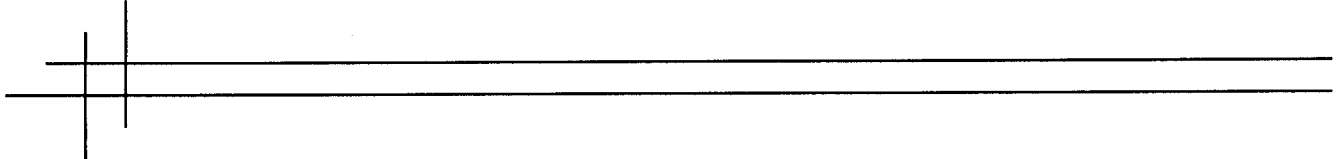




STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2008

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



STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
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 For the Year Ended June 30, 2008

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CARRIZO MUNICIPAL SCHOOLS
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CARRIZO MUNICIPAL SCHOOLS
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STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Official Roster
June 30, 2008

BOARD OF EDUCATION

Steve Harkey	President
Matt Ferguson	Vice-President
Denise Hill	Secretary
Henrietta Griego	Member
James Guevara	Member

SCHOOL OFFICIALS

Robert Cobos	Superintendent
Gwen Huston	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Meirose, NM 88124

(505) 253-4313

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the CARRIZOZO MUNICIPAL SCHOOL DISTRICT NO. 7

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of CARRIZOZO MUNICIPAL SCHOOL DISTRICT NO. 7, (District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's non major governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above, present fairly in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the major capital projects fund, debt service fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2008, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

De'Ann Willoughby, CPA PC

November 4, 2008

FINANCIAL SECTION

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
Statement of Net Assets
June 30, 2008

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,485,750
Due from Grantor	18,732
Inventory	3,135
Total Current Assets	<u>1,507,617</u>
Noncurrent Assets	
Capital Assets	7,548,256
Less: Accumulated Depreciation	<u>(2,083,996)</u>
Total Noncurrent Assets	<u>5,464,260</u>
Total Assets	<u>6,971,877</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	4,945
Accrued Interest	32,045
Current Portion of Long-Term Debt	155,000
Total Current Liabilities	<u>191,990</u>
Noncurrent Liabilities	
Bonds and Notes, Net	1,868,233
Total Noncurrent Liabilities	<u>1,868,233</u>
Total Liabilities	<u>2,060,223</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	3,408,982
Restricted for:	
Debt Service	5,254
Unrestricted	1,497,418
Total Net Assets	<u>\$ 4,911,654</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Statement of Activities
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 1,791,012	\$ 12,110	\$ 253,494	\$ 0	\$ (1,525,408)
Support Services-Students	153,182	0	10,416	0	(142,766)
Support Services-Instruction	66,403	0	3,507	0	(62,896)
General Administration	164,451	0	0	0	(164,451)
School Administration	146,953	0	0	0	(146,953)
Central Services	39,003	0	0	0	(39,003)
Operation of Plant	386,288	0	0	0	(386,288)
Student Transportation	235,582	0	270,929	0	35,347
Food Services Operations	104,611	17,944	75,258	0	(11,409)
Interest on Long-Term Obligations	54,704	0	0	0	(54,704)
Total Governmental Activities	\$ 3,142,189	\$ 30,054	\$ 613,604	\$ 0	\$ (2,498,531)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes				\$	13,767
Property Taxes, Levied for Capital Projects					62,254
Property Taxes, Levied for Debt Service					179,644
Federal and State aid not restricted to specific purpose					
General					2,272,437
Capital					0
Interest and investment earnings					5,679
Miscellaneous					71,001
Subtotal, General Revenues					<u>2,604,782</u>
Change in Net Assets					106,251
Net Assets - beginning of year					<u>4,805,403</u>
Net Assets - ending of year					<u>\$ 4,911,654</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2008

	General Fund		
	Operational Fund 11000	Transportation Fund 13000	Instructional Materials Fund 14000
ASSETS			
Cash and Cash Equivalents	\$ 240,696	\$ 141,107	\$ 19,343
Receivables			
Due From Grantor	0	0	0
Interfund Balances	18,732	0	0
Inventory	0	0	0
Total Assets	\$ 259,428	\$ 141,107	\$ 19,343
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 4,841	\$ 0	\$ 0
Interfund Balances	0	0	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Total Liabilities	4,841	0	0
Fund Balances			
Reserved for:			
Inventory	0	0	0
Retirement of Long-Term Debt	0	0	0
Capital Improvements	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	254,587	141,107	19,343
Special Revenue Funds	0	0	0
Total Fund Balances	254,587	141,107	19,343
Total Liabilities and Fund Balances	\$ 259,428	\$ 141,107	\$ 19,343

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2008

	Bond Building 31100	Debt Service 41000	Other Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 792,431	\$ 198,707	\$ 93,466
Receivables			
Due From Grantor	0	0	18,732
Interfund Balances	0	0	0
Inventory	0	0	3,135
Total Assets	<u>\$ 792,431</u>	<u>\$ 198,707</u>	<u>\$ 115,333</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 104
Interfund Balances	0	0	18,732
Current Portion Due			
Principal	0	155,000	0
Interest	0	38,453	0
Total Liabilities	<u>0</u>	<u>193,453</u>	<u>18,836</u>
Fund Balances			
Reserved for:			
Inventory	0	0	3,135
Retirement of Long-Term Debt	0	5,254	0
Capital Improvements	792,431	0	11,890
Unreserved, Undesignated, reported in:			
General Fund	0	0	0
Special Revenue Funds	0	0	81,472
Total Fund Balances	<u>792,431</u>	<u>5,254</u>	<u>96,497</u>
Total Liabilities and Fund Balances	<u>\$ 792,431</u>	<u>\$ 198,707</u>	<u>\$ 115,333</u>

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2008

	Total Governmental Funds
ASSETS	
Cash and Cash Equivalents	\$ 1,485,750
Receivables	
Due From Grantor	18,732
Interfund Balances	18,732
Inventory	3,135
Total Assets	<u>\$ 1,526,349</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable	\$ 4,945
Interfund Balances	18,732
Current Portion Due	
Principal	155,000
Interest	38,453
Total Liabilities	<u>217,130</u>
Fund Balances	
Reserved for:	
Inventory	3,135
Retirement of Long-Term Debt	5,254
Capital Improvements	804,321
Unreserved, Undesignated, reported in:	
General Fund	415,037
Special Revenue Funds	81,472
Total Fund Balances	<u>1,309,219</u>
Total Liabilities and Fund Balances	<u>\$ 1,526,349</u>

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
 Reconciliation of the 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:

Total Fund Balance - Governmental Funds	\$	1,309,219
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$	7,548,256	
Accumulated depreciation is		<u>(2,083,996)</u>	5,464,260

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

Bonds payable	(1,895,000)	
Accrued Interest	6,408	
Net Issue Costs	<u>26,767</u>	<u>(1,861,825)</u>

Total net assets - governmental activities	\$	<u><u>4,911,654</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2008

	General Fund		
	Operational	Transportation	Instructional
	Fund 11000	Fund 13000	Materials Fund 14000
Revenues			
Taxes	\$ 14,671	\$ 0	\$ 0
Investment Income	5,653	0	0
Fees	0	0	0
Grants-State & Local	2,272,437	270,929	36,539
Grants-Federal	0	0	0
Miscellaneous	8,501	0	0
Total Revenues	<u>2,301,262</u>	<u>270,929</u>	<u>36,539</u>
Expenditures			
Current			
Instruction	1,341,547	0	18,650
Support Services-Students	138,169	0	0
Support Services-Instruction	61,696	0	1,200
Support Services-General Administration	179,144	0	0
Support Services-School Administration	146,032	0	0
Central Services	39,003	0	0
Operation and Maintenance of Plant	288,577	0	0
Student Transportation	0	235,582	0
Food Services Operations	22,220	0	0
Capital Outlay	0	0	0
Debt Service			
Issue Costs	0	0	0
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>2,216,388</u>	<u>235,582</u>	<u>19,850</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>84,874</u>	<u>35,347</u>	<u>16,689</u>
Other Financing Sources (Uses)			
Sale of Bonds	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	84,874	35,347	16,689
Fund Balances at Beginning of Year	<u>169,713</u>	<u>105,760</u>	<u>2,654</u>
Fund Balance End of Year	<u>\$ 254,587</u>	<u>\$ 141,107</u>	<u>\$ 19,343</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2008

