compliance over major federal award programs.
5. The auditor's report on compliance for major federal award programs for Carlsbad Municipal School District expresses an unqualified opinion on all federal programs.
6. There were no audit findings that were required to be reported in accordance with OMB Circular A-133, Section 510(a).
7. The programs tested as major were: ESEA-Title I Basic, CFDA No. 84.010 and Title II-A, CFDA No. 84.367A.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Carlsbad Municipal School District No. 20 was determined to be a low-risk auditee.

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20

Schedule of Findings and Questioned Costs
June 30, 2008

FINDINGS - FINANCIAL STATEMENT AUDIT

Jefferson Montessori Academy
2007-3: Disbursements

Condition

During our testwork of disbursements, we found the following:

- Eight out of thirty purchase orders that totaled \$8,215 were dated after the invoice.

Criteria

NMAC 6.20.2.17 states that an internal control structure over purchasing shall be established and maintained to assure compliance with the Academy's policy and with state and federal regulations (NMSA 1978, 12-8-89, 12-14-96, 7-1-93). All purchases from School funds shall be made in accordance with applicable statutes and regulations (Procurement Code, Section 13-1-21 et seq., NMSA 1978).

Cause

Management does not have the proper internal controls in place to ensure that all purchase orders are dated prior to the invoice. In addition, management did not follow the internal control process which requires checks to have two signatures and vouchers were not properly filed.

Effect

The Academy is in violation of the Academy's control policies as well as the State Procurement Code.

Recommendation

We recommend that Jefferson Montessori Academy establish internal controls to ensure that purchase orders are prepared when goods or services are ordered and that management follow internal control process that is set forth. In addition, we recommend that the Academy continue to outsource and utilize Accounting and Consulting Group, LLP

Agency Response

Jefferson Montessori Academy (JMA) hired Domingo Sanchez III, a Level II, Licensed Business Manager, in July 2008. Mr. Sanchez is a fund accountant with many years experience in government accounting and has been providing financial services to many charter schools in New Mexico for approximately eight years. Mr. Sanchez has worked with both the management and staff of JMA to assist us in the implementation of proper internal controls within many areas of our school operations. In addition to providing our management and business office staff specific training in the preparation of purchase orders, Mr. Sanchez, has also educated us on the importance of following the state Procurement Code when purchasing any goods and services for JMA.

STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20

Schedule of Findings and Questioned Costs
June 30, 2008

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

D. FINDINGS - PRIOR YEAR AUDIT

Carlsbad Municipal School District

2007 - 1: Pledged Collateral – Resolved and not repeated

Jefferson Montessori Academy

2007 - 2: Disbursements – Revised and Repeated

2007 - 3: Bank Reconciliation – Resolved and not repeated

2007 - 4: Inaccurate Reporting of Payroll Tax Returns – Resolved and not repeated

2007 - 5: Segregation of Duties – Resolved and not repeated

2007 - 6: Overspending of Certain Budget Line Items – Resolved and not repeated

**STATE OF NEW MEXICO
CARLSBAD MUNICIPAL SCHOOL DISTRICT NO. 20**

**Exit Conference
June 30, 2008**

EXIT CONFERENCE

The contents of this report were discussed at an exit conference held November 17, 2008 at the Business Office of the Carlsbad Municipal School District. Ryan Miller, Shareholder, represented Miller & Associates, CPA, P.C. Sheri Williams, Superintendent; Laura Garcia, Director of Finance; Ted Cordova, Director of Human Resources; Mark Cahenzli, Director of Curriculum & Secondary Instruction, Erich Francke, Director of Operations, Ron Livingston, Board Member, and LaVern Shan, Director of Curriculum & Elementary Instruction; represented the Carlsbad Municipal School District No. 20.

The contents of this report were discussed at an exit conference held November 17, 2008 at the Business Office of Jefferson Montessori Academy. Ryan Miller, Shareholder, represented Miller & Associates, CPA, P.C. Cindy Holguin, Director; Tammi Dutton, Office Manager; Donna Taylor Harper, President represented the Jefferson Montessori Academy.

FINANCIAL STATEMENT PRESENTATION

The financial statements were prepared from the original books and records of the Carlsbad Municipal School District No. 20 as of June 30, 2008 by Miller & Associates, Certified Public Accountants, a Professional Corporation. However, the financial statements and their contents are the responsibility of the District.