

*Central Consolidated  
School District #22*  
**Financial Statements**



June 30, 2008



**With Independent  
Auditors' Report  
Thereon**

**STATE OF NEW MEXICO**  
**CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22**

**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2008**

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## **INTRODUCTION SECTION**

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**OFFICIAL ROSTER**  
June 30, 2008

BOARD OF EDUCATION

Hoskie Benally, Jr.	President
Elayne Grace Lowe	Vice-President
Dorothy L. Redhorse	Secretary
Rozanna M. Lopez	Member
Randy J. Manning	Member

SCHOOL OFFICIALS

Bill Noland	Superintendent (Interim)
LeWayne Leonard	Assistant Superintendent of Secondary Education
Betsy Graham	Assistant Superintendent of Elementary Education
Byron Manning	Executive Director of Finance and Business Operations
Marlene Frazier	Executive Director of Curriculum and Instruction
Janet Slowman-Chee	Executive Director of Special Education and Multi-Ethnic Student Affairs
Nancy Frazzini	Director of Human Resources
Brock Smith	Director of Student Nutrition
Jeff Hunt	Director of Transportation
Herbert Frazier	Director of Bilingual Education
Dennis Fieldsted	Director of Construction/Maintenance

## **FINANCIAL SECTION**





# Griego Professional Services, LLC

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Hector H. Balderas  
New Mexico State Auditor  
The Office of Management and Budget  
To the Board of Education  
Central Consolidated Schools District No. 22  
Kirtland, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, budgetary comparisons for the general fund and major special revenue funds and the aggregate remaining fund information of Central Consolidated Schools District No. 22 (District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's major capital project funds, the debt service fund, nonmajor governmental and fiduciary funds and budgetary comparisons, presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of Central Consolidated Schools District No. 22's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 Central Consolidated Schools District No. 22, as of June 30, 2008, and the respective changes in financial position thereof, and the respective budgetary comparisons for the general fund and major special revenue funds 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 and fiduciary fund of Central Consolidated Schools District No. 22, as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, the debt service fund and each nonmajor governmental fund 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 7, 2008 on our consideration of Central Consolidated Schools District No. 22's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The *Management's Discussion and Analysis* on page 4 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

P.O. Box 37379 • Albuquerque, NM 87176-7379  
8500 Menaul Blvd. NE, Ste. B295 • Albuquerque, NM 87112  
Phone (505) 856-2741 - Fax (505) 856-7510

Our audit was conducted for the purpose of forming opinions on the Central Consolidated School District No. 22's basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The additional schedules listed within "Other Supplemental Information" and the Statement of Changes in Assets and Liabilities – Agency Funds 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.

*Grigo Professional Services, LLC*

Albuquerque, New Mexico  
November 7, 2008

**CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The Management's Discussion and Analysis (MD&A) of the fiscal performance of Central Consolidated School District No. 22 (District) is for the fiscal year ended June 30, 2008. This written analysis is now a required part of the District's financial reporting and is intended to give the reader an easy-to-understand overview of the District's financial position and the results of its operations for the year. Please read it in conjunction with the District's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

- The District's total net assets of governmental activities increased by \$11.1 million. This represents a 7.5% increase from fiscal year 2007, resulting primarily from the use of current year funding for capital additions and the donation of San Juan College's share of Riverview Golf Course to the District.
- General revenues accounted for \$68.5 million, or 70.7% of all 2008 fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$28.4 million, or 29.3% of total fiscal year 2008 revenues.
- San Juan College donated its share of a jointly owned golf course, Riverview Golf Course, to the District. This accounted for an increase in assets of \$3.7 million.
- The District had approximately \$89.4 million in expenses related to governmental activities of which \$28.4 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$68.5 million were adequate to provide for the remaining costs of these programs.
- Capital outlay expenditures increased by \$7.9 million from last fiscal year, 2007, to the current fiscal year. The District has completed construction on the new Career Prep High School and is in construction on the new Kirtland Middle School. Additionally, the District was remodeling and constructing teacher housing units in Shiprock, Newcomb, and Naschitti and completed construction on new artificial turf football fields and all-weather tracks at Kirtland and Shiprock high schools.
- The overall Fund Balance shown on the governmental fund financial statements decreased by \$5.2 million in the current fiscal year. The decrease in fund balance is primarily related to the use of construction funds during the current fiscal year.
- Total revenues, exclusive of revenues from general obligation bond proceeds, increased by \$6.0 million when compared to the previous fiscal year. This represents a 6.6% increase in revenue growth for the year. The increase in

revenue can be attributed to an increase in capital funding and an increase in state funding to the general operating fund of the District which more than offset the decrease in special revenue funding.

- Total expenditures, including capital expenditures and debt service, increased \$10.8 million in the current fiscal year when compared to the previous fiscal year. The increase in capital expenditure accounts is the primary reason for the increase.
- The District's total long-term debt increased by \$2.0 million in the current fiscal year. This was primarily due to the addition of \$5.5 million in general obligations bonds which offset the retirement of \$3.4 million in general obligation and revenue bonds and the reduction in the deferred gain on refunding and capital lease debt.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements—district-wide and fund—that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting on the District's operation in *more detail* than the district-wide statements.
- The *governmental funds statements* report on how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Fiduciary funds statements* provide information about the financial relationships in which the district acts solely as a *trustee* or *agent* for the benefit of others.

This annual report consists of a series of detailed, audited financial statements, and the notes to those statements. The annual report also includes the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*, the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance Required by *OMB Circular A-133*, and the Schedule of Findings and Questioned Costs.

### District-Wide Financial Statements

The Statement of Net Assets and Statement of Activities are presented on a district-wide basis and encompass all assets and liabilities of the District. This section will look at the financial performance of the District as a whole rather than looking at individual components or areas of the District.

## Fund Financial Statements

The District uses fund accounting to ensure and demonstrate compliance with financial and legal requirements. Fund financial statements use the flow of current financial resources measurement focus and the modified accrual basis of accounting. The Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances guide the reader to a meaningful overall view for the District's assets, liabilities, revenues, expenditures, fund balances, and changes to those fund balances.

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

#### Statement of Net Assets

The Statement of Net Assets is prepared using the economic resources measurement focus and the accrual basis of accounting. The District's financial position is the product of several financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the District's net assets for the fiscal years ended June 30, 2007 and June 30, 2008.

	June 30, 2007	June 30, 2008
<b>Assets</b>		
Cash and Investments	\$ 30,196,663	\$ 28,227,902
Other Current Assets	6,403,334	2,553,714
Capital Assets, Net	163,628,974	181,944,655
Total Assets	<u>200,228,971</u>	<u>212,726,271</u>
<b>Liabilities</b>		
Accounts Payable	5,107,951	4,190,795
Other Current Liabilities	6,056,288	6,342,589
Long-Term Liabilities	40,029,930	42,028,412
Total Liabilities	<u>51,194,169</u>	<u>52,561,796</u>
<b>Net Assets</b>		
Investment in Capital Assets, Net	131,161,306	142,849,301
Restricted	8,318,940	8,619,932
Unrestricted	9,554,556	8,695,242
Total Net Assets	<u>\$ 149,034,802</u>	<u>\$ 160,164,475</u>

The following are significant current year transactions that have had an impact on the Statement of Net Assets:

- The addition of \$18.3 million in capital assets through additions, remodeling, and equipment purchases.
- The addition of \$2.0 million in long-term debt.
- The increase in total revenues by \$6.0 million and the increase in total expenditures by \$4.8 million.

The District has total net assets of \$160,164,475 as of June 30, 2008 as compared to \$149,034,802 as of June 30, 2007.

### Changes in Net Assets

The District's total revenues for the fiscal year ended June 30, 2008 were \$96.9 million and total revenues for the fiscal year ended June 30, 2007 were \$90.9 million. The total costs of all programs and services were \$89.4 million in 2008 and \$84.7 million in 2007. The District also received a donation of the half-share of Riverview Golf Course owned by San Juan College. The District already owned the other half of Riverview Golf Course. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2007 and June 30, 2008.

	<u>June 30, 2007</u>	<u>June 30, 2008</u>
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 2,058,763	\$ 2,792,037
Operating Grants and Contributions	19,030,857	17,799,513
Capital Grants and Contributions	3,631,285	7,811,755
General Revenues:		
Property Taxes	5,959,621	6,313,961
Federal and State Aid	58,485,662	61,034,159
Gain on Sale of District Assets	5,933	13,451
Investment Income	1,762,183	1,110,616
<b>Total Revenues</b>	<u>90,934,304</u>	<u>96,875,492</u>
<b>Expenses:</b>		
Instruction	49,922,207	52,444,694
Support Services - Students	5,653,179	6,014,854
Support Services - Instruction	1,813,966	1,460,331
Support Services - General Administration	1,390,858	1,324,142
Support Services - School Administration	5,230,819	5,749,502
Central Services	1,710,858	1,466,126
Operations and Maintenance of Plant	10,086,727	11,001,764
Student Transportation	3,168,583	3,944,627
Food Services	3,315,946	3,423,766
Community Services	670,583	873,013
Interest on Long-Term Obligations	1,660,729	1,703,453
Operating Transfers	44,689	-
<b>Total Expenses</b>	<u>84,669,144</u>	<u>89,406,272</u>
<b>Other:</b>		
Donation of Riverview Golf Course	-	3,660,453
<b>Increase in Net Assets</b>	<u>\$ 6,265,160</u>	<u>\$ 11,129,673</u>

## Statement of Activities

The Statement of Activities is also prepared using the economic resources measurement focus and the accrual basis of accounting. This report compliments the Statement of Net Assets by showing the overall change in the District's net assets for the fiscal year ended June 30, 2008.

The following table shows the cost of the 11 major District functional activities: instruction; support services – students; support services – instruction; support services – general administration; support services – school administration; central services, operations and maintenance of plant; student transportation; food services; community services; and interest on long-term obligations. This table also shows each function's net cost (the total cost less charges for the services generated by the activities and intergovernmental aid provided for the specific programs). The net cost shows the financial burden that was placed on Federal, State, and District taxpayers by each of these functions.

	June 30, 2007		June 30, 2008	
	Total	Net (Expense)	Total	Net (Expense)
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 49,922,207	\$ (35,223,616)	\$ 52,444,694	\$ (33,339,072)
Support Services - Students	5,653,179	(4,305,952)	6,014,854	(4,975,702)
Support Services - Instruction	1,813,966	(1,560,190)	1,460,331	(1,371,577)
Support Services - General Administration	1,390,858	(945,003)	1,324,142	(939,757)
Support Services - School Administration	5,230,819	(4,636,486)	5,749,502	(5,033,395)
Central Services	1,710,858	(1,703,876)	1,466,126	(1,463,954)
Operations and Maintenance of Plant	10,086,727	(9,497,363)	11,001,764	(10,442,308)
Student Transportation	3,168,583	488,098	3,944,627	(715,665)
Food Services	3,315,946	(275,501)	3,423,766	(364,375)
Community Services	670,583	(582,932)	873,013	(653,707)
Interest on Long-Term Obligations	1,660,729	(1,660,729)	1,703,453	(1,703,453)
<b>Total Expenses</b>	<b>\$ 84,624,455</b>	<b>\$ (59,903,550)</b>	<b>\$ 89,406,272</b>	<b>\$ (61,002,967)</b>

- The cost of all governmental activities this year was \$89.4 million and \$84.6 million last year.
- The Federal and State governments, along with charging for services, subsidized certain specific programs with grants and contributions in the amount of \$28.4 million in 2008 and \$24.7 million in 2007.
- The net cost of governmental activities (\$61.0 million in 2008 and \$59.9 million in 2007) was financed by general revenues, which were primarily funded with Federal and State aid (\$60.0 million this year and \$58.5 million last year).

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

### **Balance Sheet**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in the Balance Sheet as of June 30, 2008. As the District completed the year, it reported a combined fund balance of \$24.4 million, a decrease of \$5.2 million. This decrease was primarily due to capital outlay expenditures. Approximately \$2.3 million, or 9.5%, of the fund balance constitutes unreserved fund balance. The remaining fund balance of \$22.1 million, or 90.5%, is reserved for inventory, debt service, or subsequent year's expenditures.

### **Statement of Revenues, Expenditures, and Changes in Fund Balances**

Total revenues from state, local, and Federal sources were \$103.0 million, an increase of \$11.5 million from the prior year. There were \$0.7 million in other financing sources from operating transfers in during the current fiscal year and \$5.5 million in bond proceeds. The total expenditures for the District were \$108.2 million, including lease purchase payments and operating transfers out, an increase of \$10.8 million from the prior year.

The General Operational Fund is the principal operating fund of the District. The District experienced a decrease in fund balance of \$111,921 in the General Operational Fund for the fiscal year. The District operated at close to break-even for the year.

### **Multi-Year Comparison of District Revenues and Expenditures**

A view of the District's revenues and expenditures over the past ten years indicates that, while attendance figures have declined, total revenues, excluding bond revenues, are generally increasing annually. This is related to the increase in the dollar value of student unit allocations by the State for the State Equalization Guarantee, an increase in capital projects revenues, and a general increase in the dollar value of Federal and State grants received by the District, though the District saw a slight decrease in these grants in the current fiscal year.



Year	Total Revenues*	% Change	% Change w/o Bond Revenues	Total Expenditures*	% Change	Bond Revenues
1998-1999	55,907,215	-4.5%	6.9%	58,442,084	-3.2%	-
1999-2000	61,679,611	10.3%	10.3%	63,798,288	9.2%	-
2000-2001	71,979,810	16.7%	10.2%	73,595,743	15.4%	4,000,000
2001-2002	72,797,502	1.1%	7.1%	73,819,830	0.3%	-
2002-2003	83,110,746	14.2%	6.3%	77,887,271	5.5%	5,700,000
2003-2004	83,943,908	1.0%	3.5%	82,849,578	6.4%	3,800,000
2004-2005	81,274,295	-3.2%	1.4%	89,420,014	7.9%	-
2005-2006	100,486,892	23.6%	4.2%	85,365,929	-4.5%	15,769,675
2006-2007	91,488,981	-9.0%	8.0%	97,408,084	14.1%	-
2007-2008	103,034,717	12.6%	6.6%	108,197,728	11.1%	5,500,000

\* Note: Revenues include proceeds from General Obligation and Revenue Bonds and exclude cash carryovers. Expenditures include capital outlays. Equity transfers are included in both revenues and expenditures. The refunding in 2004-2005 has been excluded both from revenues and expenditures.

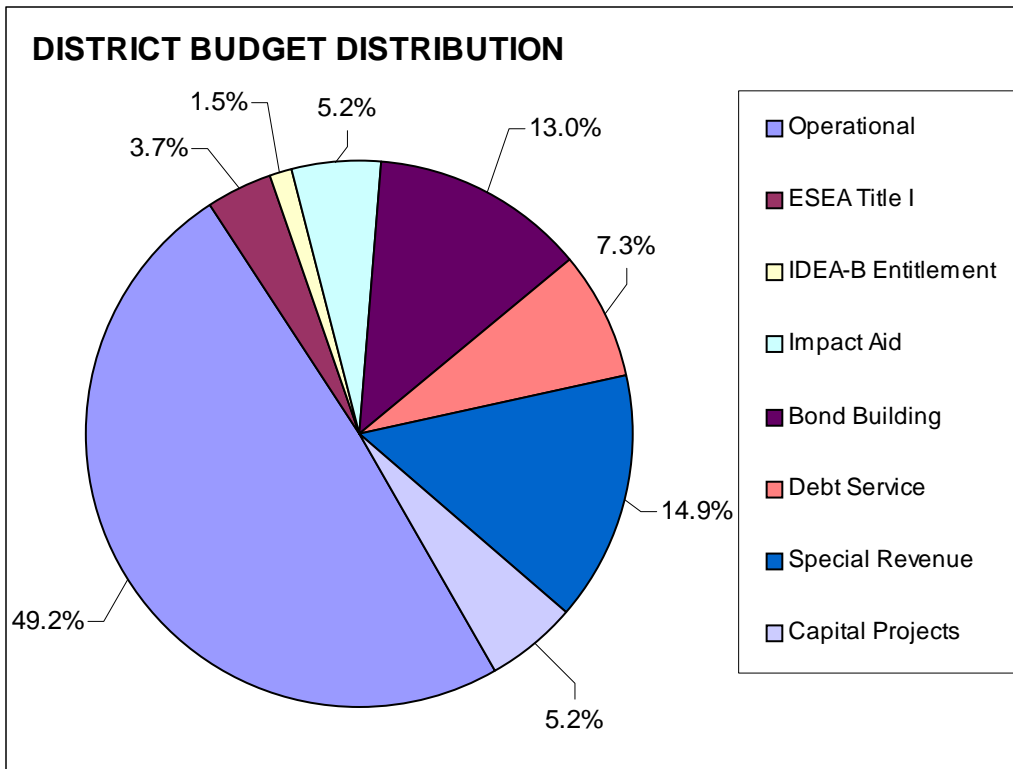
### Budgetary Highlights

The District has experienced the same growth in its budget as it has in its revenues and expenditures. The budgeting process for the State of New Mexico is defined under New Mexico State Statutes (Section 22) and the New Mexico Administrative Code (Section 6). Additionally, the District develops its budget through input at site budget meetings from parents and staff members at each of its three main attendance areas—Kirtland, Newcomb/Naschitti, and Shiprock, the District Budget Committee (made up of community members, certified and non-certified staff, administrators, and finance department personnel), and input from the local School Board and Superintendent. The District also has a facilities master plan for major construction and renovation that is constantly updated for major capital expenditures.

All major budgetary funds are reported as separate statements.

Major budgetary funds in these reports are the General Operational Fund (Operational), ESEA Title I, IDEA-B Entitlement, Impact Aid – Indian Education, Bond Building, and Debt Services. In addition, fifty-one (51) non-major Special Revenue Funds and five (5) non-major Capital Projects funds are also reported for their budgetary performance. Examples of non-major Special Revenue funds are Transportation, Food Services, Title VII, and Impact Aid – Special Education. Examples of non-major Capital Project funds include SB-9 Capital Improvements (Two Mill Levy) and Special Capital Outlay – Federal.

The following shows the fiscal relationship of the major funds and the combined non-major funds.



The General Operational Fund accounts for 49.2% of the total District budget. This fund provides the salary and benefits for the significant majority of the instructional, instructional support, school support, maintenance, custodial, administrative, and business staffs as well as classroom materials, special education ancillary staff, insurance, and utility costs.

Revenue from this fund is substantially derived from the State Equalization Guarantee (60.2%) and Federal Funds (Impact Aid) (35.7%). The State Equalization Guarantee is based upon a funding formula developed by the State. This formula includes taking a credit for the Impact Aid funds received by the District. The net effect on the District's General Operational Fund is retaining 5% of the total Impact Aid dollars in the fund for general operational expenditures and 20% of the total Impact Aid dollars for construction needs. The District spends this 20% set-aside for construction to replace lost bonding capacity because of the large percentage of District lands on the Navajo reservation.

The General Operational Fund will be discussed in further detail later in the Management Discussion and Analysis.

The following table examines the summary budget performance of the major and combined non-major funds for the fiscal year ended June 30, 2008. Detail budget performance is examined through the Statements of Revenues and Expenditures – Budget and Actual.

<b>MAJOR FUNDS EXPENDITURE TO BUDGET PERFORMANCE</b>			
FUND	FINAL BUDGET	ACTUAL EXPENDITURES	VARIANCE
Operational	\$ 61,521,213	\$ 55,714,317	\$ 5,806,896
ESEA Title I	4,636,287	3,814,758	821,529
IDEA-B Entitlement	1,824,034	1,721,022	103,012
Impact Aid - Indian Education	6,500,000	5,293,805	1,206,195
Bond Building	16,244,724	10,028,895	6,215,829
Debt Service	9,134,392	5,104,020	4,030,372

<b>COMBINED MINOR FUNDS EXPENDITURE TO BUDGET PERFORMANCE</b>			
FUND	FINAL COMBINED	ACTUAL	VARIANCE
Special Revenue	\$ 18,583,850	\$ 16,086,025	\$ 2,497,825
Capital Projects	6,507,128	2,417,200	4,089,928

All expenditures within the major and non-major funds fell within the approved budget limits. No budgets had expenditures in excess of budget authority.

### **Operational Fund**

The General Operational Fund is the primary fund for the District. Operational revenues totaled \$55,813,625, which represents 54.2% of total District revenues of \$103,034,717 (inclusive of bond proceeds and operating transfers in).

The General Operational Fund had an initial approved budget of \$60,711,932 and a final budget of \$61,521,213. The increased budget of \$809,281, a 1.3% increase, was due to the budgeting of additional cash carryover from the previous year's budget and a mid-year increase in the unit value.