	Bond Building 31100	Debt Service 41000	Other Governmental Funds
Revenues			
Taxes	\$ 0	\$ 193,995	\$ 67,001
Investment Income	17,377	0	26
Fees	0	0	30,054
Grants-State & Local	0	0	97,948
Grants-Federal	0	0	208,188
Miscellaneous	62,500	0	0
Total Revenues	<u>79,877</u>	<u>193,995</u>	<u>403,217</u>
Expenditures			
Current			
Instruction	0	0	191,678
Support Services-Students	0	0	10,416
Support Services-Instruction	0	0	3,507
Support Services-General Administration	74	1,940	670
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation and Maintenance of Plant	0	0	97,711
Student Transportation	0	0	0
Food Services Operations	0	0	82,391
Capital Outlay	62,500	0	14,468
Debt Service			
Issue Costs	29,200	0	0
Principal	0	155,000	0
Interest	0	58,679	0
Total Expenditures	<u>91,774</u>	<u>215,619</u>	<u>400,841</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,897)</u>	<u>(21,624)</u>	<u>2,376</u>
Other Financing Sources (Uses)			
Sale of Bonds	800,000	0	0
Total Other Financing Sources (Uses)	<u>800,000</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	788,103	(21,624)	2,376
Fund Balances at Beginning of Year	<u>4,328</u>	<u>26,878</u>	<u>94,121</u>
Fund Balance End of Year	<u>\$ 792,431</u>	<u>\$ 5,254</u>	<u>\$ 96,497</u>

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2008

	Total Governmental Funds
Revenues	
Taxes	\$ 275,667
Investment Income	23,056
Fees	30,054
Grants-State & Local	2,677,853
Grants-Federal	208,188
Miscellaneous	71,001
Total Revenues	<u>3,285,819</u>
Expenditures	
Current	
Instruction	1,551,875
Support Services-Students	148,585
Support Services-Instruction	66,403
Support Services-General Administration	181,828
Support Services-School Administration	146,032
Central Services	39,003
Operation and Maintenance of Plant	386,288
Student Transportation	235,582
Food Services Operations	104,611
Capital Outlay	76,968
Debt Service	
Issue Costs	29,200
Principal	155,000
Interest	58,679
Total Expenditures	<u>3,180,054</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>105,765</u>
Other Financing Sources (Uses)	
Sale of Bonds	800,000
Total Other Financing Sources (Uses)	<u>800,000</u>
Net Change in Fund Balance	905,765
Fund Balances at Beginning of Year	<u>403,454</u>
Fund Balance End of Year	<u>\$ 1,309,219</u>

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2008

Net Change in Fund Balance-Governmental Funds \$ 105,765

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

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities. (20,002)

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

Depreciation expense	\$	(244,656)	
Capital Outlays		76,968	(167,688)

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

Principal paid for bonds (Note F)		130,000	
Difference in current amount due in the Debt Service Fund		25,000	155,000

Bond issue costs are amortized in the Statement of Activities but are recorded as an expenditure in the year of issue on the Statement of Revenues, Expenditures and Changes in Fund Balances. The bond issue costs are amortized over the life of the bonds.

Issue Cost this year		29,200	
Amortization of Issue Cost this year		(2,433)	26,767

Interest is accrued through year end but the Balance Sheet included interest payable within thirty day of year end. This is the difference in the accrued interest and the current amount due. 6,409

Changes in Net Assets of Governmental Activities \$ 106,251

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Taxes	\$ 14,187	\$ 14,187	\$ 14,671	\$ 484
Investment Income	5,382	5,382	5,653	271
Other Revenue	17,000	17,000	8,501	(8,499)
Total Local Sources	<u>36,569</u>	<u>36,569</u>	<u>28,825</u>	<u>(7,744)</u>
State Sources				
Unrestricted Grants	2,167,630	2,270,632	2,270,598	(34)
Restricted Grants	2,310	2,310	1,839	(471)
Total State Sources	<u>2,169,940</u>	<u>2,272,942</u>	<u>2,272,437</u>	<u>(505)</u>
Total Revenues	<u>2,206,509</u>	<u>2,309,511</u>	<u>2,301,262</u>	<u>(8,249)</u>
Expenditures				
Instruction				
Personnel Services	923,988	937,206	934,515	2,691
Employee Benefits	301,345	301,388	300,200	1,188
Professional & Tech Services	4,000	13,957	10,032	3,925
Other Purchased Services	66,500	71,225	70,414	811
Supplies	17,554	30,054	25,781	4,273
Total Instruction	<u>1,313,387</u>	<u>1,353,830</u>	<u>1,340,942</u>	<u>12,888</u>
Support Services-Students				
Personnel Services	56,163	56,163	56,039	124
Employee Benefits	11,802	11,802	11,757	45
Professional & Tech Services	72,300	72,300	65,621	6,679
Supplies	6,000	6,000	4,752	1,248
Total Support Services-Students	<u>146,265</u>	<u>146,265</u>	<u>138,169</u>	<u>8,096</u>
Support Services-Instruction				
Personnel Services	176,815	171,249	50,710	120,539
Employee Benefits	10,854	10,854	10,826	28
Professional & Tech Services	0	0	0	0
Supplies	200	200	160	40
Total Support Services-Instruction	<u>\$ 187,869</u>	<u>\$ 182,303</u>	<u>\$ 61,696</u>	<u>\$ 120,607</u>

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-General Administration				
Personnel Services	\$ 85,124	\$ 111,690	\$ 111,690	\$ 0
Employee Benefits	36,509	28,300	27,925	375
Professional & Tech Services	23,936	26,258	14,646	11,612
Other Purchased Services	14,750	18,625	10,782	7,843
Supplies	9,000	15,512	13,978	1,534
Total Support Services-General Administration	169,319	200,385	179,021	21,364
Support Services-School Administration				
Personnel Services	105,459	105,413	104,959	454
Employee Benefits	37,267	37,313	34,685	2,628
Other Purchased Services	0	3,000	2,331	669
Supplies	3,500	4,500	4,057	443
Total Support Services-School Administration	146,226	150,226	146,032	4,194
Central Services				
Personnel Services	28,605	29,605	29,605	0
Employee Benefits	5,870	6,185	6,062	123
Other Purchased Services	600	2,600	1,623	977
Supplies	100	100		100
Total Central Services	35,175	38,490	37,290	1,200
Operation & Maintenance of Plant				
Personnel Services	71,419	71,419	62,185	9,234
Employee Benefits	44,567	44,567	25,652	18,915
Purchased Property Services	165,100	179,874	130,842	49,032
Other Purchased Services	54,019	54,119	52,307	1,812
Supplies	12,000	17,000	15,192	1,808
Total Operation & Maintenance of Plant	347,105	366,979	286,178	80,801
Food Service Operations				
Personnel Services	1,500	5,789	4,892	897
Employee Benefits	116	5,697	5,215	482
Other Purchased Services	1,100	1,100	598	502
Supplies	15,162	15,162	11,514	3,648
Total Food Service Operations	17,878	27,748	22,219	5,529
Total Expenditures	\$ 2,363,224	\$ 2,466,226	\$ 2,211,547	\$ 254,679

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (156,715)	\$ (156,715)	\$ 89,715	\$ 246,430
Cash Balance Beginning of Year	<u>169,713</u>	<u>169,713</u>	<u>169,713</u>	<u>0</u>
Cash Balance End of Year	\$ <u>12,998</u>	\$ <u>12,998</u>	\$ <u>259,428</u>	\$ <u>246,430</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 89,715	
Net change in Accounts Payables			<u>4,841</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>94,556</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Restricted State Sources				
Grant	\$ 270,778	\$ 270,929	\$ 270,929	\$ 0
Total Restricted State Sources	<u>270,778</u>	<u>270,929</u>	<u>270,929</u>	<u>0</u>
Total Revenues	<u>270,778</u>	<u>270,929</u>	<u>270,929</u>	<u>0</u>
Expenditures				
Pupil Transportation				
Personnel Services	44,980	44,980	43,980	1,000
Employee Benefits	27,357	27,303	25,806	1,497
Professional & Tech Services	0	54	54	0
Purchased Property Services	15,503	15,503	15,503	0
Other Purchased Services	179,407	179,558	149,763	29,795
Supplies	1,531	1,531	476	1,055
Property	200	2,000	0	2,000
Total Pupil Transportation	<u>268,978</u>	<u>270,929</u>	<u>235,582</u>	<u>35,347</u>
Total Expenditures	<u>268,978</u>	<u>270,929</u>	<u>235,582</u>	<u>35,347</u>
Excess (Deficiency) of Revenues Over Expenditures	1,800	0	35,347	35,347
Cash Balance Beginning of Year	<u>105,760</u>	<u>105,760</u>	<u>105,760</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 107,560</u>	<u>\$ 105,760</u>	<u>\$ 141,107</u>	<u>\$ 35,347</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 35,347</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 35,347</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Restricted State Sources				
Grant	\$ 36,539	\$ 36,539	\$ 36,539	\$ 0
Total Restricted State Sources	<u>36,539</u>	<u>36,539</u>	<u>36,539</u>	<u>0</u>
Total Revenues	<u>36,539</u>	<u>36,539</u>	<u>36,539</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	<u>21,078</u>	<u>21,078</u>	<u>18,650</u>	<u>2,428</u>
Total Instruction	<u>21,078</u>	<u>21,078</u>	<u>18,650</u>	<u>2,428</u>
Student Support-Instruction				
Supplies	<u>1,719</u>	<u>1,811</u>	<u>1,200</u>	<u>611</u>
Total Student Support-Instruction	<u>1,719</u>	<u>1,811</u>	<u>1,200</u>	<u>611</u>
Total Expenditures	<u>22,797</u>	<u>22,889</u>	<u>19,850</u>	<u>3,039</u>
Excess (Deficiency) of Revenues Over Expenditures	13,742	13,650	16,689	3,039
Cash Balance Beginning of Year	<u>2,654</u>	<u>2,654</u>	<u>2,654</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 16,396</u>	<u>\$ 16,304</u>	<u>\$ 19,343</u>	<u>\$ 3,039</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 16,689</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 16,689</u>	

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
Statement of Fiduciary Net Assets and Liabilities-Agency Funds
For the Year Ended June 30, 2008

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 43,852
Total Assets	<u>\$ 43,852</u>
Liabilities	
Deposits Held for Others	\$ 43,852
Total Liabilities	<u>\$ 43,852</u>

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the CARRIZOZO MUNICIPAL SCHOOLS (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

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

- A Management's Discussion and Analysis (MD & A) providing an analysis of the District's overall financial position and results of operations.
- Financial Statements prepared using full-accrual accounting for all the District's activities.
- A change in fund financial statements to focus on major funds.

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

In addition, in June 2001, the GASB issued Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus - an amendment of GASB Statement No. 21 and No. 34 and Statement No. 38, Certain Financial Note Disclosures*. These two statements clarify, modify, establish and rescind certain disclosure requirements under GASB No. 34. Both statements are being implemented in conjunction with GASB Statement No. 34. These statements do not have an impact on the results of operations or the financial position of the District.

Financial Reporting Entity

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

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

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

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

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

Governmental Funds

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of general long-term debt.

General Fund-The General Fund consist of three sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

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

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

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

Fiduciary Fund Type

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

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

The District reports the following major governmental funds:

GENERAL FUND (11000)

The General Fund consist of three sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

CAPITAL PROJECT FUND

Bond Building (31100)

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

DEBT SERVICE FUND (41000)

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values. Expenditures are restricted to debt reduction.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

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

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

Program Revenues

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

Fund Financial Statements (FFS)

Governmental Funds

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

Revenues

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

Entitlement and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

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

Expenditures

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

Other Financing Sources (Uses)

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

Basis of Budgeting

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

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

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

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBFAU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.

6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBFAU.
7. Legal budget control for expenditures is by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

Cash and Cash Equivalents

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

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

Investments

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

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

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

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2008

Receivables and Payables

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

Property Taxes

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

Elimination and Reclassifications of Certain Receivables and Payables

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

Inventories and Prepaid Items

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

Capital Assets

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

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

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

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

Capital Leases

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

Short -Term Debt

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

Long-Term Liabilities

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

Restricted Net Assets

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

Fund Balances of Fund Financial Statements

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

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

Interfund Transfers

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

Deferred Revenue

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

Estimates

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

NOTE B: CASH AND INVESTMENTS

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2008

Wells Fargo Bank	Balance Per Bank 06-30-08	Reconciled Balance	Type
<u>Name of Account</u>	<u>06-30-08</u>	<u>Balance</u>	<u>Type</u>
Operational	\$ 457,530	\$ 457,654	Checking
Payroll Clearing	81,630	0	Checking
Cafeteria	29,087	29,087	Checking
Athletic	4,231	5,147	Checking
Building	792,431	792,431	Checking
SB-9	16,246	11,890	Checking
Debt Service	198,707	198,707	Checking
TOTAL Deposited	<u>1,579,862</u>	<u>\$ 1,494,916</u>	
Less: FDIC Coverage	<u>(100,000)</u>		
Uninsured Amount	1,479,862		
50% collateral requirement	739,931		
Pledged securities	<u>1,086,336</u>		
Over (Under) requirement	<u>\$ 346,405</u>		

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

The following securities are pledged at **Wells Fargo Bank**:

<u>Description</u>	<u>CUSIP #</u>	Par/Market Value	<u>Maturity Date</u>	<u>Location</u>
FNCL-Loan	31409CV69	335,778	5/1/2036	Minneapolis, MN
FNCL-Loan	3128MS7G9	116,267	6/1/2037	Minneapolis, MN
FNCL-Loan	31409YM87	150,049	5/1/2036	Minneapolis, MN
FNCL-Loan	31414TBF7	484,242	5/1/2038	Minneapolis, MN
		<u>\$ 1,086,336</u>		

First Federal Bank	Balance Per Bank 06-30-08	Reconciled Balance	Type
<u>Name of Account</u>	<u>06-30-08</u>	<u>Balance</u>	<u>Type</u>
Federal	\$ 8,638	\$ (9,165)	Checking
TOTAL Deposited	8,638	<u>\$ (9,165)</u>	
Less: FDIC Coverage	<u>(8,638)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2008

City Bank	Balance Per Bank 06-30-08	Reconciled Balance	Type
<u>Name of Account</u>			
Activity	\$ 48,901	\$ 43,852	Checking
TOTAL Deposited	48,901	<u>43,852</u>	
Less: FDIC Coverage	<u>(48,901)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 157,539
Collateralized:	
Collateral held by the pledging bank in District's name	1,086,336
Uninsured and uncollateralized	<u>393,526</u>
Total Deposits	<u>\$ 1,637,401</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2008 \$393,526 of the District's bank balance of \$1,634,401 was exposed to custodial credit risk.