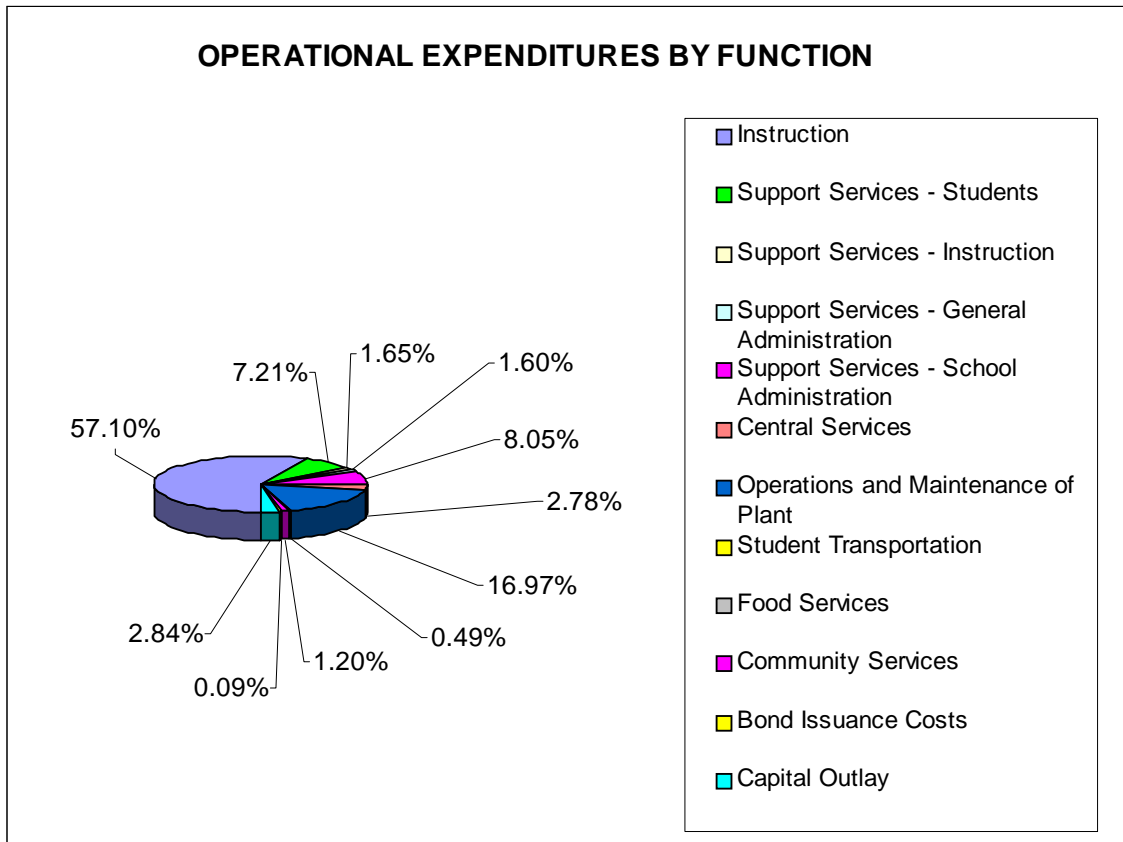
The variance between final and actual is \$5,806,896, 9.4%, as shown above. Of this amount, \$468,000 is budgeted in reserve categories that can only be used in emergency situations with State approval. Additionally, \$675,000 of this amount is encumbered at year end for items which have not been received at year end, and another \$1.7 million is in construction accounts that will be used in subsequent years for District construction needs. This leaves \$3.0 million, 5.3% of final budget, which the District attempts to maintain for cash balance carryovers for the next year. It is important that the District maintains approximately 5.0% to 7.0% in cash balances for emergency situations or "rainy day" funds in the event that State funding does not continue its normal annual increase. Additionally, the District receives a large portion of its cash from the Federal government in February or March of each year. Up to that point, the District needs some cash reserves to meet cash flow needs.

While the District has seen a decline in student enrollment over the past five years, the operational fund has, on whole, experienced an increase in total revenues over that same

time period due to higher unit value allocations from the State, as can be seen from the following table.

Operational Fund Revenues		
Year	Revenues	Increase
1998-1999	36,796,306	5.8%
1999-2000	39,746,474	7.4%
2000-2001	38,620,493	-2.9%
2001-2002	40,980,570	5.8%
2002-2003	40,279,814	-1.7%
2003-2004	41,418,618	2.7%
2004-2005	43,671,431	5.2%
2005-2006	50,965,146	14.3%
2006-2007	53,335,511	4.4%
2007-2008	55,813,625	4.4%

The General Operational Fund represents the major expenditures for the education of the students within the District. During the year ended June 30, 2008, the General Operational Fund expended \$55,259,688 of which \$31,552,996 was expended on Direct Instruction. This represents 57.10% of all General Operational Fund expenditures. Instruction expenditures include salaries for regular, bilingual, and special education teachers and educational assistants, payroll taxes, benefit costs, classroom supplies and equipment, employee training, student and teacher travel, and instructional related contract services. This also includes all athletic, extracurricular, and co-curricular expenditures including salaries, travel, and supplies. Employee salaries, payroll taxes, and benefit costs account for 77.2% of all General Operational Fund expenditures.



The second largest area of expenditures for the District is for Operations and Maintenance of Plant. These expenditures totaled \$9,376,326, 16.97% of the General Operational expenditures. This includes salaries, payroll taxes, and benefits for maintenance staff and supervisors, computer technicians, school custodians and supervisors, and maintenance and custodial clerical staff. It also includes costs for maintenance and custodial supplies and equipment, maintenance and repairs of buildings, grounds, and equipment, utilities, internet access, travel and training for maintenance and custodial personnel, outside contract services, and property and liability insurance. The District also receives funding for maintenance costs from the voter approved Two Mill Levy Fund (Fund 31700).

Support Services – School Administration expenditures totaled \$4,448,285, or 8.05% of General Operational expenditures, which include salaries, payroll taxes, and benefits for principals, school secretaries, and coordinators. It also includes the necessary supplies, equipment, training, and travel for these individuals and all general expenditures.

Support Services - Students expenditures include salaries, payroll taxes, and benefits for counselors, nurses, statistical and student count departments, ancillary staff, and contracted ancillary support personnel for special education. Ancillary personnel provide specialized services for special education students and include speech or occupational therapists, psychologists, diagnosticians, etc. It also includes the necessary supplies, equipment, training, and travel for these individuals. Support Services – Students expenditures totaled \$3,985,153, or 7.21% of General Operational expenditures.

The District spent \$1,570,825 2.84%, from Capital Outlay for the purchase of general vehicles and activity buses for District use, general maintenance and construction needs in the District, and construction on the Kirtland and Shiprock turf football fields and tracks and a community library for the Newcomb area.

The District expended 2.78%, \$1,537,826, of the General Operational Fund for Central Services. This includes salaries, payroll taxes, and benefits for employees of the business office, human resources, warehouse and delivery, and programming. It also includes supplies, equipment, outside contract services, advertising for open positions, training and travel for the above individuals, and postage and shipping for the District.

Support Services – Instruction accounted for \$913,540 of General Operational Fund expenditures, or 1.65% of the total. This includes salaries, payroll taxes, and benefits for librarians, library aides, and performing arts center personnel. Also included are all costs for supplies, equipment, outside contract services, travel, and training for the above individuals and all costs associated with the libraries.

Support Services – General Administration expenditures totaled \$884,914, or 1.60% of General Operational Fund expenditures. Included in this area are salaries, payroll taxes, and benefits for the superintendent, assistant superintendents, administrative secretaries, and receptionists. In addition, supplies, equipment, travel, training, and outside contract services for the above individuals and the School Board are included in this function. Administrative costs like legal and auditing fees and costs related to board and bond elections are also included here.

Community Services, which include summer school, day-care services at both Career Prep High School and Newcomb High School, and the Parents as Teachers Program (PAT) throughout the District, accounted for \$663,588, 1.20% of General Operational expenditures. This includes salaries, payroll taxes, and benefits for day-care providers and PAT personnel as well as supplies, equipment, travel, and training for these individuals and programs.

The District spent \$326,235, 0.60% of General Operational expenditures for Student Transportation, Food Services, and Bond Issuance Costs. This includes salaries and payroll taxes for a portion of the administrative staff in transportation and a few supplies.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

As of June 30, 2008, the district had invested \$252.0 million in capital assets, including land, school buildings, athletic facilities, administrative offices, library collections, buses and other vehicles, computer and audio-visual equipment, and other equipment. This amount represents a net increase of \$23.8 million from last year’s reported assets.

The District had \$18.3 million, net, in new additions in the current fiscal year. For financial reporting purposes, the District will only capitalize and depreciate equipment with a value of \$5,000 or more.

The accumulated depreciation for the District’s capital assets amounts to \$70.1 million. Total depreciation expense for the year was \$5.7 million. The District utilizes a “straight line” depreciation method in all cases and has established standardized lifetime tables in calculating depreciation.

The following schedule presents capital asset balances, net of accumulated depreciation, at June 30, 2008.

	<b>Amount</b>
Land	\$ 5,454,000
Library Collections	555,992
Land Improvements	5,073,036
Buildings and Improvements	154,419,030
Equipment and Vehicles	3,817,171
Construction in Progress	12,575,241
Total	\$ 181,894,470

Major additions to capital assets this year (additions in excess of \$100,000) included building improvements at the following schools – completion of a new Career Prep High School, a Kirtland Central High School re-roofing project, and a classroom addition at Kirtland Early Childhood Center – and a major remodeling and addition project with the teacher housing in Shiprock, Newcomb, and Naschitti.

In the District's fiscal year 2009 budget, the new Kirtland Middle School will be completed; a new parking lot and storage facility will be completed at Kirtland High School; a major design for a new and remodeled Nataani Nez Elementary School will be completed; and safety and energy conservation projects will be completed throughout the District.

Additional information on the District's capital assets can be found in Note 4 on pages 48-49 of this report.

### Long-Term Debt

At year-end, the District has \$36,670,000 in general obligation bonds outstanding, \$2,850,000 due within one year. State statutes currently limit the amount of general obligation debt a district may issue to 6.0% of its total assessed valuation. At June 30, 2008, the District's general obligation debt limit was \$39,967,493, and the District was bonded to 91.75% of the legal limit.

The District has never defaulted on any of its debt or other obligations. Listed below is the District's total general obligation debt and yearly payment schedule as of June 30, 2008.

YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2009	2,850,000	1,452,543	4,302,543
2010	3,045,000	1,367,677	4,412,677
2011	2,950,000	1,231,528	4,181,528
2012	3,030,000	1,085,338	4,115,338
2013	3,070,000	938,861	4,008,861
2014	2,800,000	800,822	3,600,822
2015	2,900,000	673,695	3,573,695
2016	2,850,000	554,436	3,404,436
2017	2,875,000	443,732	3,318,732
2018	2,200,000	347,100	2,547,100
2019	2,400,000	259,274	2,659,274
2020	2,400,000	169,575	2,569,575
2021	2,400,000	78,225	2,478,225
2022	900,000	15,975	915,975
<b>Total</b>	<b>\$36,670,000</b>	<b>\$9,418,781</b>	<b>\$46,088,781</b>

The District has issued special revenue bonds with an outstanding balance at June 30, 2008 of \$7,875,085. Principal amounts of \$484,810 are due within one year. Included in these special revenue bond revenues, \$769,675 was funded into a bond reserve fund within the Debt Service Fund (Fund 41000).

Listed below is the District's total revenue bond debt and yearly payment schedule as of June 30, 2008.

<b>YEAR ENDING JUNE 30</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2009	484,810	292,842	777,652
2010	500,744	276,461	777,205
2011	517,652	259,076	776,728
2012	535,602	240,593	776,195
2013	554,711	220,914	775,625
2014	575,059	199,983	775,042
2015	596,679	177,742	774,421
2016	619,653	154,162	773,815
2017	643,955	129,246	773,201
2018	669,611	102,971	772,582
2019	696,636	75,321	771,957
2020	725,048	46,250	771,298
2021	754,925	15,674	770,599
<b>Total</b>	<b>\$7,875,085</b>	<b>\$2,191,235</b>	<b>\$10,066,320</b>

Additional information on the District's long-term debt can be found in Note 5 on pages 49-51 of this report.

### **FACTORS BEARING ON THE DISTRICT'S FUTURE**

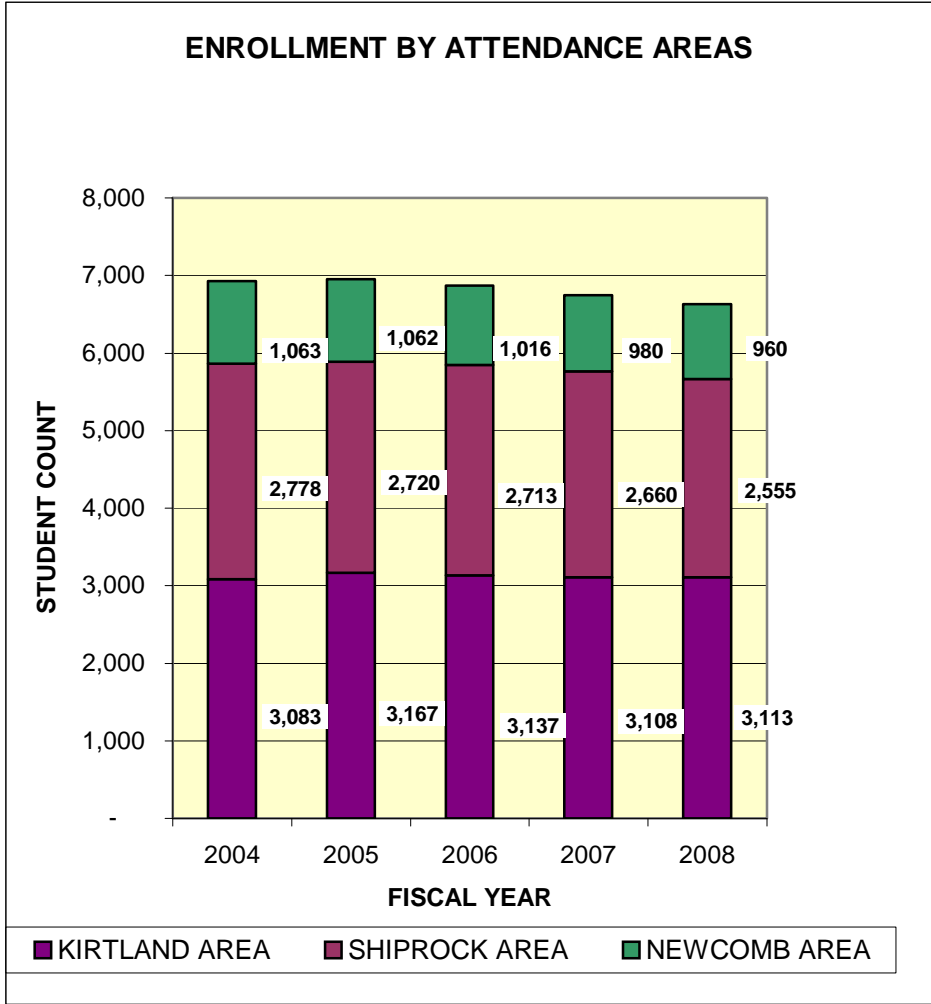
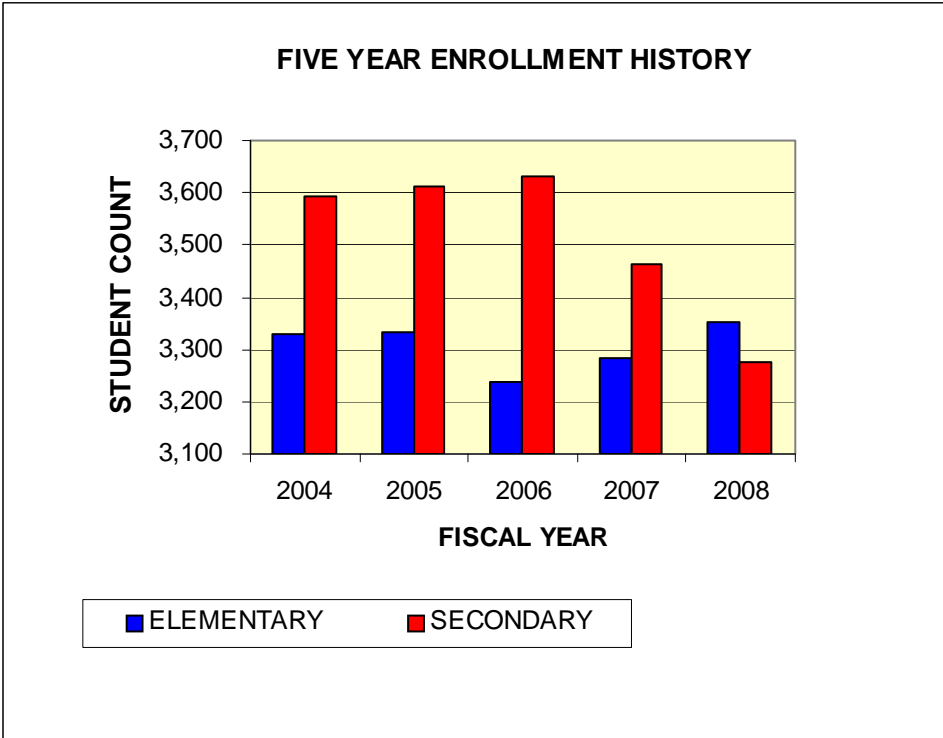
At the time these financial statements were prepared and audited, the district was aware of the following circumstances that could significantly affect its financial health in the future.

- The District had been experiencing a decline in student enrollment. Over the previous five year period, the District's average enrollment, as measured by the 40<sup>th</sup>, 80<sup>th</sup>, and 120<sup>th</sup> day counts, has decreased by 296 students. In the 2005 fiscal year, the District saw an increase in enrollment of 25 students; however, the District has incurred losses in each of the other four years, including a loss of 120 students in this current fiscal year. This has continued into the next fiscal year as well with a decline of 137 students District wide as measured by the 40<sup>th</sup> day count for the 2009 fiscal year.

The overall decline in enrollment was principally attributable to the elementary age groups until this past two years at which time the secondary schools experienced the decline in enrolment while elementary enrollment has increased. Over the five year period, elementary has seen an increase of 24 students while secondary has seen a decrease of 320 students. This would indicate that smaller family sizes and/or fewer families with school age children are residing within the District. The surrounding school districts in the area are also experiencing declining enrollments. One positive note regarding enrollment is that the District has experienced an increase in the class size of kindergarten students in the two previous years.

The following charts detail the change in enrollment for elementary and secondary schools and enrollment by major attendance areas.





These trends indicate that the District would experience flat or decreasing funding levels in the coming fiscal years if State unit value amounts remain the same. The District will need to continue monitoring teacher/student ratios with these trends in mind.

- On September 23, 2003, the voters of New Mexico passed a new constitutional amendment that increases the amount of funding to be provided to educational institutions in the State of New Mexico from the Permanent Fund. Additional funding has been provided to school districts from this funding source which has helped to offset the reduction in funding from declining enrollments in the District.
- During the 2003 legislative session, the legislature passed House Bill 212 that included various measures that will affect public schools in the State of New Mexico.
  - The State is initiating a three-tiered licensing structure for certified personnel with minimum salary requirements. All teachers hired after the first day of the 2002-2003 school year must be established as “Highly Qualified” if they are teaching in the core academic area. By June 30, 2006, all teachers hired before the first day of the 2002-2003 school year must be “Highly Qualified” if they are teaching in the core academic area.
    - Level I Provisional Teacher is to make a minimum of \$30,000 after the 2003-2004 School year. The District paid a minimum \$34,000 in the current fiscal year. Before advancing to Level II, the following must be completed:
      - Three years at Level I
      - Mentoring Program
      - Professional Development Dossier
        - ✓ Dossier should include successful annual evaluations and demonstration/evidence of meeting the nine teaching competencies. The nine competencies are divided into five strands
    - Level II Professional Teacher is to make a minimum of \$40,000 (the District now pays a minimum of \$42,050 for a Level II teacher), phased in by the 2005-2006 school year. The Level II license is renewable every nine years. Before advancing to Level III, the following must be completed:
      - Minimum of three years at Level II
      - Masters degree or National Board Certification
      - Professional Development Dossier
        - ✓ Dossier should include successful annual evaluations and demonstration/evidence of meeting the nine teaching competencies. The nine competencies are divided into five strands

- Level III-A Professional Teacher is to make a minimum of \$50,000, phased in by the 2007-2008 school year. The level III-A license is renewable every nine years with the following criteria:
          - Verify leadership role
- The Federal No Child Left Behind Act (NCLB) is changing the way schools are rated within New Mexico. The changes in the rating system are expected to cause additional schools within the State to be rated as “*probationary*” or to be put in “*corrective action*” status. The major highlights for NCLB are as follow.
  - All students are to be proficient by 2013-2014. Accordingly, the State’s adequate yearly progress (AYP) measure will not only look at all public school students but will also evaluate the performance of four categories of students:
    - Economically disadvantaged students
    - Students from major racial and ethnic groups
    - Students with disabilities
    - Students with limited English proficiency

If any of these groups do not make AYP, that school will be rated probationary.

- Schools that are identified for improvement or corrective action must offer all students the opportunity to transfer to another public school within the District that has not been identified for improvement at the expense of the Title I program.
- If a school fails to make AYP by the end of the first full school year after being identified for school improvement, then the District must arrange for supplemental educational services for eligible students who attend that school. These services can include tutoring and other supplemental academic enrichment services, recognized by the State, that are in addition to the instruction provided during the school day.
- All core subject teachers must become “Highly Qualified” by the end of 2005-2006. All paraprofessionals (aides) in Title I schools (all District schools are Title I schools) must have a high school diploma and have two years of college or an associate’s degree, or meet a rigorous standard of quality and demonstrate skill on a State or local test. Five percent of the Title I budget must be used to ensure that all teachers and paraprofessionals meet these high quality standards.
- These changes will govern set-aside dollars before allocating funds to individual schools.

District Operational and Title I budgets may be affected in the future by these changes as additional dollars are moved into supplemental services or to salaries as increased requirements are put on teachers and paraprofessionals.

During fiscal year 2007-2008, only one District school met state requirements for AYP – Ruth N. Bond Elementary. One school – Kirtland Early Childhood Center – does not receive a rating as it has only kindergarten students, and ratings begin with the third grade. The remaining sixteen schools failed on one or more areas of the test.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Director of Finance and Business Operations, Central Consolidated School District No. 22, 583 CR 6100, Kirtland, NM 87417.