NOTE C: INTERFUND BALANCES AND ACTIVITY

Loans to and from other funds during the year ending June 30, 2008 were as follows:

<u>Loans To</u>	<u>Loans From General Fund</u>
IDEA B, Discretionary-24107	9,166
Microsoft Settlement-26170	5,154
Libraries GO Bond-27170	4,412
Totals	<u>\$ 18,732</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2008

NOTE D: DUE FROM OTHER GOVERNMENT UNITS

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

Other Governmental Funds	\$ 18,732
Total	<u>\$ 18,732</u>

NOTE E: CAPITAL ASSETS

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

	Balance 6/30/07	Increases	Decreases	Balance 6/30/08
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 513,093	\$ 0	\$ 0	\$ 513,093
Construction in Progress	0	0	0	0
Total Capital Assets, not Being Depreciated	<u>513,093</u>	<u>0</u>	<u>0</u>	<u>513,093</u>
Other Capital Assets				
Buildings & Improvements	5,852,857	62,500	0	5,915,357
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	1,105,338	14,468	0	1,119,806
Total Capital Assets, not being depreciated	<u>6,958,195</u>	<u>76,968</u>	<u>0</u>	<u>7,035,163</u>
Total Capital Assets	<u>7,471,288</u>	<u>76,968</u>	<u>0</u>	<u>7,548,256</u>
Less Accumulated Depreciation				
Buildings & Improvement	970,601	195,748	0	1,166,349
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	868,739	48,909	0	917,648
Total Accumulated Depreciation	<u>1,839,339</u>	<u>244,657</u>	<u>0</u>	<u>2,083,996</u>
Capital Assets, net	<u>\$ 5,631,949</u>	<u>\$ (167,689)</u>	<u>\$ 0</u>	<u>\$ 5,464,260</u>

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2008

Depreciation expense was charged to governmental activities as follows:

Instruction	\$	239,138
Support Services-Students		4,597
School Administration		922
Total depreciation expenses	\$	<u>244,657</u>

NOTE F: LONG TERM DEBT

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

	Balance 6/30/07	Additions	Reductions	Balance 6/30/08	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 1,380,000	\$ 800,000	\$ 130,000	\$ 2,050,000	\$ 155,000
Long-Term					
Liabilities	<u>\$ 1,380,000</u>	<u>\$ 800,000</u>	<u>\$ 130,000</u>	<u>\$ 2,050,000</u>	<u>\$ 155,000</u>

Payments on the general obligation bonds are made by the Debt Service Funds.

General Obligation Bonds.

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

Series	Maturity Year Ending June 30:	Original Amount	Interest Rate	Balance
1998	2010	300,000	4.4-5.2%	260,000
1999	2010	150,000	4.15-5.5%	85,000
2002	2014	550,000	3.0-5.25%	510,000
2003	2014	300,000	.46-1.33%	270,000
2004	2015	150,000	.25%	125,000
2008	2021	800,000	0	800,000
				<u>\$ 2,050,000</u>

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2008

The annual requirements to amortize all of the above bonds including interest is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	155,000	58,344	213,344
2010	175,000	57,402	232,402
2011	190,000	51,068	241,068
2012	150,000	45,232	195,232
2013	160,000	40,848	200,848
2014-2018	810,000	119,306	929,306
2019-2021	410,000	16,409	426,409
	<u>\$ 2,050,000</u>	<u>\$ 388,609</u>	<u>\$ 2,438,609</u>

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

Note F	\$ 2,050,000
Issue Costs on Bond Issues	(29,200)
Accumulated Amortization	2,433
Statement of Net Assets	<u>\$ 2,023,233</u>
Long-Term Per Government Wide Financial Statements	\$ 1,868,233
Current Portion	155,000
Statement of Net Assets	<u>\$ 2,023,233</u>

NOTE G: COMMITMENTS

The District has no construction commitments at June 30, 2008.

NOTE H: PENSION PLAN

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

Plan members are required to contribute 7.42% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2008, 2007, and 2006, were \$258,204, \$215,704, and \$216,058, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE J: RETIREE HEALTH CARE ACT CONTRIBUTIONS

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary.

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

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

The District's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$26,887, \$23,499 and \$23,318, respectively, which equal the required contributions for each year.

NOTE J: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

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

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

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

NOTE K: RISK MANAGEMENT

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

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

Crime

NOTE L: SURETY BOND

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

NOTE M: JOINT POWERS AGREEMENT

Carrizozo Municipal Schools entered into a joint powers agreement with the Region 9 Education Cooperative (REC). The purpose of the agreement is to allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the United States Department of Education under the Education of the Handicapped Act, Part B, PL 94142 among others.

There are seven schools that participate in the REC, they are Ruidoso, Capitan, Carrizozo, Cloudcroft, Corona, Hondo and Tularosa. The agreement became effective on July 1, 1995 and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The REC passed-through \$32,629, to the District for salaries and fringe benefits. As required by SAO 2.2.2.12 C (3) (d), the REC funds were reported as revenues and expenditures in the following special revenue funds:

24106	IDEA, Part B Entitlement
24107	IDEA, Part B Discretionary

The REC is its own fiscal agent and is responsible for its audit. The financial statements were prepared by Roy Woodard & Associates and are available for inspection at the REC office located at 1400 Sudderth Dr. Ruidoso, New Mexico 88345.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 CAPITAL PROJECTS FUND-BOND BUILDING-31100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Insurance Recoveries	\$ 62,500	\$ 62,500	\$ 62,500	\$ 0
Sale of Bonds	800,000	800,000	800,000	0
Total Local Sources	<u>862,500</u>	<u>862,500</u>	<u>862,500</u>	<u>0</u>
Total Revenues	<u>862,500</u>	<u>862,500</u>	<u>862,500</u>	<u>0</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>0</u>	<u>11,897</u>	<u>11,897</u>	<u>0</u>
Total Support Services- General Administration	<u>0</u>	<u>11,897</u>	<u>11,897</u>	<u>0</u>
Capital Outlay				
Professional & Tech Services	<u>0</u>	<u>62,500</u>	<u>62,500</u>	<u>0</u>
Total Capital Outlay	<u>0</u>	<u>62,500</u>	<u>62,500</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>74,397</u>	<u>74,397</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>862,500</u>	<u>788,103</u>	<u>788,103</u>	<u>0</u>
Cash Balance Beginning of Year	<u>4,328</u>	<u>4,328</u>	<u>4,328</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 866,828</u>	<u>\$ 792,431</u>	<u>\$ 792,431</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 788,103</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 788,103</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
DEBT SERVICE-41000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Taxes	\$ 178,687	\$ 176,687	\$ 193,995	\$ 17,308
Total Local Sources	<u>178,687</u>	<u>176,687</u>	<u>193,995</u>	<u>17,308</u>
Total Revenues	<u>178,687</u>	<u>176,687</u>	<u>193,995</u>	<u>17,308</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>2,000</u>	<u>2,000</u>	<u>1,940</u>	<u>60</u>
Total Support Services- General Administration	<u>2,000</u>	<u>2,000</u>	<u>1,940</u>	<u>60</u>
Debt Service				
Debt Service Reserve				0
Principal	130,000	130,000	130,000	0
Interest	<u>49,461</u>	<u>49,461</u>	<u>49,461</u>	<u>0</u>
Total Debt Service	<u>179,461</u>	<u>179,461</u>	<u>179,461</u>	<u>0</u>
Total Expenditures	<u>181,461</u>	<u>181,461</u>	<u>181,401</u>	<u>60</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,774)	(4,774)	12,594	17,368
Cash Balance Beginning of Year	<u>186,114</u>	<u>186,114</u>	<u>186,114</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 183,340</u>	<u>\$ 181,340</u>	<u>\$ 198,708</u>	<u>\$ 17,368</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 12,594	
Net Change in Current Principal Due			(25,000)	
Net Change in Current Interest Due			(9,218)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (21,624)</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR GOVERNMENT FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2008

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 81,576	\$ 11,890	\$ 93,466
Receivables			
Due From Grantor	18,732	0	18,732
Inventry	3,135	0	3,135
Total Assets	<u>\$ 103,443</u>	<u>\$ 11,890</u>	<u>\$ 115,333</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 104	\$ 0	\$ 104
Interfund Balance	18,732	0	18,732
Deferred Revenue	0	0	0
Total Liabilities	<u>18,836</u>	<u>0</u>	<u>18,836</u>
Fund Balance			
Reserved for Inventory	3,135	0	3,135
Reserved for Capital Improvements	0	11,890	11,890
Unreserved-Undesignated Reported In:			
Special Revenue Fund	81,472	0	81,472
Total Fund Balance	<u>84,607</u>	<u>11,890</u>	<u>96,497</u>
Total Liabilities and Fund Balance	<u>\$ 103,443</u>	<u>\$ 11,890</u>	<u>\$ 115,333</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures and Changes in
Fund Balance - By Fund Type
For the Year Ended June 30, 2008

	Special Revenue	Capital Projects	Total
Revenues			
Taxes	\$ 0	\$ 67,001	\$ 67,001
Fees	30,054	0	30,054
Investment Income	0	26	26
Grants-Federal	208,188	0	208,188
Grants-State & Local	97,948	0	97,948
Total Revenues	<u>336,190</u>	<u>67,027</u>	<u>403,217</u>
Expenditures			
Current			
Instruction	185,763	5,915	191,678
Support Services-Student	10,416	0	10,416
Support Services-Instructions	3,507	0	3,507
Support Services-General Administration	0	670	670
Operation & Maintenance of Plant	0	97,711	97,711
Food Service	82,391	0	82,391
Capital Outlay	0	14,468	14,468
Total Expenditures	<u>282,077</u>	<u>118,764</u>	<u>400,841</u>
Excess (Deficiency) of Revenues Over Expenditures	54,113	(51,737)	2,376
Fund Balances at Beginning of Year	<u>30,494</u>	<u>63,627</u>	<u>94,121</u>
Fund Balance End of Year	<u>\$ 84,607</u>	<u>\$ 11,890</u>	<u>\$ 96,497</u>

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

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

IDEA Part B, Discretionary (24107). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

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

Ed Achievement Program (25233). To account for funds received from the Technology for Education Grant created by the 1994 State Legislation to establish funding of any costs associated with educational technology. Funding provided by the State of New Mexico. (NMSA 22-15A-1-10).

Microsoft Settlement Funds (26170). To account for funds received from a settlement with Microsoft. Funds can be spent for technology. The fund was created by grant provisions.

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

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

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

K-3 Plus (27166). To account for revenues and expenditures from a state grant provided for the extension of kindergarten hours and days. The fund was created by state grant provisions.

Library GO Bonds (27170). To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2008

	<u>Food Service</u> 21000	<u>Athletics</u> 22000	<u>Title I</u> 24101
ASSETS			
Cash and Cash Equivalents	\$ 29,087	\$ 5,147	\$ 0
Receivables			
Due From Grantor	0	0	0
Inventory	3,135	0	0
Total Assets	<u>\$ 32,222</u>	<u>\$ 5,147</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 58	\$ 0	\$ 0
Interfund Balance	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>58</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	3,135	0	0
Unreserved-Undesignated Reported In:			
Special Revenue Fund	29,029	5,147	0
Total Fund Balance	<u>32,164</u>	<u>5,147</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 32,222</u>	<u>\$ 5,147</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2008

	IDEA, Part B Entitlement 24106	IDEA, Part B Discretionary 24107	Title V 24150
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	0	9,166	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 9,166</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	9,166	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>9,166</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved-Undesignated Reported In:			
Special Revenue Fund	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 9,166</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2008

	Ed Achievement Program 25233	Microsoft Settlement Funds 26170	Technology for Education 27117
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 1,149
Receivables			
Due From Grantor	0	5,154	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 5,154</u>	<u>\$ 1,149</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 0
Interfund Balance	0	5,154	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>5,154</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved-Undesignated Reported In:			
Special Revenue Fund	0	0	1,149
Total Fund Balance	<u>0</u>	<u>0</u>	<u>1,149</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 5,154</u>	<u>\$ 1,149</u>

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2008

	Incentives for School Improvement <u>27138</u>	Beginning Teacher Mentoring <u>27154</u>	K-3 Plus <u>27166</u>
ASSETS			
Cash and Cash Equivalents	\$ 10,974	\$ 318	\$ 34,901
Receivables			
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 10,974</u>	<u>\$ 318</u>	<u>\$ 34,901</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payables	\$ 0	\$ 0	\$ 46
Interfund Balance	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>46</u>
Fund Balance			
Reserved for Inventory	0	0	0
Unreserved-Undesignated Reported In:			
Special Revenue Fund	<u>10,974</u>	<u>318</u>	<u>34,855</u>
Total Fund Balance	<u>10,974</u>	<u>318</u>	<u>34,855</u>
Total Liabilities and Fund Balance	<u>\$ 10,974</u>	<u>\$ 318</u>	<u>\$ 34,901</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2008

	Libraries GO Bonds 27170	Total
ASSETS		
Cash and Cash Equivalents	\$ 0	\$ 81,576
Receivables		
Due From Grantor	4,412	18,732
Inventory	0	3,135
Total Assets	<u>\$ 4,412</u>	<u>\$ 103,443</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payables	\$ 0	\$ 104
Interfund Balance	4,412	18,732
Deferred Revenue	0	0
Total Liabilities	<u>4,412</u>	<u>18,836</u>
Fund Balance		
Reserved for Inventory	0	3,135
Unreserved-Undesignated Reported In:		
Special Revenue Fund	0	81,472
Total Fund Balance	<u>0</u>	<u>84,607</u>
Total Liabilities and Fund Balance	<u>\$ 4,412</u>	<u>\$ 103,443</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Food Service 21000	Athletics 22000	Title I 24101
Revenues			
Fees	17,944	12,110	0
Grants-State & Local	0	0	0
Grants-Federal	75,258	0	81,296
Total Revenues	<u>93,202</u>	<u>12,110</u>	<u>81,296</u>
Expenditures			
Current			
Instruction	0	14,344	77,789
Support Services-Student	0	0	0
Support Services-Instructions	0	0	3,507
Support Services-Instructions	0	0	0
Food Service	82,391	0	0
Total Expenditures	<u>82,391</u>	<u>14,344</u>	<u>81,296</u>
Excess (Deficiency) of Revenues Over Expenditures	10,811	(2,234)	0
Fund Balances at Beginning of Year	<u>21,353</u>	<u>7,381</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 32,164</u>	<u>\$ 5,147</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	IDEA, Part B Entitlement 24106	IDEA, Part B Discretionary 24107	Title V 24150
Revenues			
Fees	0	0	0
Grants-State & Local	0	0	0
Grants-Federal	10,416	22,213	1,879
Total Revenues	<u>10,416</u>	<u>22,213</u>	<u>1,879</u>
Expenditures			
Current			
Instruction	0	22,213	1,879
Support Services-Student	10,416	0	0
Support Services-Instructions	0	0	0
Support Services-Instructions	0	0	0
Food Service	0	0	0
Total Expenditures	<u>10,416</u>	<u>22,213</u>	<u>1,879</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Ed Achievement Program 25233	Microsoft Settlement Funds 26170	Technology for Education 27117
Revenues			
Fees	0	0	0
Grants-State & Local	0	0	5,649
Grants-Federal	17,126	0	0
Total Revenues	<u>17,126</u>	<u>0</u>	<u>5,649</u>
Expenditures			
Current			
Instruction	17,126	0	4,500
Support Services-Student	0	0	0
Support Services-Instructions	0	0	0
Support Services-Instructions	0	0	0
Food Service	0	0	0
Total Expenditures	<u>17,126</u>	<u>0</u>	<u>4,500</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	1,149
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,149</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Incentives for School Improvement <u>27138</u>	Beginning Teacher Mentoring <u>27154</u>	K-3 Plus <u>27166</u>
Revenues			
Fees	0	0	0
Grants-State & Local	9,214	1,858	76,815
Grants-Federal	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>9,214</u>	<u>1,858</u>	<u>76,815</u>
Expenditures			
Current			
Instruction	0	1,540	41,960
Support Services-Student	0	0	0
Support Services-Instructions	0	0	0
Support Services-Instructions	0	0	0
Food Service	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,540</u>	<u>41,960</u>
Excess (Deficiency) of Revenues Over Expenditures	9,214	318	34,855
Fund Balances at Beginning of Year	<u>1,760</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 10,974</u>	<u>\$ 318</u>	<u>\$ 34,855</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2008