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**STATEMENT OF NET ASSETS**  
As of June 30, 2008

	Governmental Activities
	<u>                                </u>
<b>ASSETS</b>	
Current Assets:	
Cash and Investments	\$ 28,227,902
Taxes Receivable, Net	193,981
Due from Other Governmental Units	2,174,574
Inventory	185,159
Total Current Assets	<u>30,781,616</u>
Non-Current Assets:	
Bond Issuance Costs, Net	50,185
Land	5,454,000
Construction in Progress	12,575,241
Depreciable Non-Current Assets:	
Library Collections, Buildings, Equipment, and Improvements	233,927,479
Less: Accumulated Depreciation	(70,062,250)
Total Non-Current Assets	<u>181,944,655</u>
Total Assets	<u>212,726,271</u>
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable and Other Current Liabilities	4,099,521
Accrued Interest	683,265
Deferred Revenue	2,174,574
Current Portion of Compensated Absences Payable	91,274
Current Portion of Deferred Gain on Bond Refunding	105,294
Current Portion of Long-Term Obligations	3,379,456
Total Current Liabilities	<u>10,533,384</u>
Long-Term Liabilities:	
Compensated Absences Payable	365,120
Deferred Gain on Bond Refunding	350,383
Non-Current Portion of Long-Term Obligations	41,312,909
Total Long-Term Liabilities	<u>42,028,412</u>
Total Liabilities	<u>52,561,796</u>
 <b>NET ASSETS</b>	
Investment in Capital Assets, Net of Related Debt	142,849,301
Restricted For :	
Debt Service	4,418,412
Capital Projects	3,224,138
Subsequent Year's Expenditures	977,382
Unrestricted	8,695,242
Total Net Assets	<u>\$ 160,164,475</u>

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction	\$ 52,444,694	1,985,466	9,375,968	7,744,188	\$ (33,339,072)
Support Services - Students	6,014,854		973,757	65,395	(4,975,702)
Support Services - Instruction	1,460,331		88,754		(1,371,577)
Support Services - General Administration	1,324,142	235,543	148,842		(939,757)
Support Services - School Administration	5,749,502		716,107		(5,033,395)
Central Services	1,466,126			2,172	(1,463,954)
Operations and Maintenance of Plant	11,001,764	397,059	162,397		(10,442,308)
Student Transportation	3,944,627		3,228,962		(715,665)
Food Services	3,423,766	173,969	2,885,422		(364,375)
Community Services	873,013		219,306		(653,707)
Interest on Long-Term Obligations	1,703,453				(1,703,453)
<b>Total Governmental Activities</b>	<b>\$ 89,406,272</b>	<b>2,792,037</b>	<b>17,799,513</b>	<b>7,811,755</b>	<b>(61,002,967)</b>
<b>General Revenues:</b>					
Taxes					
Property Taxes, Levied for General Purposes					336,517
Property Taxes, Levied for Debt Service					4,610,980
Property Taxes, Levied for Capital Projects					1,366,464
Federal and State Aid Not Restricted to Specific Purpose					
General					59,829,592
Capital					1,204,567
Gain on Sale of District Assets					13,451
Interest and Investment Earnings					1,110,616
Subtotal, General Revenues					68,472,187
Donation of San Juan College Share of Riverview Golf Course					3,660,453
Change in Net Assets					11,129,673
Net Assets - Beginning of Year					149,034,802
Net Assets - End of Year					\$ 160,164,475

SEE INDEPENDENT AUDITORS' REPORTS  
The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
As of June 30, 2008

	Fund 11000	Fund 24101	Fund 24106	Fund 25147	Fund 31100	Fund 41000	OTHER GOVERNMENTAL FUNDS	TOTALS
	GENERAL OPERATIONAL FUND	ESEA TITLE I	IDEA-B ENTITLEMENT	IMPACT AID - INDIAN EDUCATION	BOND BUILDING	DEBT SERVICES		
<b>ASSETS</b>								
Assets:								
Cash and Investments	\$ 5,340,592	80,606	78,665	5,489,768	6,553,841	4,908,008	5,776,422	28,227,902
Taxes Receivable	9,169					142,673	42,139	193,981
Due from Grantor		453,581	418,573				1,302,420	2,174,574
Due from Other Funds	2,356,688							2,356,688
Inventory							185,159	185,159
<b>Total Assets</b>	<b>\$ 7,706,449</b>	<b>534,187</b>	<b>497,238</b>	<b>5,489,768</b>	<b>6,553,841</b>	<b>5,050,681</b>	<b>7,306,140</b>	<b>33,138,304</b>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts Payable	\$ 2,345,533	130,757	78,665	220,295	648,433		631,007	4,054,690
Accrued Salaries and Benefits	18,482	13,259	(132)	35			13,187	44,831
Due to Other Funds		453,581	418,573				1,484,534	2,356,688
Deferred Revenues	3,850	453,581	418,573			63,060	1,321,225	2,260,289
<b>Total Liabilities</b>	<b>2,367,865</b>	<b>1,051,178</b>	<b>915,679</b>	<b>220,330</b>	<b>648,433</b>	<b>63,060</b>	<b>3,449,953</b>	<b>8,716,498</b>
Fund Balance:								
Reserved for Inventory							185,159	185,159
Reserved for Subsequent Year's Expenditures	5,000,624			1,516,712	5,674,724		4,787,680	16,979,740
Reserved for Debt Service Undesignated, Reported In General Fund	337,960					4,987,621	50,996	5,038,617
Special Revenue Fund		(516,991)	(418,441)	3,752,726			(1,018,581)	1,798,713
Capital Projects Fund					230,684		(149,067)	81,617
<b>Total Fund Balance</b>	<b>5,338,584</b>	<b>(516,991)</b>	<b>(418,441)</b>	<b>5,269,438</b>	<b>5,905,408</b>	<b>4,987,621</b>	<b>3,856,187</b>	<b>24,421,806</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 7,706,449</b>	<b>534,187</b>	<b>497,238</b>	<b>5,489,768</b>	<b>6,553,841</b>	<b>5,050,681</b>	<b>7,306,140</b>	<b>33,138,304</b>

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE  
SHEET WITH THE STATEMENT OF NET ASSETS**  
As of June 30, 2008

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

Total fund balances - governmental funds		\$	24,421,806
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 is	251,956,720		
Accumulated depreciation is	<u>(70,062,250)</u>		181,894,470
Revenues not collected within sixty days after year-end are considered "available" revenues and are shown as deferred revenues on the balance sheet.			
Delinquent property taxes			85,715
Bond issuance costs, including original issue discounts and premiums are not financial resources and, therefore, are not reported in the governmental funds.			
Bond issuance costs net of accumulated amortization			50,185
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 governmental funds. Long-term and other liabilities at year-end consist of:			
Bonds payable	(44,545,085)		
Lease purchases payable	(147,280)		
Compensated absences	(456,394)		
Deferred gain on bond refunding, net of amortization	(455,677)		
Accrued interest payable	<u>(683,265)</u>		<u>(46,287,701)</u>
Total net assets - governmental activities		\$	<u>160,164,475</u>



STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2008

	<u>Fund 11000</u>	<u>Fund 24101</u>	<u>Fund 24106</u>	<u>Fund 25147</u>	<u>Fund 31100</u>	<u>Fund 41000</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
	<u>GENERAL OPERATIONAL FUND</u>	<u>ESEA TITLE I</u>	<u>IDEA-B ENTITLEMENT</u>	<u>IMPACT AID - INDIAN EDUCATION</u>	<u>BOND BUILDING</u>	<u>DEBT SERVICES</u>		
Revenues:								
Federal Grants	\$ 20,511,559	3,780,133	1,638,016	4,983,288			8,047,467	38,960,463
State Grants	33,623,329						13,830,803	47,454,132
Local Sources								
Property Taxes	329,884					4,610,980	1,366,464	6,307,328
Local Grants	96,188						863,434	959,622
Charges for Services	23,600						1,497,452	1,521,052
Investment Income	673,419				294,839	67,602	74,756	1,110,616
Miscellaneous	555,646							555,646
Total Revenues	<u>55,813,625</u>	<u>3,780,133</u>	<u>1,638,016</u>	<u>4,983,288</u>	<u>294,839</u>	<u>4,678,582</u>	<u>25,680,376</u>	<u>96,868,859</u>
Expenditures:								
Current								
Instruction	31,552,996	3,242,381	1,082,476	2,870,042			7,577,852	46,325,747
Support Services - Students	3,985,153	5,636	489,762	877,627			643,913	6,002,091
Support Services - Instruction	913,540			414,873			129,555	1,457,968
Support Services - General Administration	884,914	53,909	26,034	145,363		44,387	102,957	1,257,564
Support Services - School Administration	4,448,285	354,658	105,491	515,148			310,493	5,734,075
Central Services	1,537,826			203,787				1,741,613
Operations and Maintenance of Plant	9,376,326	8,047		154,074			574,252	10,112,699
Student Transportation	272,725	129,364	216				3,096,540	3,498,845
Food Services	2,316						3,415,860	3,418,176
Community Services	663,588	21,677					181,168	866,433
Debt Service								
Bond Issuance Costs	51,194							51,194
Debt Principal						3,369,590		3,369,590
Debt Interest						1,690,043		1,690,043
Capital Outlay	1,570,825			103,811	10,275,420		10,055,776	22,005,832
Total Expenditures	<u>55,259,688</u>	<u>3,815,672</u>	<u>1,703,979</u>	<u>5,284,725</u>	<u>10,275,420</u>	<u>5,104,020</u>	<u>26,088,366</u>	<u>107,531,870</u>
Revenues Over (Under) Expenditures	<u>553,937</u>	<u>(35,539)</u>	<u>(65,963)</u>	<u>(301,437)</u>	<u>(9,980,581)</u>	<u>(425,438)</u>	<u>(407,990)</u>	<u>(10,663,011)</u>
Other Financing Sources (Uses):								
Bond Proceeds					5,500,000			5,500,000
Operating Transfers In						665,858		665,858
Operating Transfers Out	(665,858)							(665,858)
Lease Purchase Payments							(50,996)	(50,996)
Net Other Financing Sources (Uses)	<u>(665,858)</u>				<u>5,500,000</u>	<u>665,858</u>	<u>(50,996)</u>	<u>5,449,004</u>
Net Change in Fund Balance	<u>(111,921)</u>	<u>(35,539)</u>	<u>(65,963)</u>	<u>(301,437)</u>	<u>(4,480,581)</u>	<u>240,420</u>	<u>(458,986)</u>	<u>(5,214,007)</u>
Fund Balance - Beginning of Year, as Previously Reported	5,450,505	(481,452)	(352,478)	5,564,837	10,505,819	4,747,201	4,201,381	29,635,813
Adjustments and Residual Equity Transfers				6,038			(6,038)	
Fund Balance - Beginning of Year, as Restated	<u>5,450,505</u>	<u>(481,452)</u>	<u>(352,478)</u>	<u>5,570,875</u>	<u>10,385,989</u>	<u>4,747,201</u>	<u>4,315,173</u>	<u>29,635,813</u>
Fund Balance - End of Year	\$ <u>5,338,584</u>	<u>(516,991)</u>	<u>(418,441)</u>	<u>5,269,438</u>	<u>5,905,408</u>	<u>4,987,621</u>	<u>3,856,187</u>	<u>24,421,806</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2008

Total net change in fund balances - governmental funds \$ (5,214,007)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those assets 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 capital outlays exceeds depreciation for the year.

Depreciation expense	(5,694,184)	
Capital reclassifications and deletions	(7,966)	
Capital outlays	20,307,193	
Excess of capital outlays over depreciation expense	14,605,043	14,605,043

The District received a donation from San Juan College for half of Riverview Golf Course which was originally donated to the District and the College in 1990. This was not recorded as a revenue in the governmental statements. 3,660,453

In the Statement of Activities, certain operating expenses - compensated absences and interest expense - are measured by the amounts incurred during the year. In the fund financial statements, however, expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). The (increases) decreases in the liabilities for the year were:

Compensated absences payable	20,965	
Accrued interest payable	(13,410)	7,555
	7,555	

Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities.

Bond principal payments	3,369,590	
Lease purchase principal payments	41,086	

Bond issuance costs are expended in the governmental funds when paid and are capitalized and amortized in the Statement of Net Assets. This is the amount by which current year bond issuance costs exceed amortization expense. 50,185

Bonds were refunded during the 2006 reporting period to the financial advantage of the District. A savings was capitalized as a deferred gain and will be amortized over the life of the new bonds. This amortization will be recorded in the Statement of Activities.

Amortization of deferred gain on refunding	103,135	3,563,996
	3,563,996	

Because some revenues will not be collected for several months after the fiscal year-end, they are not considered available revenues in the governmental funds. They are considered revenues in the Statement of Activities. The increase (decrease) in revenues receivable for the year were:

Property taxes		6,633
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Bond proceeds for the year totaled: (5,500,000)

Change in net assets of governmental activities \$ 11,129,673

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 11000 - GENERAL OPERATIONAL FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
<b>Federal Sources:</b>					
Impact Aid	\$ 19,395,789	19,395,789	19,933,161	-	537,372
Indirect Costs - Federal Direct Grants	135,000	135,000	121,598	-	(13,402)
Indirect Costs - Federal Flow-Through Grants	150,000	150,000	111,007	-	(38,993)
Access Board (E-rate)	350,000	350,000	345,793	-	(4,207)
	<u>20,030,789</u>	<u>20,030,789</u>	<u>20,511,559</u>	<u>-</u>	<u>480,770</u>
<b>State Sources:</b>					
State Equalization Guarantee	33,229,778	34,008,117	33,620,391	778,339	(387,726)
Indirect Costs - State Flow-Through Grants	-	-	899	-	899
Indirect Costs - State Direct Grants	-	-	2,039	-	2,039
	<u>33,229,778</u>	<u>34,008,117</u>	<u>33,623,329</u>	<u>778,339</u>	<u>(384,788)</u>
<b>Local Sources:</b>					
Ad Valorem Taxes - School District	308,182	308,182	315,261	-	7,079
Oil and Gas Taxes	11,334	11,334	10,857	-	(477)
Investment Income	700,000	700,000	674,651	-	(25,349)
Fees - Activities	6,500	6,500	975	-	(5,525)
Fees - Educational	10,000	10,000	22,625	-	12,625
Fees - Users	225,000	225,000	-	-	(225,000)
Fees - Summer School	5,000	5,000	-	-	(5,000)
Contributions/Donations - Private Sources	32,500	32,500	32,353	-	(147)
Administration - Categorical	-	-	2,731	-	2,731
Insurance Recoveries	15,000	15,000	61,104	-	46,104
Refunds of Prior Year's Expenditures	-	-	542,195	-	542,195
Sale of District Assets	10,000	10,000	13,451	-	3,451
	<u>1,323,516</u>	<u>1,323,516</u>	<u>1,676,203</u>	<u>-</u>	<u>352,687</u>
<b>Total Revenues</b>	<u>54,584,083</u>	<u>55,362,422</u>	<u>55,811,091</u>	<u>778,339</u>	<u>448,669</u>
<b>Expenditures:</b>					
<b>Education, Current:</b>					
Instruction	33,037,893	33,189,363	31,784,359	(151,470)	1,405,004
Support Services - Students	4,821,450	4,821,226	3,970,567	224	850,659
Support Services - Instruction	988,998	1,119,523	922,152	(130,525)	197,371
Support Services - General Administration	1,139,394	1,139,394	936,524	-	202,870
Support Services - School Administration	4,608,178	4,635,688	4,454,974	(27,510)	180,714
Central Services	1,772,520	1,752,520	1,538,590	20,000	213,930
Operations and Maintenance of Plant	9,629,347	9,528,175	9,163,951	101,172	364,224
Student Transportation	112,414	303,586	272,725	(191,172)	30,861
Other Support Services	467,637	467,637	-	-	467,637
Food Services	-	10,000	2,302	(10,000)	7,698
Community Services	594,101	764,101	670,218	(170,000)	93,883
<b>Education, Non-Current:</b>					
Capital Outlay	3,540,000	3,790,000	1,997,955	(250,000)	1,792,045
<b>Total Expenditures</b>	<u>60,711,932</u>	<u>61,521,213</u>	<u>55,714,317</u>	<u>(809,281)</u>	<u>5,806,896</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(6,127,849)</u>	<u>(6,158,791)</u>	<u>96,774</u>	<u>(30,942)</u>	<u>6,255,565</u>
<b>Other Financing Uses:</b>					
Operating Transfers Out	-	-	(665,858)	-	(665,858)
<b>Revenues Over (Under) Expenditures and Other Financing Uses</b>	<u>(6,127,849)</u>	<u>(6,158,791)</u>	<u>(569,084)</u>	<u>(30,942)</u>	<u>5,589,707</u>
<b>Budgetary Notation - Cash Appropriated from Prior Year</b>	<u>\$ 6,127,849</u>	<u>6,158,791</u>		<u>30,942</u>	

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24101 - ESEA TITLE I**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ 3,973,691	4,636,287	4,184,373	662,596	(451,914)
Expenditures:					
Education, Current:					
Instruction	3,250,928	3,913,524	3,252,011	(662,596)	661,513
Support Services - Students	-	6,102	5,636	(6,102)	466
Support Services - General Administration	154,703	63,939	53,909	90,764	10,030
Support Services - School Administration	295,138	375,123	350,332	(79,985)	24,791
Operations and Maintenance of Plant	-	9,677	7,314	(9,677)	2,363
Student Transportation	198,685	193,685	124,023	5,000	69,662
Community Services	74,237	74,237	21,533	-	52,704
Total Expenditures	3,973,691	4,636,287	3,814,758	(662,596)	821,529
Revenues Over (Under) Expenditures	\$ -	-	369,615	-	369,615

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24106 - IDEA-B ENTITLEMENT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
	Revenues:				
Federal Sources	\$ 1,667,035	1,824,034	1,800,423	156,999	(23,611)
Expenditures:					
Education, Current:					
Instruction	932,226	1,089,225	1,089,225	(156,999)	-
Support Services - Students	554,511	554,511	500,056	-	54,455
Support Services - General Administration	-	26,034	26,034	(26,034)	-
Support Services - School Administration	156,702	130,668	105,491	26,034	25,177
Student Transportation	23,596	23,596	216	-	23,380
Total Expenditures	1,667,035	1,824,034	1,721,022	(156,999)	103,012
Revenues Over (Under) Expenditures	\$ -	-	79,401	-	79,401

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 25147 - IMPACT AID - INDIAN EDUCATION**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
	Revenues:				
Federal Sources	\$ 4,848,165	4,848,165	4,983,288	-	135,123
Expenditures:					
Education, Current:					
Instruction	3,479,566	3,479,566	2,883,389	-	596,177
Support Services - Students	1,007,410	1,007,410	877,627	-	129,783
Support Services - Instruction	528,681	528,681	414,903	-	113,778
Support Services - General Administration	257,907	257,907	141,272	-	116,635
Support Services - School Administration	546,726	546,726	514,373	-	32,353
Central Services	329,866	329,866	204,356	-	125,510
Operations and Maintenance of Plant	199,844	199,844	154,074	-	45,770
Education, Non-Current					
Capital Outlay	150,000	150,000	103,811	-	46,189
Total Expenditures	6,500,000	6,500,000	5,293,805	-	1,206,195
Revenues Over (Under) Expenditures	\$ (1,651,835)	(1,651,835)	(310,517)	-	1,341,318
Budgetary Notation - Cash Appropriated from Prior Year	\$ 1,651,835	1,651,835			

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS**  
As of June 30, 2008

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and Investments	\$ <u><u>723,335</u></u>
<u>Liabilities</u>	
Deposits Held for Others	\$ <u><u>723,335</u></u>

## **NOTES TO FINANCIAL STATEMENTS**



STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2008

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Central Consolidated School District No. 22 (District) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District's more significant accounting policies are described in the sections below.

A. Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria for including a potential component unit within the reporting entity. The first criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographical boundaries of the District and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no component units during the year ended June 30, 2008.

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. The District has no component units as there are no other legally separate organizations for which the elected School Board members are financially accountable. The Central

Consolidated District No. 22 School Board (School Board) was created under the provisions of Chapter 22, Article 5, Paragraph 4, NMSA 1978. The School Board is comprised of five members who are elected for terms of four years.

B. Function of Entity

The District provides kindergarten, elementary and secondary high school educational services to school age residents of the District. The District operates under the direction of a local school board, under the provision of Chapter 22, Article 5, Paragraph 4, NMSA 1978, Comp. The local school board is charged with the following powers and duties:

- (1) Subject to the rules of the department, develop educational policies for the District;
- (2) Employ a local superintendent for the District and fix his/her salary;
- (3) Review and approve the District budget;
- (4) Acquire, lease, and dispose of property;
- (5) Have capacity to sue and be sued;
- (6) Acquire real estate by eminent domain as pursuant to the procedures in the Eminent Domain Code;
- (7) Issue general obligation bonds of the District;
- (8) Provide for the repair and maintain all property belonging to the District;
- (9) For good cause and upon order of the district court, subpoena witnesses and documents in connection with a hearing concerning any powers or duties of the local school boards;
- (10) Contract for the expenditures of monies according to the provisions of the Procurement Code, except for expenditures for salaries,
- (11) Adopt rules pertaining to the administration of all powers or duties of the local school board;
- (12) Accept or reject any charitable gift, grant, devise, or bequest. The particular gift, grant, devise, or bequest accepted shall be considered an asset of the District or the public school to which it is given;
- (13) Offer and, upon compliance with the conditions of such offer, pay awards for the information leading to the arrest and conviction or other appropriate disciplinary disposition by the courts or juvenile authorities of offenders in cases of theft, defacement, or destruction of local District property. All such rewards shall be paid from District funds in accordance with rules promulgated by the department; and,
- (14) Give prior approval for any educational program in a public school in the District that is to be conducted, sponsored, carried on or caused to be carried on by a private organization or agency.