	Libraries GO Bonds 27170	Total
Revenues		
Fees	0	30,054
Grants-State & Local	4,412	97,948
Grants-Federal	0	208,188
Total Revenues	<u>4,412</u>	<u>336,190</u>
Expenditures		
Current		
Instruction	4,412	185,763
Support Services-Student	0	10,416
Support Services-Instructions	0	3,507
Support Services-Instructions	0	0
Food Service	0	82,391
Total Expenditures	<u>4,412</u>	<u>282,077</u>
Excess (Deficiency) of Revenues Over Expenditures	0	54,113
Fund Balances at Beginning of Year	<u>0</u>	<u>30,494</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 84,607</u>

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-FOOD SERVICE-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Fees	\$ 17,900	\$ 17,900	\$ 17,944	\$ 44
Total Local Sources	<u>17,900</u>	<u>17,900</u>	<u>17,944</u>	<u>44</u>
Federal Sources				
National School Lunch Program	65,429	65,429	69,713	4,284
Total Federal Sources	<u>65,429</u>	<u>65,429</u>	<u>69,713</u>	<u>4,284</u>
Total Revenues	<u>83,329</u>	<u>83,329</u>	<u>87,657</u>	<u>4,328</u>
Expenditures				
Food Service Operations				
Personnel Services	23,708	23,708	23,708	0
Employee Benefits	17,670	17,495	11,472	6,023
Professional & Tech Services	0	175	175	0
Other Purchased Services	550	550	528	22
Supplies	60,656	60,656	41,942	18,714
Total Food Service Operations	<u>102,584</u>	<u>102,584</u>	<u>77,825</u>	<u>24,759</u>
Total Expenditures	<u>102,584</u>	<u>102,584</u>	<u>77,825</u>	<u>24,759</u>
Excess (Deficiency) of Revenues Over Expenditures	(19,255)	(19,255)	9,832	29,087
Cash Balance Beginning of Year	<u>19,255</u>	<u>19,255</u>	<u>19,255</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 29,087</u>	<u>\$ 29,087</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,832	
Net Change in Inventory			1,037	
Net Change in Accounts Payable			(58)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 10,811</u>	

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-ATHLETICS-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Fees	\$ 6,800	\$ 12,181	\$ 12,110	\$ (71)
Total Local Sources	<u>6,800</u>	<u>12,181</u>	<u>12,110</u>	<u>(71)</u>
Total Revenues	<u>6,800</u>	<u>12,181</u>	<u>12,110</u>	<u>(71)</u>
Expenditures				
Instruction				
Professional & Tech Services	1,500	3,321	3,320	1
Other Purchased Services	7,344	2,673	2,672	1
Supplies	5,000	8,352	8,352	0
Total Athletics	<u>13,844</u>	<u>14,346</u>	<u>14,344</u>	<u>2</u>
Total Expenditures	<u>13,844</u>	<u>14,346</u>	<u>14,344</u>	<u>2</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,044)	(2,165)	(2,234)	(69)
Cash Balance Beginning of Year	<u>7,381</u>	<u>7,381</u>	<u>7,381</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 337</u>	<u>\$ 5,216</u>	<u>\$ 5,147</u>	<u>\$ (69)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(2,234)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(2,234)</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Grants	\$ 91,174	\$ 95,128	\$ 81,057	\$ (14,071)
Total Federal Sources	<u>91,174</u>	<u>95,128</u>	<u>81,057</u>	<u>(14,071)</u>
Total Revenues	<u>91,174</u>	<u>95,128</u>	<u>81,057</u>	<u>(14,071)</u>
Expenditures				
Instruction				
Personnel Services	58,788	55,772	44,968	10,804
Employee Benefits	16,082	16,082	12,907	3,175
Other Purchased Services	5,646	0	0	0
Supplies	7,300	19,916	19,915	1
Total Instruction	<u>87,816</u>	<u>91,770</u>	<u>77,790</u>	<u>13,980</u>
Support Services-Instruction				
Personnel Services	3,000	3,000	3,000	0
Employee Benefits	597	597	506	91
Support Services-Instruction	<u>3,597</u>	<u>3,597</u>	<u>3,506</u>	<u>91</u>
Total Expenditures	<u>91,413</u>	<u>95,367</u>	<u>81,296</u>	<u>14,071</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (239)	\$ (239)	\$ (239)	\$ 0
Cash Balance Beginning of Year	<u>239</u>	<u>239</u>	<u>239</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (239)	
Net Change in Deferred Revenue			<u>239</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA, PART B ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Grants	\$ 0	\$ 10,492	\$ 10,416	\$ (76)
Total Federal Sources	<u>0</u>	<u>10,492</u>	<u>10,416</u>	<u>(76)</u>
Total Revenues	<u>0</u>	<u>10,492</u>	<u>10,416</u>	<u>(76)</u>
Expenditures				
Support Services-Students				
Personnel Services	0	8,749	8,749	0
Employee Benefits	<u>0</u>	<u>1,743</u>	<u>1,667</u>	<u>76</u>
Total Support Services-Students	<u>0</u>	<u>10,492</u>	<u>10,416</u>	<u>76</u>
Total Expenditures	<u>0</u>	<u>10,492</u>	<u>10,416</u>	<u>76</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA, PART B DISCRETIONARY-24107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Grants	\$ 0	\$ 41,139	\$ 13,047	\$ (28,092)
Total Federal Sources	<u>0</u>	<u>41,139</u>	<u>13,047</u>	<u>(28,092)</u>
Total Revenues	<u>0</u>	<u>41,139</u>	<u>13,047</u>	<u>(28,092)</u>
Expenditures				
Instruction				
Personnel Services	0	18,693	18,569	124
Employee Benefits	0	3,644	3,644	0
Other Purchased Services	0	18,802	0	18,802
Total Direct Instruction	<u>0</u>	<u>41,139</u>	<u>22,213</u>	<u>18,926</u>
Total Expenditures	<u>0</u>	<u>41,139</u>	<u>22,213</u>	<u>18,926</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(9,166)	(9,166)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (9,166)</u>	<u>\$ (9,166)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (9,166)	
Net Change in Due from Grantor			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (9,166)</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TITLE V-24150
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Grants	\$ 3,629	\$ 4,088	\$ 4,088	\$ 0
Total Federal Sources	<u>3,629</u>	<u>4,088</u>	<u>4,088</u>	<u>0</u>
Total Revenues	<u>3,629</u>	<u>4,088</u>	<u>4,088</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	1,420	1,879	1,879	0
Total Instruction	<u>1,420</u>	<u>1,879</u>	<u>1,879</u>	<u>0</u>
Total Expenditures	<u>1,420</u>	<u>1,879</u>	<u>1,879</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	2,209	2,209	2,209	0
Cash Balance Beginning of Year	<u>(2,209)</u>	<u>(2,209)</u>	<u>(2,209)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,209	
Net Change in Due from Grantor			<u>(2,209)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-ED ACHIEVEMENT PROGRAM-25233
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Grants	\$ 3,594	\$ 17,126	\$ 17,126	\$ 0
Total Federal Sources	<u>3,594</u>	<u>17,126</u>	<u>17,126</u>	<u>0</u>
Total Revenues	<u>3,594</u>	<u>17,126</u>	<u>17,126</u>	<u>0</u>
Expenditures				
Instruction				
Supply Assets	3,594	17,126	17,126	0
Total Instructional Support	<u>3,594</u>	<u>17,126</u>	<u>17,126</u>	<u>0</u>
Total Expenditures	<u>3,594</u>	<u>17,126</u>	<u>17,126</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-MICROSOFT SETTLEMENT FUNDS-26170
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
Grants	\$ 21,089	\$ 21,089	\$ 7,915	\$ (13,174)
Total State Sources	<u>21,089</u>	<u>21,089</u>	<u>7,915</u>	<u>(13,174)</u>
Total Revenues	<u>21,089</u>	<u>21,089</u>	<u>7,915</u>	<u>(13,174)</u>
Expenditures				
Instruction				
Supplies	8,020	8,020	0	8,020
Total Instruction	<u>8,020</u>	<u>8,020</u>	<u>0</u>	<u>8,020</u>
Total Expenditures	<u>8,020</u>	<u>8,020</u>	<u>0</u>	<u>8,020</u>
Excess (Deficiency) of Revenues Over Expenditures	13,069	13,069	7,915	(5,154)
Cash Balance Beginning of Year	<u>(13,069)</u>	<u>(13,069)</u>	<u>(13,069)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,154)</u>	<u>\$ (5,154)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 7,915	
Net Change in Due from Grantor			<u>(7,915)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-TECHNOLOGY FOR EDUCATION-27117
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
Grants	\$ 189	\$ 4,689	\$ 5,839	\$ 1,150
Total State Sources	<u>189</u>	<u>4,689</u>	<u>5,839</u>	<u>1,150</u>
Total Revenues	<u>189</u>	<u>4,689</u>	<u>5,839</u>	<u>1,150</u>
Expenditures				
Instruction				
Supplies	0	4,203	4,203	0
Supply Assets	0	298	298	0
Total Instruction	<u>0</u>	<u>4,501</u>	<u>4,501</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>4,501</u>	<u>4,501</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	189	188	1,338	1,150
Cash Balance Beginning of Year	<u>(189)</u>	<u>(189)</u>	<u>(189)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ (1)</u>	<u>\$ 1,149</u>	<u>\$ 1,150</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,338	
Net Change in Due from Grantor			<u>(189)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,149</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENT-27138
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
Grants	\$ 9,213	\$ 9,213	\$ 9,213	\$ 0
Total State Sources	<u>9,213</u>	<u>9,213</u>	<u>9,213</u>	<u>0</u>
Total Revenues	<u>9,213</u>	<u>9,213</u>	<u>9,213</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	9,213	9,213	9,213	0
Cash Balance Beginning of Year	<u>1,761</u>	<u>1,761</u>	<u>1,761</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 10,974</u>	<u>\$ 10,974</u>	<u>\$ 10,974</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>9,213</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>9,213</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-BEGINNING TEACHER MENTORING-27154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
Grants	\$ 0	\$ 1,858	\$ 1,858	\$ 0
Total State Sources	<u>0</u>	<u>1,858</u>	<u>1,858</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>1,858</u>	<u>1,858</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	0	1,858	1,540	318
Total Instruction	<u>0</u>	<u>1,858</u>	<u>1,540</u>	<u>318</u>
Total Expenditures	<u>0</u>	<u>1,858</u>	<u>1,540</u>	<u>318</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	318	318
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>318</u>	\$ <u>318</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>318</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>318</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-K-PLUS-27166
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
Grants	\$ 0	\$ 63,115	\$ 76,815	\$ 13,700
Total State Sources	<u>0</u>	<u>63,115</u>	<u>76,815</u>	<u>13,700</u>
Total Revenues	<u>0</u>	<u>63,115</u>	<u>76,815</u>	<u>13,700</u>
Expenditures				
Instruction				
Other Purchased Services	0	20,562	6,518	14,044
Supplies	0	42,553	35,396	7,157
Total Instruction	<u>0</u>	<u>63,115</u>	<u>41,914</u>	<u>21,201</u>
Total Expenditures	<u>0</u>	<u>63,115</u>	<u>41,914</u>	<u>21,201</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	34,901	34,901
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 34,901</u>	<u>\$ 34,901</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>34,901</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>34,901</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-LIBRARIES GO BONDS-27170
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
Grants	\$ 0	\$ 9,322	\$ 0	\$ (9,322)
Total State Sources	<u>0</u>	<u>9,322</u>	<u>0</u>	<u>(9,322)</u>
Total Revenues	<u>0</u>	<u>9,322</u>	<u>0</u>	<u>(9,322)</u>
Expenditures				
Instruction				
Supplies	0	9,322	4,412	4,910
Total Instruction	<u>0</u>	<u>9,322</u>	<u>4,412</u>	<u>4,910</u>
Total Expenditures	<u>0</u>	<u>9,322</u>	<u>4,412</u>	<u>4,910</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(4,412)	(4,412)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(4,412)</u>	\$ <u>(4,412)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,412)	
Net Change in Due from Grantor			<u>4,412</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>0</u>	

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
June 30, 2008

NONMAJOR CAPITAL PROJECTS FUNDS

Senate Bill Nine (31700)

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
 CAPITAL PROJECT FUND-SENATE BILL NINE-31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 64,418	\$ 64,418	\$ 67,001	\$ 2,583
Interest	35	35	26	(9)
Total Revenues	<u>64,453</u>	<u>64,453</u>	<u>67,027</u>	<u>2,574</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	700	700	670	30
Total Support Services- General Administration	<u>700</u>	<u>700</u>	<u>670</u>	<u>30</u>
Capital Outlay				
Building Improvements	82,637	67,019	58,809	8,210
Software	0	5,915	5,915	0
Fixed Assets	17,000	17,000	16,068	932
Supply Assets	27,743	37,446	37,302	144
Total Capital Outlay	<u>127,380</u>	<u>127,380</u>	<u>118,094</u>	<u>9,286</u>
Total Expenditures	<u>\$ 128,080</u>	<u>\$ 128,080</u>	<u>\$ 118,764</u>	<u>\$ 9,316</u>
Excess (Deficiency) of Revenues Over Expenditures	(63,627)	(63,627)	(51,737)	11,890
Cash Balance Beginning of Year	<u>63,627</u>	<u>63,627</u>	<u>63,627</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,890</u>	<u>\$ 11,890</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (51,737)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ (51,737)	

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

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
 AGENCY FUNDS
 Statement of Fiduciary Net Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2008

	<u>Balance</u> 06/30/07	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 06/30/08
ASSETS				
Cash in Bank	\$ 50,790	\$ 104,623	\$ 111,561	\$ 43,852
Total Assets	<u>\$ 50,790</u>	<u>\$ 104,623</u>	<u>\$ 111,561</u>	<u>\$ 43,852</u>
LIABILITIES				
Deposits Held for Others	\$ 50,790	\$ 104,623	\$ 111,561	\$ 43,852
Total Liabilities	<u>\$ 50,790</u>	<u>\$ 104,623</u>	<u>\$ 111,561</u>	<u>\$ 43,852</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Statement of Fiduciary Net Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2008