The District operates under the auspices of the New Mexico Public Education Department and adheres to budgetary accounting principles and procedures promulgated by the New Mexico Public Education Department as approved by the State Board of Education and the Legislative Finance Committee in accordance with State statute (section 22-8-5 NMSA 1978, Comp.).

C. Basis of Financial Presentation

The District's accounts are organized on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts established as needed to demonstrate compliance with finance-related legal and contractual provisions.

The District's funds are classified into two categories – governmental and fiduciary. Each category, in turn, is divided into separate "fund types."

The District follows FASB statements and interpretations issued on or before November 30, 1989, Accounting Principles Board opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The District has elected to apply FASB statements and interpretations issued after November 30, 1989 unless those pronouncements conflict with GASB pronouncements.

**Governmental Funds**

Governmental funds are used to account for the District's general governmental activities, including the collection and disbursement of legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include the following fund types:

General Operational Fund (11000) – the District's primary operating fund accounts for all financial resources of the District that are not accounted for in other funds. The District's General Operational Fund also includes the following sub-funds which are presented separately in the financial statements.

Teacherage (12000) – To account for revenues and expenditures associated with district owned multi-bedroom housing units rented to District employed teachers or other employees. Funding authorized by NMAC 6.20.2 of the New Mexico Department of Education.

Transportation (13000) – To account for State Equalization – Transportation funds authorized by Section 22-8-26, NMSA, 1978 designated for the costs of transporting school-age children who are students within the District.

Instructional Materials (14000) – To account for Funding designated for instructional materials purchases as authorized by Sections 22-15-1 through 22-15-14, NMSA, 1978.

Special revenue funds – reflect the revenues and expenditures that are legally restricted for specific purposes.

Capital projects funds – account for the acquisition of capital assets or construction of major capital projects.

Debt service funds – account for revenues and expenditures associated with the servicing of long-term debt.

The District is required to present certain of its governmental funds as major funds based upon certain specific criteria. In addition to the General Operational Fund described above, the District has designated the following funds as major funds:

ESEA 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 Education Act of 1965, Chapter 1 of Title 1, as amended, Public Laws 100-297, 20 U.S.C. 2701.

IDEA-B Entitlement (24106) – The IDEA-B Entitlement program is to provide grants to states that flow through to schools to assist them in providing a free appropriate public education to all children with disabilities. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-617, and part D, Section 674, as amended, 20 U.S.C. 1411-1417 and 1420.

Impact Aid – Indian Education (25147) – To account for a portion of the Federal assistance authorized by the Elementary and Secondary Education Act, Title VIII, as amended, allowing Federal assistance to be provided to local educational agencies adversely affected by Federal activities. The District is composed largely of non-taxable Indian lands held in trust by the Federal government limiting the property tax base required to adequately fund District schools serving children living on Indian lands.

Bond Building (31100) – To account for bond proceeds and the interest earned thereon. The proceeds are restricted for the purposes of making additions to and furnishing of school buildings, or purchasing or improving school grounds, or any combination thereof, as approved by the voters of the District. This is a capital projects fund.

Debt Services (41000) – To account for monies designated for the payment of interest and principal due on general obligation and revenue bonds. General obligation bond financing is provided by special tax levies approved by the voters of the District and assessed by the County Assessor and collected and remitted to the District by the County Treasurer. Financing to pay the revenue bonds is provided from the unrestricted Federal Impact Aid revenue.

## **Fiduciary Funds**

Fiduciary funds account for assets held by the government in a trustee capacity. The District only had agency funds during the year ended June 30, 2008. The agency funds are as follow:

*Agency funds* are used to account for assets that the government holds for others in an agency capacity.

**Central Activity Fund** – accounts for assets held by the District as an agent for the individual schools and school organizations.

D. Measurement Focus and Basis of Accounting

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

The Statement of Net Assets and the Statement of Activities display 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-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions.

**Program Revenues**

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Program revenues are categorized as (a) *charges for services*, which include revenues collected from gate receipts at athletic events, food service charges, swimming pool and golf course fees, indirect costs, teacherage rents, etc., (b) *program-specific operating grants and contributions*, which include revenues received from state and federal sources such as Title I, Impact Aid – Indian Education, IDEA-B, and Reading First to be used as specific within each program grant agreement, and (c) *program-specific capital grants and contributions*, which include revenues from state and federal sources such as Special Capital Outlay – Federal and SB-9 funding to be used for capital projects. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**Allocation of Indirect Expenses**

In the government-wide financial statements, expenses are classified by function. The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation

expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

### **Inter-fund Transfers**

For the purposes of the Statement of Activities, all inter-fund accounts and transfers between individual funds have been eliminated.

### **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 60 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 inter-fund activity has been eliminated from the district-wide financial statements.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

#### **Revenues**

Ad valorem taxes (property taxes) are susceptible to accrual.

Entitlements 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**

In the fund financial statements expenditures are calculated by character and function, as follows:

Current (further classified by function)  
Debt Service  
Capital Outlay

Salaries earned prior to year-end are accrued.

## **Other Financing Sources (Uses)**

Permanent reallocations of resources between funds of the reporting entity are classified as inter-fund transfers. Inter-fund transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, proceeds from the sale of capital assets, debt extinguishments other than debt service payments, 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.

## **Fiduciary Funds**

The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the economic resources measurement focus and accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

### **E. Budgets and Budgetary Accounting**

Formal budgetary integration is employed as a management control device during the year. The budget is classified as a non-appropriated budget under governmental accounting standards. A non-appropriated budget is a financial plan for an organization approved in a manner consistent with a constitution, charter, statute, or ordinance that is not subject to appropriation.

Budgets for the General Operational, 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 this non-GAAP budgetary basis. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to April 15, (unless a later date is fixed by the Superintendent of Public Instruction) the local school board submits to the School Budget Planning Unit (SBPU) of the New Mexico Public Education Department an estimated budget for the school 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 State Department of Public Education (SDPE) by the school district shall contain headings and details as prescribed by law.

- (2) Prior to June 20 of each year, the proposed "tentative" budget will be reviewed and approved by the SBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
- (3) The "tentative" budget will be used by the District until a "final" budget has been approved by SBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
- (4) The SBPU 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.
- (5) Prior to the first Monday of September of each year, SBPU shall approve and certify to each local school board a final budget for use by the local school board.
- (6) No school board or officer or employee of a school district shall make any expenditures or incur any obligation for the expenditure 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.
- (7) Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the SBPU.
- (8) Legal budget control for expenditures is by function.
- (9) 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 Central Consolidated School District No. 22 has been amended during the current fiscal year in accordance with these procedures. The budget statements included in the accompanying financial statements reflects the approved budget and amendments thereto.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances lapse at the fiscal year end.

F. Cash and Cash Equivalents



Cash and cash equivalents include amounts on hand and in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the District.

G. Short-Term Inter-fund Receivables/Payables

During the course of operations, some transactions may occur between individual funds for goods provided or services rendered. These receivables and payables, as well as any short-term inter-fund loans, are classified as "due from other funds" or "due to other funds" on the balance sheet.

H. Inventory

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Food Services 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 that indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008 are recorded as prepaid items.

J. Capital Assets

Capital assets have been defined as assets with an initial individual cost of \$5,000 or more having an estimated useful life in excess of one year. Capital assets have been recorded at historical costs if available. If unavailable, historical values were estimated by determining current values and deflating these amounts to the year of acquisition using readily available deflation factors.

The District has not developed "internal use" software. Capitalizable purchased software is depreciated over its expected life using the straight-line method of depreciation.

Capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are recorded at cost when purchased. All donated capital assets are valued at their estimated fair market value on the date received. Infrastructure, such as roads, bridges, storm drainage projects, etc., if any, are recorded and depreciated if appropriate. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest costs during construction, if any, are not capitalized.

Additions, improvements, and other capital outlays that extend the useful life of an asset are capitalized. The District does not capitalize interest in regards to its capital assets. Capital expenditures made on behalf of the District by third-party payers, including the New Mexico Public School facilities Authority, are capitalized by the District.

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:

Library Collections	5 years
Land Improvements	40 years
Buildings and Building Improvements	60 years
Equipment and Vehicles	5 to 10 years

K. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is not reported as expenditures or as a fund liability of the governmental fund that will pay it. These liabilities are only recorded on district-wide financial statements. No liability has been recorded for non-vesting rights to receive sick pay benefits as the District's policies do not provide for payment or exchange in the future.

L. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

M. Fund Balances of Fund Financial Statements

Reserves represent those portions of fund equity not available for appropriation or expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources. Portions of the fund balances have been reserved for subsequent year's expenditures, debt service, and inventory. The reservation for subsequent year’s expenditures represents the amount of cash appropriated in the subsequent year's budget.

N. Bond Discounts/Issuance Costs

For fund financial reporting, bond premiums and discounts as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For full accrual statements, premiums and

discounts are amortized over the life of the bond.

O. Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

P. Estimates and Management Assumptions

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.

Q. Restricted Net Assets

For the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset used 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.

The District's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

R. Equity Classifications

**Fund Statements** – Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Fund Equity was reserved for the following purposes:

**Reserved for Debt Service** – Amounts legally restricted for the payment of long-term debt.

**Reserved for Inventory** – Segregates a portion to indicate that although inventory is an asset, it does not represent an available, spendable resource.

**Reserved for Subsequent Year's Expenditures** – Represents the amounts, which are required to be reserved for subsequent year's expenditures.

**Unreserved, Undesignated** – Represents the amounts which have not been reserved or designated for any purpose. These funds are available for unrestricted usage by the District.

Equity on the Statement of Net Assets is classified as net assets and displayed in three components, when applicable:

**Invested in Capital Assets, Net of Related Debt** – Investment in capital assets, net of related debt consists of capital assets, including restricted capital assets, net of accumulated depreciation (net capital assets). Net capital assets are further reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted Net Assets** – Restricted net assets consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**Unrestricted Net Assets** – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt” are classified as “unrestricted net assets.”

## 2. **DEPOSITS AND INVESTMENTS**

Central Consolidated School District No. 22 is authorized under the provisions of Chapter 6, Article 10, paragraph 10 NMSA 1978, Comp. 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.

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 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 the preceding five years;
- (b) Securities that are issued by the United States Government or by its agencies or instrumentalities 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) 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 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 the 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 the investment.

The deposits and investments of the District are subject to various risks as discussed below:

**Custodial Credit Risk** – In the event of a bank failure, all of the District’s deposits and/or investments may not be returned. The District does not have a policy regarding custodial credit risk.

A. Deposits – The risk exists when a portion of the District’s deposits are not covered by depository insurance and are:

1. Uncollateralized;
2. Collateralized with securities held by the pledging financial institution; or
3. Collateralized with securities held by the pledging financial institution’s trust department or agent but not in the depositor’s (District’s) name.

The bank balance of deposits at June 30, 2008 was \$702,063. The amount subject to collateralization and to custodial credit risk was \$702,063.

B. Investments – This risk exists if the District’s securities are uninsured, are not registered in the name of the District, and are held by either

1. The counterparty; or
2. The counterparty’s trust department or agent but not in the District’s name.

The bank balance of investments at June 30, 2008 was \$13,015,700. The amount held by the trust department in the District’s name and subject to custodial credit risk was \$13,015,700. The repurchase agreements are collateralized with securities backed by the full faith and credit of the U.S. Government at 102% of maturity value.

The bank balance of investments with paying agent at June 30, 2008 was \$771,778. The amount held by the custodial and collateral agent not in the District’s name and subject to custodial credit risk was \$771,778. The repurchase agreements are collateralized with securities backed by the full faith and credit of the U.S. Government at 102% of maturity value.

As of June 30, 2008, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>S&amp;P Ratings</u>
New MexiGROW Local Government Investment Pool (LGIP)	See Below	15,029,685	AAAm
Federal Home Loan Bank	3/5/2009	858,208	AAA
Federal Farm Credit Bank	8/15/2008	997,200	AAA
Federal Home Loan Bank	7/30/2008	748,725	AAA
Federal Home Loan Bank	12/24/2008	1,975,400	AAA
Freddie Mac	9/15/2008	995,100	AAA
Freddie Mac	10/27/2008	868,088	AAA
Freddie Mac	12/22/2008	987,900	AAA
Freddie Mac	2/2/2009	984,500	AAA
Fannie Mae	12/26/2008	1,234,500	AAA
Fannie Mae	12/26/2008	987,600	AAA
Fannie Mae	2/27/2009	1,474,050	AAA
Wells Fargo Money Market	7/1/2007	904,429	Not Rated
American Performance Institutional U.S. Treasury Fund	7/1/2008	771,778	AAAm

**Interest Rate Risk** – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** – State law limits investments to bonds or negotiable securities of the U.S., the State, municipalities, or school district, securities issued by the U.S. Government (or its agencies, either direct obligations or backed and guaranteed by the U.S. Government) and repurchase agreements with banks, savings and loan associations or credit unions. The District has no investment policy that would further limit its investment choices.

**Concentration of Credit** – The District places no limit on the amount the District may invest in any one issuer. None of the above investments is over 5% of total investments except for the amount invested in the New MexiGROW Local Government Investment Pool.

**Local Government Investment Pool** – As of June 30, 2008, the District’s investment in the pool was as follows:

<u>Investment Description</u>	<u>Rating</u>
U.S. Government Obligations	AAA
Commercial Paper	A-1+
Money Market Funds	AAA
New MexiGROW LGIP	AAAm

The investments are valued at fair value based on quoted market values as of the valuation date.

The State Treasurer New MexiGROW Local Government Investment Pool (“Pool”) is not SEC registered. Section 6-10-101 NMSA 1978 empowers the

State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States Government or are agencies sponsored by the United States Government. The Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other State investments.

The Pool does not have unit shares. Per Section 6-10-10 1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the Pool and the length of time the Pool amounts were invested.

Participation in the Pool is voluntary.

**Collateralization Schedule** – The following disclosure is required by State Auditor Rule 2.2.2.10 N (4)(b).

	<b>Carrying Amount</b>	<b>Bank Balance</b>
Wells Fargo Bank:		
Total Deposits	\$ 12,426,439	\$ 13,717,763
Less: FDIC Coverage	100,000	100,000
Uninsured Public Funds	<u>12,326,439</u>	<u>13,617,763</u>
Less: Government Securities	<u>(12,111,271)</u>	<u>(12,111,271)</u>
	<u>215,168</u>	1,506,492
Pledged Collateral Held by the Pledging Bank's Trust Department in the District's Name		
		<u>(2,558,012)</u>
Pledged Collateral (Over) the Requirement		\$ <u><u>(1,051,520)</u></u>
Bank of Albuquerque:		
Total Deposits	\$ 771,778	\$ 771,778
Less: FDIC Coverage	100,000	100,000
Uninsured Public Funds	<u>671,778</u>	<u>671,778</u>
Less: Government Securities	<u>(771,778)</u>	<u>(771,778)</u>
Funds Requiring Collateralization	<u><u>(100,000)</u></u>	<u><u>(100,000)</u></u>

### 3. RECEIVABLES AND INTERFUND ACCOUNTS

Accounts receivable are recorded in the various funds. They consist of amounts receivable from governments and private agencies relating to various grant agreements and property taxes receivable.

Details of receivables as reflected on the Statement of Net Assets at June 30, 2008 are detailed hereunder:

	General	Other Major	Other Governmental	Total
Property Taxes	\$ 7,580	\$ 120,939	\$ 35,783	\$ 164,302
Oil and Gas Taxes	1,589	21,734	6,356	29,679
Due from Grantors	-	872,154	1,302,420	2,174,574
Due from Other Funds	2,356,688	-	-	2,356,688
Total	\$ 2,365,857	\$ 1,014,827	\$ 1,344,559	\$ 4,725,243

All amounts are considered collectible at June 30, 2008.

The General Operational Fund has \$2,356,688 due to it from ESEA Title I (\$453,581), IDEA-B Entitlement (\$418,573), and non-major funds (\$1,484,534). These are funds in which the District gets reimbursement from Federal, State, and Tribal Governments and as such have cash deficits at year end. All of these amounts are considered collectible within the next fiscal year.

#### 4. **CAPITAL ASSETS**

Capital assets balances and activity for the year ended June 30, 2008 are as follows:

Capital Assets Class	Adjusted Balance at July 1, 2007	Additions	Reclassifications and Deletions	Balance at June 30, 2008
<b>Not Subject to Depreciation:</b>				
Land	\$ 1,793,547	3,660,453	-	\$ 5,454,000
Construction-in-Progress	11,437,763	19,064,717	(17,927,239)	12,575,241
Total Non-Depreciable Assets	13,231,310	22,725,170	(17,927,239)	18,029,241
<b>Subject to Depreciation:</b>				
Library Collections	2,371,336	299,350	-	2,670,686
Land Improvements	9,314,747	61,215	-	9,375,962
Buildings and Improvements	193,228,511	274,122	17,927,239	211,429,872
Equipment and Vehicles	9,991,876	607,789	(148,706)	10,450,959
Total Depreciable Assets	214,906,470	1,242,476	17,778,533	233,927,479
Total Assets	228,137,780	23,967,646	(148,706)	251,956,720
<b>Less Accumulated Depreciation:</b>				
Library Collections	1,712,266	402,428	-	2,114,694
Land Improvements	4,047,334	255,592	-	4,302,926
Buildings and Improvements	53,067,557	3,943,285	-	57,010,842
Equipment and Vehicles	5,681,649	1,092,879	(140,740)	6,633,788
Total Depreciation	64,508,806	5,694,184	(140,740)	70,062,250
Governmental Activities				
Capital Assets, Net	\$ 163,628,974	18,273,462	(7,966)	\$ 181,894,470
<b>Depreciation Expense by Function</b>				
Instruction				4,519,613
Support Services - Instruction				2,104
Support Services - General Administration				97,362
Support Services - School Administration				10,952
Central Services				93,306
Operations and Maintenance of Plant				452,949
Student Transportation				500,722
Food Services				11,295
Community Services				5,881
Total Depreciation Expense				\$ 5,694,184



The District's construction-in-progress includes the following major projects:

	Project Budget	Construction-in- Progress	Project Balance	Estimated Completion Date
Kirtland Middle School	20,074,765	12,404,513	7,670,252	FY09
Kirtland Early Childhood Center	369,864	111,895	257,969	FY09
Riverview Golf Course Expansion	283,000	58,833	224,167	FY09
	<u>\$ 20,727,629</u>	<u>\$ 12,575,241</u>	<u>\$ 8,152,388</u>	

## 5. LONG-TERM DEBT

### A. Changes in Long-Term Liabilities

During the year ended June 30, 2008, the following changes occurred in the long-term liabilities.

	Balance at July 1, 2007	Additions	Deletions	Balance at June 30, 2008	Due Within One Year
General Obligation					
Bonds Payable	\$ 34,145,000	\$ 5,500,000	\$ 2,975,000	\$ 36,670,000	\$ 2,850,000
Revenue Bonds Payable	8,269,675	-	394,590	7,875,085	484,810
Deferred Gain on Refunding	558,812	-	103,135	455,677	105,294
Total Bonds Payable	<u>42,973,487</u>	<u>5,500,000</u>	<u>3,472,725</u>	<u>45,000,762</u>	<u>3,440,104</u>
Lease Purchase Contracts	188,366	-	41,086	147,280	44,646
Accrued Compensated Absences	477,359	367,286	388,251	456,394	91,274
	<u>\$ 43,639,212</u>	<u>\$ 5,867,286</u>	<u>\$ 3,902,062</u>	<u>\$ 45,604,436</u>	<u>\$ 3,576,024</u>

### B. General Obligation Bonds

The District's general obligation bonds were issued for the purposes of creating, remodeling, making additions to and furnishing school buildings, and purchasing and improving school grounds and are payable solely from general property taxes that are levied against all taxable property in the District. The bonds are payable out of the Debt Service Fund (Fund 41000).

Interest payments are due semi-annually on August 1 or August 15 and February 1 or February 15. Interest rates on the bonds range from 2.135% to 5.50%. Principal payments in varying amounts are due annually on August 1 or August 15 through 2021.

The following is a schedule of the debt service requirements for all general obligation bonds as of June 30, 2008.

<b>YEAR ENDING JUNE 30</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2009	2,850,000	1,452,543	4,302,543
2010	3,045,000	1,367,677	4,412,677
2011	2,950,000	1,231,528	4,181,528
2012	3,030,000	1,085,338	4,115,338
2013	3,070,000	938,861	4,008,861
2014-2018	13,625,000	2,819,785	16,444,785
2019-2022	8,100,000	523,049	8,623,049
<b>Total</b>	<b>\$36,670,000</b>	<b>\$9,418,781</b>	<b>\$46,088,781</b>

C. Revenue Bonds

During the year ended June 30, 2008, the District issued revenue bonds for the purpose of remodeling, demolishing, and building teacherages in Shiprock, Newcomb, and Naschitti. The District has pledged revenues from Impact Aid funds received into its General Operational Fund (Fund 1100) for the repayment of these bonds. Funds will be transferred from the General Operational Fund to the Debt Service Fund (Fund 41000) for payment of these bonds. During the current year \$665,858 was transferred to the Debt Service Fund to meet debt obligations.

Interest payments are due semi-annually on August 1 and February 1. Interest rates on the bonds range from 3.12% to 3.98%. Principal payments in varying amounts are due annually on August 1 through 2020.