	Balance 06/30/07	Additions	Deletions	Balance 06/30/08
ASSETS				
Grizzly Club	\$ 24	\$ 0	\$ 24	\$ 0
Principal Account	1,864	1,495	3,248	111
PFK	9,920	11,875	14,365	7,430
Robert G. Woodard Memorial Sch.	0	428	329	99
Carrizozo Opportunity Program	428	61	280	209
Varsity Cheerleaders	0	2,222	723	1,499
FFA	4,384	24,462	25,940	2,906
FFA Alumni	3,575	3,868	2,448	4,995
Girls Athletics	0	100	0	100
Music/Drama	125	119	100	144
Library Activity	1,943	2,409	2,420	1,932
Student Council	59	2,181	1,679	561
National Honor Society	896	3,400	3,342	954
Miscellaneous Books	237	0	0	237
Jr. Rotary	0	0	0	0
FFA SAE	1,300	812	365	1,747
Home Ec	140	1,725	0	1,865
Athletic Playoffs	5,680	4,531	6,489	3,722
Girls Volleyball	1,147	5,655	4,751	2,051
Yearbook Activity	4,428	2,185	4,536	2,077
Class of 2010	130	901	0	1,031
Sunshine Account	112	110	113	109
Athletic Concession	870	18,693	18,108	1,455
Elementary Activity	1,165	2,121	2,113	1,173
Knowledge Bowl	501	0	0	501
Student Activity	4,121	4,869	7,998	992
Mid School Activity	1,237	0	342	895
Class of 2007	85	0	85	0
Class of 2011	2	4,593	2,673	1,922
Class of 2008	1,816	1,815	3,393	238
Grizzlies Garden	1,842	1,812	1,897	1,757
Crime Stoppers	1,050	0	0	1,050
Class of 2009	1,669	2,131	3,800	0
Student Meals	40	50	0	90
Total Assets	\$ 50,790	\$ 104,623	\$ 111,561	\$ 43,852
LIABILITIES				
Deposits Held for Others	\$ 50,790	\$ 104,623	\$ 111,561	\$ 43,852
Total Liabilities	\$ 50,790	\$ 104,623	\$ 111,561	\$ 43,852

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
 Cash Reconciliations - All Funds
 For the Year Ended June 30, 2008

	General 11000	Transportation 13000	Instructional Materials 14000
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 169,713	\$ 105,760	\$ 2,654
Balance 6/30/07	<u>169,713</u>	<u>105,760</u>	<u>2,654</u>
Add: 2007-08			
Revenues	2,301,262	270,929	36,539
Loan from Other Funds	0	0	0
TOTAL Cash Available	<u>2,470,975</u>	<u>376,689</u>	<u>39,193</u>
Less: 2007-08			
Expenditures	2,211,547	235,582	19,851
Loan to Other Funds	0	0	0
	<u>2,211,547</u>	<u>235,582</u>	<u>19,851</u>
 TOTAL Cash 6/30/08	 <u>\$ 259,428</u>	 <u>\$ 141,107</u>	 <u>\$ 19,342</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 Cash Reconciliations - All Funds
 For the Year Ended June 30, 2008

	Food Service 21000	Athletics 22000	Activities 23000
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 19,255	\$ 7,381	\$ 50,790
Balance 6/30/07	<u>19,255</u>	<u>7,381</u>	<u>50,790</u>
Add: 2007-08			
Revenues	87,657	12,110	104,623
Loan from Other Funds	0	0	0
TOTAL Cash Available	<u>106,912</u>	<u>19,491</u>	<u>155,413</u>
Less: 2007-08			
Expenditures	77,825	14,344	111,561
Loan to Other Funds	0	0	0
	<u>77,825</u>	<u>14,344</u>	<u>111,561</u>
 TOTAL Cash 6/30/08	 <u>\$ 29,087</u>	 <u>\$ 5,147</u>	 <u>\$ 43,852</u>

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
 Cash Reconciliations - All Funds
 For the Year Ended June 30, 2008

	Federal Flowthrough 24000	Federal Direct 25000	State 26000
Net Cash in Bank 6/30/07			
Cash in Bank	\$ (1,971)	\$ 0	(13,069)
Balance 6/30/07	<u>(1,971)</u>	<u>0</u>	<u>(13,069)</u>
Add: 2007-08			
Revenues	108,609	17,126	7,915
Loan from Other Funds	0	0	0
TOTAL Cash Available	<u>106,638</u>	<u>17,126</u>	<u>(5,154)</u>
Less: 2007-08			
Expenditures	115,803	17,126	0
Loan to Other Funds	0	0	0
	<u>115,803</u>	<u>17,126</u>	<u>0</u>
 TOTAL Cash 6/30/08	 <u>\$ (9,165)</u>	 <u>\$ 0</u>	 <u>\$ (5,154)</u>

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

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
 Cash Reconciliations - All Funds
 For the Year Ended June 30, 2008

	Local 27000	Bond Building 31100	Senate Bill Nine 31700
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 1,571	\$ 4,328	\$ 63,627
Balance 6/30/07	<u>1,571</u>	<u>4,328</u>	<u>63,627</u>
Add: 2007-08			
Revenues	93,725	862,500	67,027
Loan from Other Funds	0	0	0
TOTAL Cash Available	<u>95,296</u>	<u>866,828</u>	<u>130,654</u>
Less: 2007-08			
Expenditures	52,366	74,397	118,764
Loan to Other Funds	0	0	0
	<u>52,366</u>	<u>74,397</u>	<u>118,764</u>
 TOTAL Cash 6/30/08	 <u>\$ 42,930</u>	 <u>\$ 792,431</u>	 <u>\$ 11,890</u>

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

STATE OF NEW MEXICO
CARRIZOZO MUNICIPAL SCHOOLS
 Cash Reconciliations - All Funds
 For the Year Ended June 30, 2008

	Debt Service 41000	Payroll Clearing	Totals
	<u> </u>	<u> </u>	<u> </u>
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 186,114	\$ 0	\$ 596,153
Balance 6/30/07	<u>186,114</u>	<u>0</u>	<u>596,153</u>
Add: 2007-08			
Revenues	193,995	0	4,164,017
Loan from Other Funds	0	0	0
TOTAL Cash Available	<u>380,109</u>	<u>0</u>	<u>4,760,170</u>
Less: 2007-08			
Expenditures	181,402	0	3,230,568
Loan to Other Funds	0	0	0
	<u>181,402</u>	<u>0</u>	<u>3,230,568</u>
 TOTAL Cash 6/30/08	 <u>\$ 198,707</u>	 <u>\$ 0</u>	 <u>\$ 1,529,602</u>

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

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards*

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the CARRIZOZO MUNICIPAL SCHOOLS

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons for the General Fund and the combining individual funds presented as supplemental information of CARRIZOZO MUNICIPAL SCHOOLS, (District), as of and for the year ended June 30, 2008, and have issued our report dated November 4, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of 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 the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

De'Ann Willoughby CPA PC

November 4, 2008

STATE OF NEW MEXICO
CARRIZO MUNICIPAL SCHOOLS
Schedule of Findings and Responses
For the Year Ended June 30, 2008

Prior Year Audit Findings

	<u>Status</u>
2007-1 Late Audit Report - Compliance	Resolved

Current Year Audit Findings

There are no findings.

Financial Statement Preparation

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

Exit Conference

An exit conference was held on November 4, 2008. Those present were, Robert Cobos-Superintendent, Steve Harkey-President, Gwen Huston-Business Manager, and De'Aun Willoughby CPA.