The following is a schedule of the debt service requirements for all revenue bonds as of June 30, 2008.

<b>YEAR ENDING JUNE 30</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
2009	484,810	292,842	777,652
2010	500,744	276,461	777,205
2011	517,652	259,076	776,728
2012	535,602	240,593	776,195
2013	554,711	220,914	775,625
2014-2018	3,104,957	764,104	3,869,061
2019-2021	2,176,609	137,245	2,313,854
<b>Total</b>	<b>\$7,875,085</b>	<b>\$2,191,235</b>	<b>\$10,066,320</b>

D. Deferred Gain on Refunding and Bond Issuance Costs

During the year ended June 30, 2005, the District issued refunding bonds. The refunding of outstanding debt resulted in a gain that is being amortized through June 2014. The amortization is prorated through the years according to the payment schedule of the original bonds.

During the year ended June 30, 2008, the District sold a bond and expended \$51,194 in bond issuance costs related to this debt. During the current fiscal year, \$1,009 of this amount was amortized, leaving a balance of \$50,185 which will be amortized over the life of the bonds.

E. Lease Purchase

In May of 2006 the District entered into a lease purchase agreement for golf carts at Riverview Golf Course. The lease payments are made out of the Non-Instructional Student Support Fund (Fund 23000).

Contract Date	May 2006
Cost of Assets Purchased	\$232,676
Interest Rate	5.0%
Payment Terms	\$4,250/month
Maturity Date	08/10/09
Balloon Payment	\$99,223

YEAR ENDING JUNE 30	PRINCIPAL	INTEREST	TOTAL
2009	44,646	6,350	50,996
2010	102,634	839	103,473
<b>Total</b>	<b>\$147,280</b>	<b>\$7,189</b>	<b>\$154,469</b>

F. Compensated Absences

All District employees who have twelve-month contracts are granted either twelve days of annual leave per annum, first year employees who are members of the International Union of Operating Engineers (IUOE), or eighteen days of annual leave per annum for all other employees. The maximum that can be accrued is 36 days. Employees will be compensated for unused vacation leave upon termination. The board reserves the right to negotiate a separate annual leave agreement with the superintendent. The current portion of compensated absences (estimated amount due within one year) is \$91,274. Total accrued compensated absences amounted to \$456,394 at June 30, 2008, \$365,120 which is considered long-term. Historically, the compensated absences have been paid out of the following funds in the percentages noted:

General Operating	Fund 11000	74.3%
Transportation	Fund 13000	5.6%
ESEA Title I	Fund 24101	4.5%
Impact Aid	Fund 25147	4.4%
Non-Instructional Support	Fund 23000	3.6%
IDEA-B Entitlement	Fund 24106	3.3%
Other Special Revenue Funds (7) (less than 2.5% each)		4.3%

## 6. REVENUES

### A. Property Tax Levies

Central Consolidated School District No. 22 receives property tax payments made by the property owners of the District from the San Juan County Treasurer for operational, public school capital improvements, and debt service purposes.

Property taxes are assessed on January 1st of each year, except on livestock, and are payable in two equal installments on November 10th of the year in which the tax bill is prepared and April 10th of the following year. Property taxes are considered delinquent if not paid within 30 days of their due date. Property taxes are collected by the County Treasurer and remitted to the District in the month following collection.

Although there are no restrictions placed on property taxes collected for operational purposes, restrictions do exist on the amounts collected under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) and the amounts collected as a result of issuing general obligation bonds.

Under the provisions of the Public School Capital Improvements Act, any local school board may adopt a resolution to submit to the qualified electors of the school district the question of whether or not a property tax should be imposed on the net taxable value of property allocated to the school district for the purpose of capital improvements. The resolution shall:

- (1) Identify the capital improvements;
- (2) Specify the rate of the proposed tax, which shall not exceed two dollars (\$2.00) on each \$1,000 of net taxable value of property;
- (3) Specify the date an election will be held;
- (4) Limit the imposition of the tax to no more than six property tax years.

If approved, any revenues produced by the tax and any state distribution resulting to the District under the act shall be expended only for the capital improvements specified in the authorized resolution. During the year ended June 30, 2007 the District's electorate approved the two-mill tax for an additional 6 years (2008, 2009, 2010, 2011, 2012, and 2013).

General obligation bonds may be issued for the purpose of erecting, remodeling, making additions to, and the furnishing of school buildings, or purchasing or improving school grounds or any combination of these purposes. Such bonds shall be fully negotiable and constitute negotiable instruments.

The school board shall establish adequate budgetary provisions, approved by the School Management Division, to promptly pay, as it becomes due, all principal and interest on general obligation bonds issued by the school district. The full

faith and credit of a school district shall be pledged to the payment of the principal and interest on general obligation bonds issued by the school district.

The Board of County Commissioners shall levy and collect upon all taxable property within a school district in the county such tax as is necessary to pay the interest and principal on general obligation bonds issued by the school district as the interest and principal become due, without limitation as to rate or amount.

During the year ended June 30, 2008, property taxes were imposed upon the net taxable value of property allocated to the school district in the following amounts (rate per \$1,000 of net taxable value):

	<u>Residential</u>	<u>Non-Residential</u>
General Operational Purposes	0.337	0.500
Public School Capital Improvements	2.000	2.000
General Obligation Bonds-Debt Service	6.838	6.838

Property tax revenue recognized by the District during the year ended June 30, 2008 amounted to the following:

	<u>Real Property Taxes</u>	<u>Oil and Gas Taxes</u>	<u>Total</u>
General Operational Purposes	\$ 317,766	\$ 12,118	\$ 329,884
Public School Capital Improvements	1,309,279	57,185	1,366,464
General Obligation Bonds-Debt Service	4,475,669	135,311	4,610,980
Totals	<u>\$ 6,102,714</u>	<u>\$ 204,614</u>	<u>\$ 6,307,328</u>

**B. State Equalization Guarantee**

Each school district in the State of New Mexico receives a "state equalization guarantee distribution" which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues, is at least equal to the school district's program cost" (as defined in Chapter 22, Section 8-25, NMSA 1978).

A school district's program costs are determined through the use of various formulas using "program units" which take into consideration (1) early childhood education; (2) basic education; (3) special education; (4) bilingual-multi cultural education; (5) size, etc. Payment is made from the public school fund under the authority of the chief (director of public school finance). The District received \$33,620,391 in state equalization guarantee distributions during the year ended June 30, 2008.

**C. Transportation Distribution**

Money in the transportation distribution of the public school fund shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades kindergarten through twelve

attending public school within the school district, and of three- and four-year-old children who meet the state board approved criteria and definition of developmentally disabled, and for transportation of students to and from their regular attendance centers and the place where vocational education program are being offered.

The transportation distribution is allocated to each school district according to an objective formula developed by the State Transportation Director and the Director of Public School Finance. In the event the sum of the proposed transportation allocations to each school district exceeds the amounts in the transportation distribution, the allocation for each school district will be reduced in the proportion that the local school district allocation bears to the total statewide transportation distribution.

The Department shall make periodic installment payments to school districts during the school year from the transportation distributions, based upon the allocations certified by the state transportation director.

The District received \$4,447,341 in transportation distributions during the year ended June 30, 2008, which includes \$1,348,291 from the 2007 fiscal year.

D. SB-9 State Match

The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. However, in the event that sufficient funds are not available in the Public School Capital Improvements fund to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$950,661 in SB-9 state matching funds during the year ended June 30, 2008. This amount includes \$81,890 for the 2006 fiscal year and \$372,489 for the 2007 fiscal year.

E. Public School Capital Outlay

Under the provisions of Chapter 22, Article 24, a public school capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the Public School Capital Outlay Council necessary for an adequate educational program.

The Council shall approve an application for grant assistance from the fund when the Council determines that:

- (1) A critical capital outlay need exists;
- (2) The residents of the school districts have provided all available resources to the district to meet its capital outlay requirements;
- (3) The school district has used its resources in a prudent manner;
- (4) The District is in a county or counties that have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division;
- (5) The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978;
- (6) The school district is indebted at not less than seventy-five percent of the total debt authorized by law;
- (7) The school district has submitted a five-year facilities master plan that includes enrollment projections.

The Council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the Council after a district has complied with the provisions of this section. The Council shall list all applications in order of priority and all allocations shall be made on a priority basis; provided, however, except in the case of an emergency, that the order of priority shall first reflect those projects which have been previously funded but are not as yet completed, excluding expansion of those projects and contingent upon maintenance of the required local support.

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the Council that the application has been approved.

During the year ended June 30, 2007, the District received a PSCOC award of \$10,964,745 for the construction of a new Kirtland Middle School. The District will spend an additional \$9,110,020 on construction costs for this project. Subsequent to year end, the District received an additional PSCOC award of \$478,360 for planning and design for new construction and remodeling of Nataani Nez Elementary School. The District is committing an additional \$636,482 for this phase.

F. Instructional Materials

The New Mexico State Department of Education shall establish a separate

instructional materials account for each school district, state institution, private school, or adult basic education center in the state having students in attendance entitled to the free use of instructional materials pursuant to the Instructional Material Law (22-15-1 through 22-15-14 NMSA 1978).

On or before July 1 of each year, the Public Education Department shall allocate to each school district, state institution, or private school not less than ninety percent of its estimated entitlement as determined from the estimated forty-day membership for the next school year. A school district's, state institution's, or private school's entitlement is that portion of the total amount of the annual appropriation less a deduction for a reasonable reserve for transportation charges and emergency expenses that its forty-day membership bears to the forty-day membership of the entire state. The allocation of adult basic education shall be based on a full-time equivalency obtained by multiplying the total previous year's enrollment by .25.

On or before January 15 of each year, the Public Education Department shall recompute each entitlement using the forty-day membership for that year, except for adult basic education, and shall allocate the balance of the annual appropriation compensating for any over- or under-estimation of the first allocation.

An amount not to exceed fifty percent of the allocation of each individual instructional materials account may be used for instructional materials not included on the multiple list provided for in Section 22-15-8 NMSA 1978. The districts are allowed to carry forward unused instructional materials funds from year to year.

During the year ended June 30, 2008 the District received \$726,358 and expended \$618,820 for instructional materials under this program.

G. Federal Grants

The District receives revenues under Federal programs that are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operates under its own budget, which has been approved by the New Mexico Public Education Department. This department also administers these funds. The District also receives reimbursements under the National School Lunch and Breakfast Programs for its food services operations and received distributions of commodities through the New Mexico Human Services Department.

H. Indirect Costs

The District received cost reimbursements from the various Federal agencies for Federal programs it administers. The indirect costs are shown as expenditures of the Special Revenue Funds and as revenues in the General Operational Fund. Federal projects' indirect cost reimbursements are budgeted as revenue in the general operating account. The accompanying statements of budgeted and actual revenues and expenditures for Federal projects are based on the Federal budgets



of each project, which included the budgeted indirect costs.

## 7. **RETIREMENT PLAN**

***Plan Description*** – Substantially all of the District’s full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11 NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, 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. The 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, New Mexico 87502. The report is also available on the ERB’s website at [www.nmerb.org](http://www.nmerb.org).

***Retirement Eligibility*** – The benefit for retirement at age 60, or after 25 years of service before age 60, is an annual sum equal to the "final average salary" multiplied by the total number of years of service credit times 2.35%. A member is eligible to retire when: (1) The member's age plus New Mexico earned service credit equal 75; or (2) The member has acquired a total of 25 years of earned and allowed service credit, regardless of age; or (3) The member has five years of earned service credit and is 65 years of age.

A further requirement to be eligible to retire is that one must be a "member" having at least one year of employment after July 1, 1957 and at least five years of contributory employment. Eligible members who have one year of employment after July 1, 1957, but less than the required five, may contribute to the fund for each year needed. The cost of such contributions is 15.2% of the average salary of the last five years for each year of contributory employment needed plus 3% compound interest from July 1, 1957 to the date of payment.

When a member has completed five or more years of "earned service credit" and has made contributions for at least five years, the member may terminate employment, leave his/her contributions in the retirement fund, and retire.

A member having less than 25 years of service and who is under age 60, but is otherwise eligible to retire, may do so at a reduced benefit. The reduction is 2.4% for each year under age 60 down to age 55 plus 7.2% for each year under age 55.

***Funding Policy*** – Plan members were required to contribute 7.825% of their gross salary. The District was required to contribute 10.90% of the gross covered salary. (These contribution amounts for both the plan members and the District will increase over the next four years beginning with fiscal year 2009.) The contribution requirements of plan members and the District are established in Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The District’s contributions to ERB for the years ending June 30, 2008, 2007, and 2006 were \$5,135,303, \$4,549,027, and \$3,942,486, respectively, equal to the amount of the required contributions for each year.

Contribution rates will change over the next four years as follows:

	<u>Employee</u>	<u>Employer</u>
FYE 6-30-2009	7.900%	11.65%
FYE 6-30-2010	7.900%	12.40%
FYE 6-30-2011	7.900%	13.15%
FYE 6-30-2012	7.900%	13.90%

## 8. **RETIREE HEALTH CARE ACT CONTRIBUTIONS**

**Plan Description** – The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment 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 that person’s behalf, unless that person retires on or before the employer’s RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer’s effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

**Funding Policy** – The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish 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 e dollars if the eligible participant retired prior to the employer’s RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

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

participating employee's annual salary. Each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/1998 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 \$613,242, \$580,568, and \$546,152, respectively, which equal the required contributions for each year.

**9. DEFICIT FUND BALANCE**

The District is supported by various Federal and State grant subsidies received under the authority of grant and/or statute. All deficit fund balances at June 30, 2008, as listed below, are expected to be recovered during the fiscal year ended June 30, 2009.

Special Revenue and Capital Project Funds:

<u>Fund</u>	<u>Description</u>	<u>Fund Balance</u>
21000	Food Services	\$ (157,615)
24101	ESEA Title I	(516,991)
24106	IDEA-B Entitlement	(418,441)
24109	IDEA-B Preschool	(31,380)
24150	Title V - Innovation Strategies	(6,151)
24153	English Language Acquisition	(26,825)
24154	Title II-A	(216,278)
24157	Title IV-A	(8,992)
24167	Reading First	(97,965)
24174	Carl Perkins Secondary	(2,717)
24176	Carl Perkins Distribution	(16,203)
25122	IHS/Northern Navajo Medical Center	(135,991)
25131	Johnson O'Malley	(195,658)
25184	Indian Education Formula Grant	(81,166)
27140	Family and Youth Resources	(22,500)
27149	Pre-K Initiative	(179,927)
27154	Beginning Teacher Mentoring	(770)
27165	Outdoor Classroom	(2,970)
27170	Library GO Bonds	(57,137)
28121	Pre-School CYFD	(3,587)
28178	GEAR-UP CHE	(44,414)
31400	Special Capital Outlay - State	(256,723)
		<u>(2,480,401)</u>

**10. INTER-FUND TRANSFERS**

The District made a transfer from the Operational Fund (11000) during the current fiscal year. Debt Service (41000) received a transfer of \$665,858 for principal and interest payments on the special revenue bonds sold for the remodeling and construction of

District teacherages. The revenue bonds are backed by the Impact Aid funds received by the District in the Operational Fund.

Inter-fund transfers were made to Impact Aid – Indian Education (Fund 25147) in the amount of \$6,038, Save the Children (Fund 26143) in the amount of \$24, Elementary Physical Education (Fund 27121) in the amount of \$591, and GO Bond Library Funding (Fund 27145) in the amount of \$127. Inter-fund transfers were made from Comprehensive School Reform Demonstration (Fund 24135) in the amount of \$68 and Projects with Industry (Fund 25234) in the amount of \$6,712. This will close out Funds 24135, 25234, 27121, and 27145.

The State changed funding numbers in the year for Pre-K Start Up Costs from Fund 27161 to Fund 27169. The deficit fund balance of \$45,648 in Fund 27161 was transferred to Fund 27169.

## **11. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. The District has joined other local districts in a multi-line pool and a worker's compensation pool. These public entity risk pools operate as a common risk management and insurance program for worker's compensation and property and casualty coverage.

These pools are funded entirely by member contributions and are administered by the New Mexico Public Schools Insurance Authority (NMPSIA). The pools are authorized by joint powers agreements entered into by each district as a separate and independent government and legal entity pursuant to the provisions of NMSA 1978 Sections 11-1-1. Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

1. Worker's compensation;
2. Property and automobile liability and physical damage;
3. Liability and civil rights and personal injury;
4. Contract school bus coverage; and
5. Crime

The District has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the District that exceeds the insurance coverage described above and should that claim be allowable under New Mexico State Statutes, the District would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Public Schools Insurance Authority assesses and estimates the potential for loss.

To the best of management's knowledge and belief, all known and unknown claims will be covered by insurance. However, information regarding incurred but not reported claims is not available on a school district-by school district basis.

New Mexico Public Schools Insurance Authority has not provided information that would allow for a reconciliation of changes in the aggregate liabilities for claims for the

current fiscal year and the prior fiscal year for a single school district within the pool.

**12. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS**

	GENERAL OPERATIONAL FUND	ESEA TITLE I	IDEA-B ENTITLEMENT	IMPACT AID - INDIAN EDUCATION
Revenues Over Expenditures - Budgetary Comparison Statements - Budgetary Basis	\$ 96,774	369,615	79,401	(310,517)
Adjustments:				
Increase (Decrease) in:				
Cash (Reclassification)	1,928,335	(289,766)	(604)	(87,970)
Taxes Receivable	3,585			
Due from Grantor		(432,111)	(96,312)	
Due from Other Funds	(2,365,822)			
Inventory				
(Increase) Decrease in:				
Accounts Payable	779,607	2,839	42,825	96,851
Accrued Expenses	111,277	15,017	16,952	199
Due to Other Funds		270,996	(42,130)	
Deferred Revenue	181	27,871	(66,095)	
Operating Transfers In (Out)	(665,858)			
Revenues Over Expenditures - Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ (111,921)	(35,539)	(65,963)	(301,437)

	<u>BOND BUILDING</u>	<u>DEBT SERVICES</u>	<u>TOTAL MAJOR FUNDS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTALS</u>
Revenues Over Expenditures					
- Budgetary Comparison					
Statements - Budgetary Basis	\$ (4,203,746)	(479,881)	(4,448,354)	3,268,705	(1,179,649)
Adjustments:					
Increase (Decrease) in:					
Cash (Reclassification)	(30,310)		1,519,685	(2,310,955)	(791,270)
Taxes Receivable		59,756	63,341	17,264	80,605
Due from Grantor			(528,423)	(3,375,737)	(3,904,160)
Due from Other Funds			(2,365,822)		(2,365,822)
Inventory				(26,065)	(26,065)
(Increase) Decrease in:					
Accounts Payable	(246,525)		675,597	192,206	867,803
Accrued Expenses			143,445	(660)	142,785
Due to Other Funds			228,866	2,136,956	2,365,822
Deferred Revenue		(5,313)	(43,356)	(360,700)	(404,056)
Operating Transfers In (Out)	_____	665,858	_____	_____	_____
Revenues Over Expenditures					
- Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ <u>(4,480,581)</u>	<u>240,420</u>	<u>(4,755,021)</u>	<u>(458,986)</u>	<u>(5,214,007)</u>

### 13. FUNDS OMITTED FROM FINANCIAL STATEMENT PRESENTATION

Certain funds contain no year-end balances for balance sheet presentation; however, they had revenue, expenditure, or fund balance activity during the year. As such, the following funds presented on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances are not presented on the Combining Balance Sheet: Title I Program Improvement (Fund 24162), Carl Perkins Secondary Prior Year – Unliquidated Obligations (Fund 24175), Carl Perkins – HSTW – Prior Year Unliquidated Obligations (Fund 24181), NM GRADS (Fund 25149), First A/C NM Grads (Fund 25162), Burlington Grant (Fund 26150), Elementary Physical Education (Fund 27121), GO Bond Library Funding (Fund 27145), Indian Education Act (Fund 27150), Breakfast for Elementary Students (Fund 27155), Public School Capital Outlay (Fund 31200), and Public School Capital Outlay – 20% (Fund 32100).

Finally, three funds contain revenue and fund balance activity for the year on a modified accrual basis but have no activity on a cash basis and have no ending balances. Therefore, Comprehensive School Reform Demonstration (Fund 24135), Projects with Industry (Fund 25234), and Pre-K Start Up Costs (Fund 27161) are presented on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances but are not presented on the Combining Balance Sheet or on the Statements of Revenues and Expenditures – Budget and Actual.

**14. CONTINGENT LIABILITIES**

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

**Lawsuits** – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District’s counsel, the resolution of these matters will not have a material effect on the financial condition of the District.

**Arbitrage** – Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense or expenditure prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no significant tax arbitrage rebate liability at year-end.

**15. FINANCIAL STATEMENT PREPARATION**

These financial statements were prepared by the staff of Central Consolidated School District No. 22.

**AUDITED SUPPLEMENTARY INFORMATION**



## **OTHER MAJOR FUNDS**

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 31100 - BOND BUILDING**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources:					
Investment Income	\$ 300,000	300,000	325,149	-	25,149
Expenditures:					
Education, Non-Current:					
Capital Outlay	11,625,074	16,244,724	10,028,895	(4,619,650)	6,215,829
Revenues Over (Under) Expenditures	(11,325,074)	(15,944,724)	(9,703,746)	(4,619,650)	6,240,978
Other Financing Sources:					
Bond Proceeds	-	5,500,000	5,500,000	5,500,000	-
Revenues Over (Under) Expenditures and Other Financing Sources	(11,325,074)	(10,444,724)	(4,203,746)	880,350	6,240,978
Budgetary Notation - Cash Appropriated from Prior Year	\$ 11,325,074	10,444,724			

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 41000 - DEBT SERVICES**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources					
Ad Valorem Taxes - School District	\$ 4,211,423	4,211,423	4,438,650	-	227,227
Oil and Gas Taxes	150,938	150,938	117,887	-	(33,051)
Investment Income	50,000	50,000	67,602	-	17,602
Total Revenues	<u>4,412,361</u>	<u>4,412,361</u>	<u>4,624,139</u>	<u>-</u>	<u>211,778</u>
Expenditures:					
Education, Current:					
Support Services - General Administration	50,000	50,000	44,387	-	5,613
Education, Non-Current:					
Debt Service Reserve	3,784,536	4,020,432	-	(235,896)	4,020,432
Bond Principal Payments	2,975,000	2,975,000	2,975,000	-	-
Spec. Rev. Bonds Principal Payments	394,500	394,590	394,590	(90)	-
Bond Interest Payments	1,387,361	1,387,361	1,387,360	-	1
Spec. Rev. Bonds Interest Payments	307,099	307,009	302,683	90	4,326
Total Expenditures	<u>8,898,496</u>	<u>9,134,392</u>	<u>5,104,020</u>	<u>(235,896)</u>	<u>4,030,372</u>
Revenues Over (Under) Expenditures	<u>(4,486,135)</u>	<u>(4,722,031)</u>	<u>(479,881)</u>	<u>235,896</u>	<u>(3,818,594)</u>
Other Financing Sources:					
Operating Transfers In	<u>-</u>	<u>-</u>	<u>665,858</u>	<u>-</u>	<u>665,858</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>(4,486,135)</u>	<u>(4,722,031)</u>	<u>185,977</u>	<u>235,896</u>	<u>(3,152,736)</u>
Budgetary Notation - Cash Appropriated from Prior Year	\$ <u>4,486,135</u>	<u>4,722,031</u>			

## **NON-MAJOR FUNDS**

## NON-MAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Food Services (21000) – To account for funding provided pursuant to the Code of Federal Regulations, Title VII, Subtitle B, Sections 210, 215, and 220 designated for a school breakfast, lunch, and summer lunch program(s).

Athletics (22000) – To account for revenues and expenditures associated with the District's athletic programs. Funding authorized by NMAC 6.20.2 of the New Mexico Department of Education.

Non-Instructional Support (23000) – To account for revenues and expenditures associated with District non-instructional, non-athletic programs. Funding authorized by NMAC 6.20.2 of the New Mexico Department of Education.

IDEA-B Preschool (24109) – To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years and, at the State's discretion, to two year old children with disabilities who will reach age three during the school year. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended.

Enhancing Education Thru Technology (24133) – To account for a Federal grant which provides funding to State Education Agencies (SEAs) on a formula basis to support the development and implementation of systemic technology plans at the State, local, and school levels to improve the teaching and learning of all children. States are asked to address four goals: (1) All teachers will have the training and support they need to help all students learn through computers and through the information superhighway; (2) all teachers and students will have modern computers in their classrooms; (3) every classroom will be connected to the information superhighway; and (4) effective and engaging software and online resources will be an integral part of every school curriculum. To provide discretionary grants to LEAs in states which choose not to participate in the program. Funding is authorized by the Elementary and Secondary Education Act, Title III, Part A, Subpart 2, Public Law 103-382.

Comprehensive School Reform Demonstration (24135) – To account for a program funded by a Federal grant to provide financial incentives for schools that need to substantially improve student achievement, particularly Title I schools, to implement comprehensive school reform programs that are based on reliable research and effective practices, and include an emphasis on basic academics and parental involvement. Funding authorized by the Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

Title V Innovation Strategies (24150) – To account for Federal flow-through funds under the Elementary and Secondary Education Act as amended by the No Child Left Behind Act of 2001, Title V Part A designated for Innovative Education Program

## NON-MAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS, Continued

Strategies. Activities funded under this program include expansion and improvement of school-based mental health services, early identification of drug use and violence, and individual or group counseling services provided to students, parents, and school personnel. Funding authorized by Elementary and Secondary Act of 1965, Title V, Part A, as amended, 20 U.S.C. 7301-7373.

English Language Acquisition (24153) – To account for a Federal grant which provides funds to support various activities relating to English language acquisition. Funding will be used to implement a District resource library of bilingual and English as-a-second language materials. Training regarding dual language, bilingual education, and indigenous language revitalization will be supported. Funding authorized by the Elementary and Secondary Education Act (ESEA) as amended, Title III, Part A, Sections 3101, 3129.

Title II-A (24154) – To account for a program funded by a Federal grant to provide sustained and intensive high-quality professional development activities to teachers, staff, and administrators so that they may teach challenging State content and performance standards in the core academic subjects. Funding authorized by Elementary and Secondary Act of 1965 as amended, Title II, Part A, Public Law 107-110.

Title IV-A (24157) – To account for a Federal grant which provides funds to support programs to meet the National Education Goal that, by the year 2000, every school in the United States will be free of drugs, violence, and the unauthorized presence of firearms and alcohol and to offer a disciplined environment conducive to learning. Funding authorized by Elementary and Secondary Education Act as amended, Title IV, Part A, Subpart 2, Sections 4121 and 4123, as amended, 20 U.S.C. 7131-7133.

Title I Program Improvement (24162) – To be used for allowable Title I purposes in order to assist with the implementation of approved school improvement or corrective action plans. Funding authorized by Elementary and Secondary Education Act of 1965; Title V, Part D, as amended.

Reading First (24167) – To account for federal funding supporting the application of scientifically based reading research and proven instructional and assessment tools consistent with this research to ensure that all children learn to read well by the end of the third grade.

Carl Perkins Secondary (24174) – To account for a federal program supporting career and technical skill training of secondary education students. Funding authorized by the Carl D. Perkins Career and Technical Education Act of 1998 Public as extended pursuant to the General Education Provisions Act Section 422(a).

Carl Perkins Secondary – Prior Year Unliquidated Obligations (24175) – To account for the liquidation of unliquidated obligations existing at year end in Fund 24174 described above.

NON-MAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS, Continued

Carl Perkins ReDistribution (24176) – To account the redistribution of Carl Perkins funds reverted to the New Mexico Public Education Department. These funds are for the same purpose as described in Fund 24174 described above.

Carl Perkins HSTW (24180) –To account for federal funding supporting career and technical skill training of secondary education students. Funding authorized by the Carl D. Perkins Career and Technical Education Act of 1998 Public Law 109-280.

Carl Perkins HSTW – Prior Year Unliquidated Obligations (24181) – To account for the liquidation of prior year unliquidated obligations existing at year end in Fund 24180 described above.

IHS/Northern Navajo Medical Center (25122) – To account for a Federal grant to fund programs that improve the quality of the health of American Indians and Alaska Natives by providing a full range of curative, preventive, and rehabilitative health services; and to improve the management capability of American Indians and Alaska Natives to assume operation of all or part of an existing Indian Health Service direct-operated health care program. Funding is authorized by Public Law 83-568, 42 U.S.C. 2001-2004a; Indian Self-Determination and Education Assistance Act, Section 104 (b), Public Law 93-638, 25 U.S.C. 450; Section 9, Public Law 98-250; Public Law 100-472.

Johnson O'Malley (25131) – To account for a Federal grant to fund programs that meet the unique and specialized needs of eligible Indian students. Funding is authorized by the Johnson-O'Malley Act of April 16, 1934; as amended, 25 U.S.C. 452; Indian Self-Determination and Education Assistance Act, Public Law 93-638; 25 U.S.C. 455-457.

Impact Aid-Special Education (25145) – To account for a program funded by a Federal grant to provide financial assistance to local educational agencies (LEAs) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 8002, ESEA), where there are significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Sections 8003 and 8007, ESEA), where there is a sudden increase in school enrollment as the result of Federal activities (Section 8006, ESEA). To provide disaster assistance for reduced or increased operating costs for replacing or repairing damaged or destroyed support equipment and books and for repairing minor damage to facilities. Funding is authorized by the Elementary and Secondary Education Act, Title VIII, as amended.

NM Grads (Grads Child Care – CYFD) (25149) – To account for a Department of Education grant through Children, Youth, and Families Department to provide for the maintenance and expansion of the teen parent programs. Funding is authorized by Higher Education Act, Title IV, Part A, Subpart 7, as amended, 20 U.S.C. 1070e.

NON-MAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS, Continued

Promotion of the Arts Grant (25151) – To account for funding provided by the National Endowment of the Arts as authorized by the National Foundation on the Arts and the Humanities Act of 1965, as amended, Public law 89-209, 20 U.S. C. 951 et seq.

This funding was used to support the residency of playwright Sharon Hatch French and the production of “Joseph at the Village” at the Phil L. Thomas Performing Arts Center.

Medical Assistance Payments (Medicaid) (25152) – To account for Federal funds which are provided to provide financial assistance to states for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women, and the aged who meet income and resource requirements and other categorically-eligible groups. In certain states that elect to provide such coverage, medically-needy persons who, except for income and resources, would be eligible for cash assistance, may be eligible for medical assistance payments under this program. Financial assistance is provided to states to pay for Medicare premiums, co-payments, and deductibles of qualified Medicare beneficiaries meeting certain income requirements. More limited financial assistance is available for certain Medicare beneficiaries with higher incomes. Funding is authorized by the Social Security Act, Title XIX, as amended; Public Laws 89-97, 90-248, and 91-56, 42 U.S.C. 1396 et seq., as amended; Public Laws 92-223, 92-603, 93-66, 93-233, 96-499, 97-35, 97-248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-239, 101-508, 101-517, 102-170, 102-394, 103-66, 103-112, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

First A/C NM Grads (25162) – To account for continuation funding supporting the maintenance and expansion of the teen parent programs previously funded under the NM Grads program. Funding is authorized by Higher Education Act, Title IV, Part A, Subpart 7, as amended, 20 U.S.C. 1070e.

Indian Education Formula Grant (25184) – To account for a Federal program designed to support local educational agencies in their efforts to reform elementary and secondary school programs that serve Indian students in order to ensure that programs are based on challenging State content standards and student performance standards that are used for all students and are designed to assist Indian students meet those standards in reaching the National Education Goals. Funding is authorized by the Elementary and Secondary Education Act of 1965, Title IX, Part A, Subpart 1, as amended, Public Law 103-382, 20 U.S.C. 7811-7818; 25 U.S.C. 2001.

Navajo Nation Grants (25201) – To account for Federal grants to assist each state to develop and implement a statewide, comprehensive, coordinated, multidisciplinary, interagency system to provide early intervention services for infants and toddlers with disabilities and their families. Funding is authorized by the Individuals with Disabilities Act (IDEA), Part C, as amended, 20 U.S.C. 1471-1785.



## NON-MAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS, Continued

Projects with Industry (25234) – To account for a vocational rehabilitation grant supporting the transition of eligible students to work settings. Funding authorized by Rehabilitation Act of 1973 as amended, Title VI, Part A, 29 U.S.C. 795g.

Heifer International Grant (26119) – To account for a privately funded grant for the general purpose of providing Navajo students with opportunities to learn vocational skills and increase their self-esteem. Goals are to educate and provide new skills to ninety Native American FFA students and enable them to raise sheep resistant to scabies and to continue their tribal culture. Funding is authorized by Genetic Improvement for Scabies Resistant Sheep.

PNM Foundation Grant (26123) – To account for PNM funding supporting various grant requests. These are small classroom projects proposed by individual teachers within the district.

Save the Children (26143) – To account for funding from Save the Children. Save the Children is non-profit organization focusing on increasing literacy rates and improving nutrition and physical health of children. This grant supports summer school activities within the district

Burlington Grant (26150) – To account for various small private grants received from Burlington Resources Foundation supporting various educational needs within the classroom.

Parents Reaching Out (26174) – To account for funding from the Parents Reaching Out organization. Parents Reaching Out is a non-profit organization supporting the district's efforts to serve families with young children receiving Early Intervention services as they move to Early Childhood programs or preschool.

New Mexico Community Foundation (26176) – To account for a smoking cessation grant provided by the New Mexico Community Foundation. The New Mexico Community Foundation (NMCF) is a statewide endowment building and grant-making organization. This grant is provided under NMCF's Youth Initiatives Project.

Technology for Education (27117) – To account for State funding which is to be used for the development of classroom technology, including furnishing classrooms with computer hardware and software. Authorizing legislation is found in the Technology for Education Act [22-15A-1 to 22-15A-10, NMSA 1978, Compilation].

Elementary Physical Education (27121) – To provide quality physical education classes for elementary grade students by providing programs in areas where no classes exist, or increasing the amount of time students receive physical education in schools that currently have elementary physical education classes. The funds are provided in accordance with New Mexico Legislative Appropriation Laws of 2005.

Incentives for School Improvements (27138) – To account for the revenues and expenditures of District school location awards. The purpose is to improve results of

## NON-MAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS, Continued

the New Mexico Achievement Assessment or the New Mexico High School Competency Exam. The funds are provided in accordance with the Incentives for School Improvement Act (NMSA 22-13A-5).

Family and Youth Resources (27140) – To account for state funding provided to increase accessibility of social and health care services for students and their families at public schools. The goal of the program is to forge mutual long-term relationships with public and private agencies and community-based, including faith-based organizations, civic and corporate organizations to help students attain high academic achievement by meeting certain nonacademic needs of students and their families.

GO Bond Library Funding (27145) – To update and expand all school library collections in order to circulate and provide access of materials to students and teachers. The funding has been provided by Laws of 2004 (GO Bond C), Chapter 117.

Pre-K Initiative (27149) – To account for revenues and expenditures for Pre-Kindergarten programs that provide services to meet the total developmental needs of eligible 4-year-old children. The NMPED provided the funding for these direct services through appropriation by the New Mexico Legislature.

Indian Education Act (27150) – To improve the teaching and learning of all students, particularly American Indian students, by supporting the educational reform initiatives outlined in the Educational Plan for Student Success for those schools in need of improvement. This grant has been provided by the collaboration of the Indian Education Division and the Priority Schools Bureau of the NMPED, in keeping with the intent of the Indian Education Act.

Beginning Teacher Mentoring (27154) – To account for funding authorized through the Joint Powers Agreement with the Public Education Department for a Program to engage in activities to develop, implement, and evaluate a beginning teacher mentoring program to ensure that beginning teachers, especially those who seek educator licensure through alternative routes, have structured support from accomplished and experienced teachers to help them improve their skills and knowledge.

Breakfast for Elementary Students (27155) – To account for state funding authorized under the General Appropriations Act of 2005. This program is managed by the NMPED, Student Nutrition Bureau. This funding provides breakfast at no cost to elementary students at designated schools, which helps students develop lifelong healthy eating habits, while ensuring each one is prepared for the learning process.

Pre-K Start Up Costs (27161) – To account for state funding provided to support the Start Up and Safety Improvements associated with the Pre-Kindergarten programs that provide services to meet the total developmental needs of eligible 4-year-old children. The NMPED provided the funding for these direct services through

NON-MAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS, Continued

appropriation by the New Mexico Legislature. The fund is associated with fund 27149.

School Improvement Framework (27164) – To account for funding provided by the State of New Mexico Public Education Department to assist school districts in the implementation of the short cycle assessment plan.

Outdoor Classroom (27165) – To account for funding provided by the State of New Mexico supporting the Rural Revitalization Initiative managed by the New Mexico Public Education Rural Education Bureau.

Kindergarten – Three Plus (27166) – To account for funding provided by the State of New Mexico supporting the Extended School Year for children in Kindergarten through the 3<sup>rd</sup> grade. This program is managed by the New Mexico Public Education Early Childhood Bureau.

Pre-K Start Up (27169) – To account for state funding provided to support the Start Up costs associated with the Pre-Kindergarten programs that provide services to meet the total developmental needs of eligible 4-year-old children. The NMPED provided the funding for these direct services through appropriation by the New Mexico Legislature.

Libraries GO Bond (27170) – To account for 2006 General Obligation Bond SB 301 funding provided to support the improvement of libraries in the State of New Mexico.

Preschool - CYFD (28121) – To account for revenues and expenditures for a Children, Youth, and Family Development (CYFD) grant from the State of New Mexico to provide for the purpose of offering a pre-kindergarten educational program with a family literacy component.

GEAR-UP CHE (28178) – To account for funding provided to district schools that provide academic enrichment programs and early college and career awareness activities to middle school students and their parents. Funding is authorized pursuant to the Federal grant, Gaining Early Awareness Readiness for Undergraduate Programs, CFDA #84.334A.

Regional Quality Center (28180) – To account for funding supporting the pilot of a Regional Quality Center in the school district. The role of the Regional Quality Center is to create and sustain infrastructure supporting the systems approach to continuous improvement in academic performance. The Regional Quality Center concept was created by the Governor's Business Executives for Education (GBEE) as a component of their Strengthening Quality in Schools (SQS) initiative.

Private Direct Grants (29102) – To account for private local grants awarded to provide additional funding for specific projects.

NON-MAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS, Continued

McCune Charitable Foundation (29114) – To account for a grant provided by the McCune Charitable Foundation to the Phil L. Thomas Performing Arts Center for season programming from February 2008 to February 2009.

School-Based Health Center (29130) – To support a Level Two School-Based Health Center that will provide quality direct care to students, children of students, and school staff, through the coordination of integrated primary care and behavioral health services. Funds have been allocated from the New Mexico Department of Health, Public Health Division, based on DOH Strategic Plan (07.01.05).

## NON-MAJOR CAPITAL PROJECTS FUNDS DESCRIPTIONS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Public School Capital Outlay – State (31200) – To account for funding provided to the District by the State of New Mexico for capital improvement projects approved by the Public School Capital Outlay Council. Funding authorized by NMAC 6.20.2 of the New Mexico Department of Education.

Special Capital Outlay – State (31400) – To account for District-wide building improvement projects funded by the State. Funding authorized by NMAC 6.20.2 of the New Mexico Department of Education.

Special Capital Outlay – Federal (31500) – To account for funding provided by Federal sources designated for capital projects. Funding authorized by NMAC 6.20.2 of the New Mexico Department of Education.

Capital Improvements SB-9 (31700) - To account for erecting, remodeling, making additions to, and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

Public School Capital Outlay – 20% (32100) - To account for the cost of improvement to land, buildings, and the purchase of buildings and equipment. Funding is provided by 20% credit for Impact Aid and locally assessed property taxes.

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**COMBINING BALANCE SHEET**  
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	GENERAL FUND				SPECIAL REVENUE				
	Fund 12000	Fund 13000	Fund 14000	TOTAL GENERAL FUND	Fund 21000	Fund 22000	Fund 23000	Fund 24109	Fund 24133
	TEACHERAGE	TRANSPORTATION	INSTRUCTIONAL MATERIALS		FOOD SERVICES	ATHLETICS	NON- INSTRUCTIONAL SUPPORT	IDEA-B PRESCHOOL	ENHANCING EDUCATION THRU TECH
<b>ASSETS</b>									
Assets:									
Cash and Investments	\$ 28,170	84,501	219,741	332,412	69,504	243,805	621,256	2,088	1,073
Taxes Receivable									
Due from Grantor					41,194			31,381	
Inventory					90,526		94,633		
Total Assets	\$ 28,170	84,501	219,741	332,412	201,224	243,805	715,889	33,469	1,073
<b>LIABILITIES AND FUND BALANCE</b>									
Liabilities:									
Accounts Payable	\$ 4,357	80,785	(198)	84,944	94,337	389	19,504	2,087	
Accrued Salaries and Benefits	770			770			506		
Due to Other Funds					223,308			31,381	
Deferred Revenues					41,194			31,381	
Total Liabilities	5,127	80,785	(198)	85,714	358,839	389	20,010	64,849	
Fund Balance:									
Reserved for Inventory					90,526		94,633		
Reserved for Subsequent Year's Expenditures	23,043	3,716	219,939	246,698		170,000	550,250		
Reserved for Debt Service							50,996		
Undesignated, Reported In Special Revenue Fund					(248,141)	73,416		(31,380)	1,073
Capital Projects Fund									
Total Fund Balance	23,043	3,716	219,939	246,698	(157,615)	243,416	695,879	(31,380)	1,073
Total Liabilities and Fund Balance	\$ 28,170	84,501	219,741	332,412	201,224	243,805	715,889	33,469	1,073

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**SPECIAL REVENUE**

	<u>Fund 24150</u>	<u>Fund 24153</u>	<u>Fund 24154</u>	<u>Fund 24157</u>	<u>Fund 24167</u>	<u>Fund 24174</u>	<u>Fund 24176</u>	<u>Fund 24180</u>	<u>Fund 25122</u>	<u>Fund 25131</u>
	<u>TITLE V INNOVATION STRATEGIES</u>	<u>ENGLISH LANGUAGE ACQUISITION</u>	<u>TITLE II-A</u>	<u>TITLE IV-A</u>	<u>READING FIRST</u>	<u>CARL PERKINS SECONDARY</u>	<u>CARL PERKINS DISTRIBUTION</u>	<u>CARL PERKINS HSTW</u>	<u>IHS/ NORTHERN NAVAJO MEDICAL CENTER</u>	<u>JOHNSON O'MALLEY</u>
<b>ASSETS</b>										
Assets:										
Cash and Investments	\$	8,466	25,227	303	22,752		448	12,071	2,173	14,174
Taxes Receivable										
Due from Grantor		6,151	216,278	8,992	97,956	2,717	11,979		132,602	175,462
Inventory										
<b>Total Assets</b>	<b>\$</b>	<b>6,151</b>	<b>241,505</b>	<b>9,295</b>	<b>120,708</b>	<b>2,717</b>	<b>12,427</b>	<b>12,071</b>	<b>134,775</b>	<b>189,636</b>
<b>LIABILITIES AND FUND BALANCE</b>										
Liabilities:										
Accounts Payable	\$	8,448	25,227	303	22,752		4,672		5,562	26,299
Accrued Salaries and Benefits					9					8,071
Due to Other Funds		6,151	216,278	8,992	97,956	2,717	11,979		132,602	175,462
Deferred Revenues		6,151	216,278	8,992	97,956	2,717	11,979		132,602	175,462
<b>Total Liabilities</b>		<b>12,302</b>	<b>457,783</b>	<b>18,287</b>	<b>218,673</b>	<b>5,434</b>	<b>28,630</b>		<b>270,766</b>	<b>385,294</b>
Fund Balance:										
Reserved for Inventory										
Reserved for Subsequent Year's Expenditures										
Reserved for Debt Service										
Undesignated, Reported In Special Revenue Fund		(6,151)	(216,278)	(8,992)	(97,965)	(2,717)	(16,203)	12,071	(135,991)	(195,658)
Capital Projects Fund										
<b>Total Fund Balance</b>		<b>(6,151)</b>	<b>(216,278)</b>	<b>(8,992)</b>	<b>(97,965)</b>	<b>(2,717)</b>	<b>(16,203)</b>	<b>12,071</b>	<b>(135,991)</b>	<b>(195,658)</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$</b>	<b>6,151</b>	<b>241,505</b>	<b>9,295</b>	<b>120,708</b>	<b>2,717</b>	<b>12,427</b>	<b>12,071</b>	<b>134,775</b>	<b>189,636</b>

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**SPECIAL REVENUE**

	<u>Fund 25145</u>	<u>Fund 25151</u>	<u>Fund 25152</u>	<u>Fund 25184</u>	<u>Fund 25201</u>	<u>Fund 26119</u>	<u>Fund 26123</u>	<u>Fund 26143</u>	<u>Fund 26174</u>
	<u>IMPACT AID - SPECIAL EDUCATION</u>	<u>PROMOTION OF THE ARTS GRANT</u>	<u>MEDICAL ASSISTANCE PAYMENTS (MEDICAID)</u>	<u>INDIAN EDUCATION FORMULA GRANT</u>	<u>NAVAJO NATION GRANTS</u>	<u>HEIFER INTERNATIONAL GRANT</u>	<u>PNM FOUNDATION GRANT</u>	<u>SAVE THE CHILDREN</u>	<u>PARENTS REACHING OUT</u>
<b>ASSETS</b>									
Assets:									
Cash and Investments	\$ 504,099	938	46,635	36,884	1,581	245	58	2,748	1,225
Taxes Receivable									
Due from Grantor				81,166					
Inventory									
Total Assets	<u>\$ 504,099</u>	<u>938</u>	<u>46,635</u>	<u>118,050</u>	<u>1,581</u>	<u>245</u>	<u>58</u>	<u>2,748</u>	<u>1,225</u>
<b>LIABILITIES AND FUND BALANCE</b>									
Liabilities:									
Accounts Payable	\$ 55,711		9,142	36,884	1,581			2,748	937
Accrued Salaries and Benefits	117								
Due to Other Funds				81,166					
Deferred Revenues				81,166					
Total Liabilities	<u>55,828</u>		<u>9,142</u>	<u>199,216</u>	<u>1,581</u>			<u>2,748</u>	<u>937</u>
Fund Balance:									
Reserved for Inventory									
Reserved for Subsequent Year's Expenditures	365,429								
Reserved for Debt Service									
Undesignated, Reported In Special Revenue Fund	82,842	938	37,493	(81,166)		245	58		288
Capital Projects Fund									
Total Fund Balance	<u>448,271</u>	<u>938</u>	<u>37,493</u>	<u>(81,166)</u>		<u>245</u>	<u>58</u>		<u>288</u>
Total Liabilities and Fund Balance	<u>\$ 504,099</u>	<u>938</u>	<u>46,635</u>	<u>118,050</u>	<u>1,581</u>	<u>245</u>	<u>58</u>	<u>2,748</u>	<u>1,225</u>



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**COMBINING BALANCE SHEET**  
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**SPECIAL REVENUE**

	<u>Fund 26176</u>	<u>Fund 27117</u>	<u>Fund 27138</u>	<u>Fund 27140</u>	<u>Fund 27149</u>	<u>Fund 27154</u>	<u>Fund 27164</u>	<u>Fund 27165</u>	<u>Fund 27166</u>
	<u>NM COMMUNITY FOUNDATION</u>	<u>TECHNOLOGY FOR EDUCATION</u>	<u>INCENTIVES FOR SCHOOL IMPROVEMENTS</u>	<u>FAMILY AND YOUTH RESOURCES</u>	<u>PRE-K INITIATIVE</u>	<u>BEGINNING TEACHER MENTORING</u>	<u>SCHOOL IMPROVEMENT FRAMEWORK</u>	<u>OUTDOOR CLASSROOM</u>	<u>KINDERGARTEN - THREE PLUS</u>
<b>ASSETS</b>									
Assets:									
Cash and Investments	\$ 27,000	36,156	87,074		22,662		15,000		80,912
Taxes Receivable									
Due from Grantor				22,500	178,579	770		2,611	
Inventory									
Total Assets	<u>\$ 27,000</u>	<u>36,156</u>	<u>87,074</u>	<u>22,500</u>	<u>201,241</u>	<u>770</u>	<u>15,000</u>	<u>2,611</u>	<u>80,912</u>
<b>LIABILITIES AND FUND BALANCE</b>									
Liabilities:									
Accounts Payable	\$	5,600	1,774		23,953			359	9,550
Accrued Salaries and Benefits		96			57				748
Due to Other Funds				22,500	178,579	770		2,611	
Deferred Revenues				22,500	178,579	770		2,611	
Total Liabilities		<u>5,696</u>	<u>1,774</u>	<u>45,000</u>	<u>381,168</u>	<u>1,540</u>		<u>5,581</u>	<u>10,298</u>
Fund Balance:									
Reserved for Inventory									
Reserved for Subsequent Year's Expenditures	27,000		20,000				10,000		20,000
Reserved for Debt Service									
Undesignated, Reported In Special Revenue Fund		30,460	65,300	(22,500)	(179,927)	(770)	5,000	(2,970)	50,614
Capital Projects Fund									
Total Fund Balance	<u>27,000</u>	<u>30,460</u>	<u>85,300</u>	<u>(22,500)</u>	<u>(179,927)</u>	<u>(770)</u>	<u>15,000</u>	<u>(2,970)</u>	<u>70,614</u>
Total Liabilities and Fund Balance	<u>\$ 27,000</u>	<u>36,156</u>	<u>87,074</u>	<u>22,500</u>	<u>201,241</u>	<u>770</u>	<u>15,000</u>	<u>2,611</u>	<u>80,912</u>

**SPECIAL REVENUE**

	<u>Fund 27169</u>	<u>Fund 27170</u>	<u>Fund 28121</u>	<u>Fund 28178</u>	<u>Fund 28180</u>	<u>Fund 29102</u>	<u>Fund 29114</u>	<u>Fund 29130</u>	<u>TOTAL SPECIAL REVENUE</u>
	<u>PRE-K START UP</u>	<u>LIBRARIES GO BOND</u>	<u>PRE-SCHOOL CYFD</u>	<u>GEAR-UP CHE</u>	<u>REGIONAL QUALITY CENTER</u>	<u>PRIVATE DIRECT GRANTS</u>	<u>MCCUNE CHARITABLE FOUNDATION</u>	<u>SCHOOL BASED HEALTH CTR</u>	
<b>ASSETS</b>									
Assets:									
Cash and Investments	\$ 1,316		5,626	1,932	2,714	4,467	106	23,271	1,925,989
Taxes Receivable									
Due from Grantor		57,137	3,587	40,974					1,138,879
Inventory									185,159
<b>Total Assets</b>	<b>\$ 1,316</b>	<b>57,137</b>	<b>9,213</b>	<b>42,906</b>	<b>2,714</b>	<b>4,467</b>	<b>106</b>	<b>23,271</b>	<b>3,250,027</b>
<b>LIABILITIES AND FUND BALANCE</b>									
Liabilities:									
Accounts Payable	\$ 1,031		5,626	4,342	2,712			2,052	373,582
Accrued Salaries and Benefits				1,030				1,783	12,417
Due to Other Funds		57,137	3,587	40,974					1,320,993
Deferred Revenues		57,137	3,587	40,974					1,138,879
<b>Total Liabilities</b>	<b>1,031</b>	<b>114,274</b>	<b>12,800</b>	<b>87,320</b>	<b>2,712</b>			<b>3,835</b>	<b>2,845,871</b>
Fund Balance:									
Reserved for Inventory									185,159
Reserved for Subsequent Year's Expenditures						4,467		19,436	1,186,582
Reserved for Debt Service									50,996
Undesignated, Reported In Special Revenue Fund	285	(57,137)	(3,587)	(44,414)	2		106		(1,018,581)
Capital Projects Fund									
<b>Total Fund Balance</b>	<b>285</b>	<b>(57,137)</b>	<b>(3,587)</b>	<b>(44,414)</b>	<b>2</b>	<b>4,467</b>	<b>106</b>	<b>19,436</b>	<b>404,156</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,316</b>	<b>57,137</b>	<b>9,213</b>	<b>42,906</b>	<b>2,714</b>	<b>4,467</b>	<b>106</b>	<b>23,271</b>	<b>3,250,027</b>

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
As of June 30, 2008

**CAPITAL PROJECTS**

	Fund 31400	Fund 31500	Fund 31700	TOTAL CAPITAL PROJECTS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
	SPECIAL CAPITAL OUTLAY - STATE	SPECIAL CAPITAL OUTLAY - FEDERAL	CAPITAL IMPROVEMENTS SB-9		
<b>ASSETS</b>					
Assets:					
Cash and Investments	\$	2,239,288	1,278,733	3,518,021	5,776,422
Taxes Receivable			42,139	42,139	42,139
Due from Grantor	163,541			163,541	1,302,420
Inventory					185,159
<b>Total Assets</b>	<b>\$ 163,541</b>	<b>2,239,288</b>	<b>1,320,872</b>	<b>3,723,701</b>	<b>7,306,140</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable	\$ 93,182	22,518	56,781	172,481	631,007
Accrued Salaries and Benefits					13,187
Due to Other Funds	163,541			163,541	1,484,534
Deferred Revenues	163,541		18,805	182,346	1,321,225
<b>Total Liabilities</b>	<b>420,264</b>	<b>22,518</b>	<b>75,586</b>	<b>518,368</b>	<b>3,449,953</b>
Fund Balance:					
Reserved for Inventory					185,159
Reserved for Subsequent Year's Expenditures		2,209,860	1,144,540	3,354,400	4,787,680
Reserved for Debt Service					50,996
Undesignated, Reported In Special Revenue Fund					(1,018,581)
Capital Projects Fund	(256,723)	6,910	100,746	(149,067)	(149,067)
<b>Total Fund Balance</b>	<b>(256,723)</b>	<b>2,216,770</b>	<b>1,245,286</b>	<b>3,205,333</b>	<b>3,856,187</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 163,541</b>	<b>2,239,288</b>	<b>1,320,872</b>	<b>3,723,701</b>	<b>7,306,140</b>

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 2008

	GENERAL FUND				SPECIAL REVENUE			
	Fund 12000	Fund 13000	Fund 14000	TOTAL GENERAL FUND	Fund 21000	Fund 22000	Fund 23000	Fund 24109
	TEACHERAGE	TRANSPORTATION	INSTRUCTIONAL MATERIALS		FOOD SERVICES	ATHLETICS	NON- INSTRUCTIONAL SUPPORT	IDEA-B PRESCHOOL
Revenues:								
Federal Grants	\$				2,782,175			75,041
State Grants		3,099,050	726,358	3,825,408				
Local Sources								
Property Taxes								
Local Grants	397,059		1,505	398,564				
Charges for Services					173,969	301,346	1,022,137	
Investment Income	2,567			2,567		7,838	29,612	
Total Revenues	399,626	3,099,050	727,863	4,226,539	2,956,144	309,184	1,051,749	75,041
Expenditures:								
Current								
Instruction			572,810	572,810		240,144	1,013,534	91,887
Support Services - Students								
Support Services - Instruction			46,010	46,010				
Support Services - General Administration								1,274
Support Services - School Administration								
Operations and Maintenance of Plant	440,323			440,323				
Student Transportation		3,095,334		3,095,334				
Food Services					3,312,688			
Community Services								
Debt Service								
Debt Interest								
Capital Outlay								
Total Expenditures	440,323	3,095,334	618,820	4,154,477	3,312,688	240,144	1,013,534	93,161
Revenues Over (Under) Expenditures	(40,697)	3,716	109,043	72,062	(356,544)	69,040	38,215	(18,120)
Other Financing Sources (Uses):								
Lease Purchase Payments							(50,996)	
Net Other Financing Sources (Uses)							(50,996)	
Net Change in Fund Balance	(40,697)	3,716	109,043	72,062	(356,544)	69,040	(12,781)	(18,120)
Fund Balance - Beginning of Year, as Previously Reported	63,740		110,896	174,636	198,929	174,376	708,660	(13,260)
Adjustments and Residual Equity Transfers								
Fund Balance - Beginning of Year, as Restated	63,740		110,896	174,636	198,929	174,376	708,660	(13,260)
Fund Balance - End of Year	\$ 23,043	3,716	219,939	246,698	(157,615)	243,416	695,879	(31,380)

STATE OF NEW MEXICO  
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**NON-MAJOR GOVERNMENTAL FUNDS**  
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**AND CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 2008

**SPECIAL REVENUE**

	<u>Fund 24133</u>	<u>Fund 24135</u>	<u>Fund 24150</u>	<u>Fund 24153</u>	<u>Fund 24154</u>	<u>Fund 24157</u>	<u>Fund 24162</u>	<u>Fund 24167</u>	<u>Fund 24174</u>
	<u>ENHANCING EDUCATION THRU TECH</u>	<u>COMPREHENSIVE SCHOOL REFORM DEMONSTRATION</u>	<u>TITLE V INNOVATION STRATEGIES</u>	<u>ENGLISH LANGUAGE ACQUISITION</u>	<u>TITLE II-A</u>	<u>TITLE IV-A</u>	<u>TITLE I PROGRAM IMPROVEMENT</u>	<u>READING FIRST</u>	<u>CARL PERKINS SECONDARY</u>
Revenues:									
Federal Grants	\$ 17,299	68	2,811	197,469	429,312	24,596	5,404	1,075,447	37,800
State Grants									
Local Sources									
Property Taxes									
Local Grants									
Charges for Services									
Investment Income									
Total Revenues	<u>17,299</u>	<u>68</u>	<u>2,811</u>	<u>197,469</u>	<u>429,312</u>	<u>24,596</u>	<u>5,404</u>	<u>1,075,447</u>	<u>37,800</u>
Expenditures:									
Current									
Instruction	15,981		8,821	195,937	545,801	29,156		995,423	36,886
Support Services - Students					2,373				158
Support Services - Instruction				606	889				
Support Services - General Administration	245		133	3,024	9,729	305		15,260	430
Support Services - School Administration				12,348	86,798	4,127			
Operations and Maintenance of Plant									
Student Transportation									
Food Services									
Community Services									
Debt Service									
Debt Interest									
Capital Outlay									
Total Expenditures	<u>16,226</u>		<u>8,954</u>	<u>211,915</u>	<u>645,590</u>	<u>33,588</u>		<u>1,010,683</u>	<u>37,474</u>
Revenues Over (Under) Expenditures	<u>1,073</u>	<u>68</u>	<u>(6,143)</u>	<u>(14,446)</u>	<u>(216,278)</u>	<u>(8,992)</u>	<u>5,404</u>	<u>64,764</u>	<u>326</u>
Other Financing Sources (Uses):									
Lease Purchase Payments									
Net Other Financing Sources (Uses)									
Net Change in Fund Balance	<u>1,073</u>	<u>68</u>	<u>(6,143)</u>	<u>(14,446)</u>	<u>(216,278)</u>	<u>(8,992)</u>	<u>5,404</u>	<u>64,764</u>	<u>326</u>
Fund Balance - Beginning of Year, as Previously Reported			(8)	(12,379)			(5,404)	(162,729)	(3,043)
Adjustments and Residual Equity Transfers		(68)							
Fund Balance - Beginning of Year, as Restated		(68)	(8)	(12,379)			(5,404)	(162,729)	(3,043)
Fund Balance - End of Year	\$ <u>1,073</u>	<u>(68)</u>	<u>(6,151)</u>	<u>(26,825)</u>	<u>(216,278)</u>	<u>(8,992)</u>	<u>(97,965)</u>	<u>(97,965)</u>	<u>(2,717)</u>

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 2008

**SPECIAL REVENUE**

	<u>Fund</u> <u>24175</u>	<u>Fund</u> <u>24176</u>	<u>Fund</u> <u>24180</u>	<u>Fund</u> <u>24181</u>	<u>Fund</u> <u>25122</u>	<u>Fund</u> <u>25131</u>	<u>Fund</u> <u>25145</u>	<u>Fund</u> <u>25149</u>	<u>Fund</u> <u>25151</u>
	<u>CARL PERKINS</u> <u>SECONDARY</u> <u>PY UO</u>	<u>CARL</u> <u>PERKINS</u> <u>DISTRIBUTION</u>	<u>CARL PERKINS</u> <u>HSTW</u>	<u>CARL PERKINS</u> <u>HSTW - PY UO</u>	<u>IHS/NORTHERN</u> <u>NAVAJO</u> <u>MEDICAL CENTER</u>	<u>JOHNSON</u> <u>O'MALLEY</u>	<u>IMPACT AID -</u> <u>SPECIAL</u> <u>EDUCATION</u>	<u>NM</u> <u>GRADS</u>	<u>PROMOTION</u> <u>OF THE ARTS</u> <u>GRANT</u>
Revenues:									
Federal Grants	\$ 33,113		18,328	18,586	58,018	231,771	946,959	5,004	10,000
State Grants									
Local Sources									
Property Taxes									
Local Grants									
Charges for Services									
Investment Income									
Total Revenues	<u>33,113</u>		<u>18,328</u>	<u>18,586</u>	<u>58,018</u>	<u>231,771</u>	<u>946,959</u>	<u>5,004</u>	<u>10,000</u>
Expenditures:									
Current									
Instruction	33,113	16,022	(2,571)	14,039	29,620	233,596	1,173,847	5,004	9,062
Support Services - Students					164,389	135,095			
Support Services - Instruction									
Support Services - General Administration		181	(703)	2,429		6,364	18,012		
Support Services - School Administration			225	2,118		48,042			
Operations and Maintenance of Plant							9,964		
Student Transportation									
Food Services									
Community Services									
Debt Service									
Debt Interest									
Capital Outlay									
Total Expenditures	<u>33,113</u>	<u>16,203</u>	<u>(3,049)</u>	<u>18,586</u>	<u>194,009</u>	<u>423,097</u>	<u>1,201,823</u>	<u>5,004</u>	<u>9,062</u>
Revenues Over (Under) Expenditures		<u>(16,203)</u>	<u>21,377</u>		<u>(135,991)</u>	<u>(191,326)</u>	<u>(254,864)</u>		<u>938</u>
Other Financing Sources (Uses):									
Lease Purchase Payments									
Net Other Financing Sources (Uses)									
Net Change in Fund Balance		<u>(16,203)</u>	<u>21,377</u>		<u>(135,991)</u>	<u>(191,326)</u>	<u>(254,864)</u>		<u>938</u>
Fund Balance - Beginning of Year, as Previously Reported			<u>(9,306)</u>			<u>(4,332)</u>	703,135		
Adjustments and Residual Equity Transfers									
Fund Balance - Beginning of Year, as Restated			<u>(9,306)</u>			<u>(4,332)</u>	703,135		
Fund Balance - End of Year	\$	<u>(16,203)</u>	<u>12,071</u>		<u>(135,991)</u>	<u>(195,658)</u>	<u>448,271</u>		<u>938</u>

STATE OF NEW MEXICO  
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**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 2008

**SPECIAL REVENUE**

	<u>Fund 25152</u>	<u>Fund 25162</u>	<u>Fund 25184</u>	<u>Fund 25201</u>	<u>Fund 25234</u>	<u>Fund 26119</u>	<u>Fund 26123</u>	<u>Fund 26143</u>
	<u>MEDICAL ASSISTANCE PAYMENTS (MEDICAID)</u>	<u>FIRST A/C NM GRADS</u>	<u>INDIAN EDUCATION FORMULA GRANT</u>	<u>NAVAJO NATION GRANT</u>	<u>PROJECTS WITH INDUSTRY</u>	<u>HEIFER INTERNATIONAL GRANT</u>	<u>PNM FOUNDATION GRANT</u>	<u>SAVE THE CHILDREN</u>
Revenues:								
Federal Grants	\$ 269,536	12,533	1,102,191	60,899	6,712			
State Grants								
Local Sources								
Property Taxes								
Local Grants								308,725
Charges for Services								
Investment Income								
Total Revenues	<u>269,536</u>	<u>12,533</u>	<u>1,102,191</u>	<u>60,899</u>	<u>6,712</u>			<u>308,725</u>
Expenditures:								
Current								
Instruction		12,533	1,111,111			1,889	2,442	117,014
Support Services - Students	177,039		20,784					63,159
Support Services - Instruction								24,786
Support Services - General Administration			17,724					2,732
Support Services - School Administration			26,547					31,792
Operations and Maintenance of Plant								
Student Transportation								1,206
Food Services								265
Community Services								
Debt Service								
Debt Interest								
Capital Outlay								
Total Expenditures	<u>177,039</u>	<u>12,533</u>	<u>1,176,166</u>			<u>1,889</u>	<u>2,442</u>	<u>240,954</u>
Revenues Over (Under) Expenditures	<u>92,497</u>		<u>(73,975)</u>	<u>60,899</u>	<u>6,712</u>	<u>(1,889)</u>	<u>(2,442)</u>	<u>67,771</u>
Other Financing Sources (Uses):								
Lease Purchase Payments								
Net Other Financing Sources (Uses)								
Net Change in Fund Balance	<u>92,497</u>		<u>(73,975)</u>	<u>60,899</u>	<u>6,712</u>	<u>(1,889)</u>	<u>(2,442)</u>	<u>67,771</u>
Fund Balance - Beginning of Year, as Previously Reported	<u>(55,004)</u>		<u>(7,191)</u>	<u>(60,899)</u>		2,134	2,500	<u>(67,795)</u>
Adjustments and Residual Equity Transfers					<u>(6,712)</u>			<u>24</u>
Fund Balance - Beginning of Year, as Restated	<u>(55,004)</u>		<u>(7,191)</u>	<u>(60,899)</u>	<u>(6,712)</u>	2,134	2,500	<u>(67,771)</u>
Fund Balance - End of Year	\$ <u>37,493</u>		<u>(81,166)</u>			<u>245</u>	<u>58</u>	

STATE OF NEW MEXICO  
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**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 2008

**SPECIAL REVENUE**

	<u>Fund 26150</u>	<u>Fund 26174</u>	<u>Fund 26176</u>	<u>Fund 27117</u>	<u>Fund 27121</u>	<u>Fund 27138</u>	<u>Fund 27140</u>	<u>Fund 27145</u>	<u>Fund 27149</u>
	<u>BURLINGTON GRANT</u>	<u>PARENTS REACHING OUT</u>	<u>NM COMMUNITY FOUNDATION</u>	<u>TECHNOLOGY FOR EDUCATION</u>	<u>ELEMENTARY PHYSICAL EDUCATION</u>	<u>INCENTIVES FOR SCHOOL IMPROVEMENTS</u>	<u>FAMILY AND YOUTH RESOURCES</u>	<u>GO BOND LIBRARY FUNDING</u>	<u>PRE-K INITIATIVE</u>
Revenues:									
Federal Grants	\$								
State Grants				154,425		101,802		1,723	539,384
Local Sources									
Property Taxes									
Local Grants		53,750	27,000						
Charges for Services									
Investment Income									
Total Revenues		53,750	27,000	154,425		101,802		1,723	539,384
Expenditures:									
Current									
Instruction	364					15,247			605,839
Support Services - Students							22,161		
Support Services - Instruction								127	
Support Services - General Administration							339		
Support Services - School Administration									
Operations and Maintenance of Plant				123,965					
Student Transportation									
Food Services									
Community Services		46,672				1,255			
Debt Service									
Debt Interest									
Capital Outlay									
Total Expenditures	364	46,672		123,965		16,502	22,500	127	605,839
Revenues Over (Under) Expenditures	(364)	7,078	27,000	30,460		85,300	(22,500)	1,596	(66,455)
Other Financing Sources (Uses):									
Lease Purchase Payments									
Net Other Financing Sources (Uses)									
Net Change in Fund Balance	(364)	7,078	27,000	30,460		85,300	(22,500)	1,596	(66,455)
Fund Balance - Beginning of Year, as Previously Reported	364	(6,790)			(591)			(1,723)	(113,472)
Adjustments and Residual Equity Transfers					591			127	
Fund Balance - Beginning of Year, as Restated	364	(6,790)						(1,596)	(113,472)
Fund Balance - End of Year	\$	288	27,000	30,460		85,300	(22,500)		(179,927)



STATE OF NEW MEXICO  
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**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 2008

**SPECIAL REVENUE**

	<u>Fund</u> <u>27150</u>	<u>Fund</u> <u>27154</u>	<u>Fund</u> <u>27155</u>	<u>Fund</u> <u>27161</u>	<u>Fund</u> <u>27164</u>	<u>Fund</u> <u>27165</u>	<u>Fund</u> <u>27166</u>	<u>Fund</u> <u>27169</u>	<u>Fund</u> <u>27170</u>
	<u>INDIAN</u> <u>EDUCATION</u> <u>ACT</u>	<u>BEGINNING</u> <u>TEACHER</u> <u>MENTORING</u>	<u>BREAKFAST</u> <u>FOR ELEM.</u> <u>STUDENTS</u>	<u>PRE-K</u> <u>START UP</u> <u>COSTS</u>	<u>SCHOOL</u> <u>IMPROVEMENT</u> <u>FRAMEWORK</u>	<u>OUTDOOR</u> <u>CLASSROOM</u>	<u>KINDERGARTEN</u> <u>- THREE PLUS</u>	<u>PRE-K</u> <u>START UP</u>	<u>LIBRARIES</u> <u>GO BOND</u>
Revenues:									
Federal Grants	\$								
State Grants		37,157	102,907		15,000		311,997	161,348	
Local Sources									
Property Taxes									
Local Grants									
Charges for Services									
Investment Income									
Total Revenues		<u>37,157</u>	<u>102,907</u>		<u>15,000</u>		<u>311,997</u>	<u>161,348</u>	
Expenditures:									
Current									
Instruction	(4)	36,597		(285)		2,970	240,953	115,415	
Support Services - Students									57,137
Support Services - Instruction									
Support Services - General Administration		560							
Support Services - School Administration							430		
Operations and Maintenance of Plant									
Student Transportation									
Food Services			102,907						
Community Services									
Debt Service									
Debt Interest									
Capital Outlay									
Total Expenditures	<u>(4)</u>	<u>37,157</u>	<u>102,907</u>	<u>(285)</u>		<u>2,970</u>	<u>241,383</u>	<u>115,415</u>	<u>57,137</u>
Revenues Over (Under) Expenditures	<u>4</u>			<u>285</u>	<u>15,000</u>	<u>(2,970)</u>	<u>70,614</u>	<u>45,933</u>	<u>(57,137)</u>
Other Financing Sources (Uses):									
Lease Purchase Payments									
Net Other Financing Sources (Uses)									
Net Change in Fund Balance	<u>4</u>			<u>285</u>	<u>15,000</u>	<u>(2,970)</u>	<u>70,614</u>	<u>45,933</u>	<u>(57,137)</u>
Fund Balance - Beginning of Year, as Previously Reported	(4)	(770)		(45,933)					
Adjustments and Residual Equity Transfers				45,648				(45,648)	
Fund Balance - Beginning of Year, as Restated	<u>(4)</u>	<u>(770)</u>		<u>(285)</u>				<u>(45,648)</u>	
Fund Balance - End of Year	\$ <u>4</u>	<u>(770)</u>		<u>285</u>	<u>15,000</u>	<u>(2,970)</u>	<u>70,614</u>	<u>285</u>	<u>(57,137)</u>

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 2008

**SPECIAL REVENUE**

	<u>Fund 28121</u>	<u>Fund 28178</u>	<u>Fund 28180</u>	<u>Fund 29102</u>	<u>Fund 29114</u>	<u>Fund 29130</u>	<b>TOTAL SPECIAL REVENUE</b>
	<u>PRE-SCHOOL CYFD</u>	<u>GEAR-UP CHE</u>	<u>REGIONAL QUALITY CENTER</u>	<u>PRIVATE DIRECT GRANTS</u>	<u>MCCUNE CHARITABLE FOUNDATION</u>	<u>SCHOOL BASED HEALTH CTR</u>	
Revenues:							
Federal Grants	\$						7,421,072
State Grants	138,425	18,943	97,752				1,680,863
Local Sources							
Property Taxes							
Local Grants					10,000	65,395	464,870
Charges for Services							1,497,452
Investment Income							37,450
<b>Total Revenues</b>	<u>138,425</u>	<u>18,943</u>	<u>97,752</u>		<u>10,000</u>	<u>65,395</u>	<u>11,101,707</u>
Expenditures:							
Current							
Instruction		54,571		3,084			7,005,042
Support Services - Students		8,470		4,326		45,959	643,913
Support Services - Instruction							83,545
Support Services - General Administration	2,039				9,894		89,971
Support Services - School Administration		316	97,750				310,493
Operations and Maintenance of Plant							133,929
Student Transportation							1,206
Food Services							3,415,860
Community Services	133,241						181,168
Debt Service							
Debt Interest							
Capital Outlay				12,023			12,023
<b>Total Expenditures</b>	<u>135,280</u>	<u>63,357</u>	<u>97,750</u>	<u>19,433</u>	<u>9,894</u>	<u>45,959</u>	<u>11,877,150</u>
Revenues Over (Under) Expenditures	<u>3,145</u>	<u>(44,414)</u>	<u>2</u>	<u>(19,433)</u>	<u>106</u>	<u>19,436</u>	<u>(775,443)</u>
Other Financing Sources (Uses):							
Lease Purchase Payments							(50,996)
Net Other Financing Sources (Uses)							(50,996)
<b>Net Change in Fund Balance</b>	<u>3,145</u>	<u>(44,414)</u>	<u>2</u>	<u>(19,433)</u>	<u>106</u>	<u>19,436</u>	<u>(826,439)</u>
Fund Balance - Beginning of Year, as Previously Reported	(6,732)			23,900			1,236,633
Adjustments and Residual Equity Transfers							(6,038)
Fund Balance - Beginning of Year, as Restated	(6,732)			23,900			1,230,595
Fund Balance - End of Year	\$ <u>(3,587)</u>	<u>(44,414)</u>	<u>2</u>	<u>4,467</u>	<u>106</u>	<u>19,436</u>	<u>404,156</u>

STATE OF NEW MEXICO  
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**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 2008

**CAPITAL PROJECTS**

	<u>Fund 31200</u>	<u>Fund 31400</u>	<u>Fund 31500</u>	<u>Fund 31700</u>	<u>Fund 32100</u>	<u>TOTAL CAPITAL PROJECTS</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
	<u>PUBLIC SCHOOL CAPITAL OUTLAY</u>	<u>SPECIAL CAPITAL OUTLAY - STATE</u>	<u>SPECIAL CAPITAL OUTLAY - FEDERAL</u>	<u>CAPITAL IMPROVEMENTS SB-9</u>	<u>PUBLIC SCHOOL CAPITAL OUTLAY - 20%</u>		
Revenues:							
Federal Grants	\$		626,395			626,395	8,047,467
State Grants	22,717	7,723,643		578,172		8,324,532	13,830,803
Local Sources							
Property Taxes				1,366,464		1,366,464	1,366,464
Local Grants							863,434
Charges for Services							1,497,452
Investment Income				23,880	10,859	34,739	74,756
Total Revenues	<u>22,717</u>	<u>7,723,643</u>	<u>626,395</u>	<u>1,968,516</u>	<u>10,859</u>	<u>10,352,130</u>	<u>25,680,376</u>
Expenditures:							
Current							
Instruction							7,577,852
Support Services - Students							643,913
Support Services - Instruction							129,555
Support Services - General Administration				12,986		12,986	102,957
Support Services - School Administration							310,493
Operations and Maintenance of Plant							574,252
Student Transportation							3,096,540
Food Services							3,415,860
Community Services							181,168
Debt Service							
Debt Interest							
Capital Outlay	1,786	7,802,732	126,654	1,713,099	399,482	10,043,753	10,055,776
Total Expenditures	<u>1,786</u>	<u>7,802,732</u>	<u>126,654</u>	<u>1,726,085</u>	<u>399,482</u>	<u>10,056,739</u>	<u>26,088,366</u>
Revenues Over (Under) Expenditures	<u>20,931</u>	<u>(79,089)</u>	<u>499,741</u>	<u>242,431</u>	<u>(388,623)</u>	<u>295,391</u>	<u>(407,990)</u>
Other Financing Sources (Uses):							
Lease Purchase Payments							(50,996)
Net Other Financing Sources (Uses)							(50,996)
Net Change in Fund Balance	<u>20,931</u>	<u>(79,089)</u>	<u>499,741</u>	<u>242,431</u>	<u>(388,623)</u>	<u>295,391</u>	<u>(458,986)</u>
Fund Balance - Beginning of Year, as Previously Reported	(140,761)	(177,634)	1,717,029	1,002,855	388,623	2,790,112	4,201,381
Adjustments and Residual Equity Transfers							(6,038)
Fund Balance - Beginning of Year, as Restated	<u>(20,931)</u>	<u>(177,634)</u>	<u>1,717,029</u>	<u>1,002,855</u>	<u>388,623</u>	<u>2,909,942</u>	<u>4,315,173</u>
Fund Balance - End of Year	\$ <u><u>20,931</u></u>	\$ <u><u>(256,723)</u></u>	\$ <u><u>2,216,770</u></u>	\$ <u><u>1,245,286</u></u>	\$ <u><u>(388,623)</u></u>	\$ <u><u>3,205,333</u></u>	\$ <u><u>3,856,187</u></u>

STATE OF NEW MEXICO  
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**NON-MAJOR GOVERNMENTAL FUNDS**  
**RECONCILIATION OF BUDGETARY BASIS TO**  
**GAAP BASIS STATEMENTS**  
For the Year Ended June 30, 2008

	<u>Fund 12000</u>	<u>Fund 13000</u>	<u>Fund 14000</u>	<u>Fund 21000</u>	<u>Fund 22000</u>	<u>Fund 23000</u>	<u>Fund 24109</u>	<u>Fund 24133</u>	<u>Fund 24135</u>
	<u>TEACHERAGE</u>	<u>TRANSPORTATION</u>	<u>INSTRUCTIONAL MATERIALS</u>	<u>FOOD SERVICES</u>	<u>ATHLETICS</u>	<u>NON- INSTRUCTIONAL SUPPORT</u>	<u>IDEA-B PRESCHOOL</u>	<u>ENHANCING EDUCATION THRU TECH</u>	<u>COMPREHENSIVE SCHOOL REFORM DEMONSTRATION</u>
Revenues Over Expenditures - Budgetary Comparison Statements - Budgetary Basis	(38,857)	1,356,955	107,708	(53,393)	66,076	(38,829)	(16,615)	107	
Adjustments:									
Increase (Decrease) in:									
Cash (Reclassification)	(1,456)	(1,272,406)		123,403	(245)	(1,472)	18,703		
Taxes Receivable									
Due from Grantor		(1,348,291)		(236,197)			16,616		
Inventory				(53,442)		27,377			
(Increase) Decrease in:									
Accounts Payable	324	43,272	1,335	48,132	3,209	143	2,293		
Accrued Expenses	(708)	84		147					
Due to Other Funds		1,224,102		(144,000)			(20,996)		
Deferred Revenue				(41,194)			(18,121)	966	68
Revenues Over Expenditures - Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>(40,697)</u>	<u>3,716</u>	<u>109,043</u>	<u>(356,544)</u>	<u>69,040</u>	<u>(12,781)</u>	<u>(18,120)</u>	<u>1,073</u>	<u>68</u>

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STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**RECONCILIATION OF BUDGETARY BASIS TO**  
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	<u>Fund 24150</u>	<u>Fund 24153</u>	<u>Fund 24154</u>	<u>Fund 24157</u>	<u>Fund 24162</u>	<u>Fund 24167</u>	<u>Fund 24174</u>	<u>Fund 24176</u>	<u>Fund 24180</u>	<u>Fund 25122</u>
	<u>TITLE V INNOVATION STRATEGIES</u>	<u>ENGLISH LANGUAGE ACQUISITION</u>	<u>TITLE II-A</u>	<u>TITLE IV-A</u>	<u>TITLE I PROGRAM IMPROVEMENT</u>	<u>READING FIRST</u>	<u>CARL PERKINS SECONDARY</u>	<u>CARL PERKINS DISTRIBUTION</u>	<u>CARL PERKINS HSTW</u>	<u>IHS/ NORTHERN NAVAJO MEDICAL CENTER</u>
Revenues Over Expenditures - Budgetary Comparison Statements - Budgetary Basis	(5,887)	73,604	(17,661)	(7,722)	166,540	62,991	29,311	(11,979)	20,696	36,512
Adjustments:										
Increase (Decrease) in:										
Cash (Reclassification)	5,887	(65,137)	42,888	8,025	(166,540)	(40,248)	(29,311)	12,427	(8,625)	(34,339)
Taxes Receivable Due from Grantor Inventory	5,887	(73,605)	17,661	7,722	(166,540)	(64,773)	(32,354)	11,979	(17,931)	(38,530)
(Increase) Decrease in:										
Accounts Payable		6,778	15,461	(303)		9,516	609	(4,672)	9,306	(2,009)
Accrued Expenses						950	3,043			674
Due to Other Funds	(5,887)	58,378	(58,349)	(7,722)	166,540	31,555	28,702	(11,979)	8,625	34,303
Deferred Revenue	(6,143)	(14,464)	(216,278)	(8,992)	5,404	64,773	326	(11,979)	9,306	(132,602)
Revenues Over Expenditures - Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>(6,143)</u>	<u>(14,446)</u>	<u>(216,278)</u>	<u>(8,992)</u>	<u>5,404</u>	<u>64,764</u>	<u>326</u>	<u>(16,203)</u>	<u>21,377</u>	<u>(135,991)</u>

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STATE OF NEW MEXICO  
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**RECONCILIATION OF BUDGETARY BASIS TO**  
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	Fund 25131	Fund 25145	Fund 25149	Fund 25151	Fund 25152	Fund 25162	Fund 25184	Fund 25201	Fund 25234
	JOHNSON O'MALLEY	IMPACT AID - SPECIAL EDUCATION	NM GRADS	PROMOTION OF THE ARTS GRANT	MEDICAL ASSISTANCE PAYMENTS (MEDICAID)	FIRST A/C NM GRADS	INDIAN EDUCATION FORMULA GRANT	NAVAJO NATION GRANTS	PROJECTS WITH INDUSTRY
Revenues Over Expenditures									
- Budgetary Comparison									
Statements - Budgetary Basis	(17,079)	(254,864)	(4)	938	108,592	(533)	(73,975)	158,890	
Adjustments:									
Increase (Decrease) in:									
Cash (Reclassification)	31,253	(22,560)			(61,957)		49,133	(157,309)	
Taxes Receivable									
Due from Grantor	8,012				(68,480)		73,975	(158,890)	
Inventory									
(Increase) Decrease in:									
Accounts Payable	(788)	22,560			7,537		32,033	(1,581)	
Accrued Expenses	(8,071)								
Due to Other Funds	(33,523)				51,801		(81,166)	158,890	
Deferred Revenue	(171,130)		4		55,004	533	(73,975)	60,899	6,712
Revenues Over Expenditures									
- Statement of Revenues,									
Expenditures, and Changes									
in Fund Balance	<u>(191,326)</u>	<u>(254,864)</u>		<u>938</u>	<u>92,497</u>		<u>(73,975)</u>	<u>60,899</u>	<u>6,712</u>

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	Fund 26119	Fund 26123	Fund 26143	Fund 26150	Fund 26174	Fund 26176	Fund 27117	Fund 27121	Fund 27138
	HEIFER INTERNATIONAL GRANT	PNM FOUNDATION GRANT	SAVE THE CHILDREN	BURLINGTON GRANT	PARENTS REACHING OUT	NM COMMUNITY FOUNDATION	TECHNOLOGY FOR EDUCATION	ELEMENTARY PHYSICAL EDUCATION	INCENTIVES FOR SCHOOL IMPROVEMENTS
Revenues Over Expenditures									
- Budgetary Comparison									
Statements - Budgetary Basis	(1,889)	(2,442)	59,583	(364)	15,389	27,000	47,399	83,370	47,898
Adjustments:									
Increase (Decrease) in:									
Cash (Reclassification)			(56,859)		(14,164)		(11,243)	(83,961)	
Taxes Receivable									
Due from Grantor			(67,795)		(15,540)		(16,939)	(83,961)	
Inventory									
(Increase) Decrease in:									
Accounts Payable			9,939		532		(996)	12,071	(1,774)
Accrued Expenses			6,782						
Due to Other Funds			48,326		14,071		12,239	71,890	
Deferred Revenue			67,795		6,790		591		39,176
Revenues Over Expenditures									
- Statement of Revenues,									
Expenditures, and Changes									
in Fund Balance	(1,889)	(2,442)	67,771	(364)	7,078	27,000	30,460		85,300

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STATE OF NEW MEXICO  
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**NON-MAJOR GOVERNMENTAL FUNDS**  
**RECONCILIATION OF BUDGETARY BASIS TO**  
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	<u>Fund 27140</u>	<u>Fund 27145</u>	<u>Fund 27149</u>	<u>Fund 27150</u>	<u>Fund 27161</u>	<u>Fund 27163</u>	<u>Fund 27164</u>	<u>Fund 27165</u>	<u>Fund 27166</u>
	<u>FAMILY AND YOUTH RESOURCES</u>	<u>GO BOND LIBRARY FUNDING</u>	<u>PRE-K INITIATIVE</u>	<u>INDIAN EDUCATION ACT</u>	<u>PRE-K START UP COSTS</u>	<u>SCHOOLS IN NEED OF IMPROVEMENT</u>	<u>SCHOOL IMPROVEMENT FRAMEWORK</u>	<u>OUTDOOR CLASSROOM</u>	<u>KINDERGARTEN - THREE PLUS</u>
Revenues Over Expenditures									
- Budgetary Comparison									
Statements - Budgetary Basis	180	1,596	(66,105)			498,026	15,000	(2,611)	72,859
Adjustments:									
Increase (Decrease) in:									
Cash (Reclassification)	(180)	(1,723)	88,738		(45,648)	(498,026)		2,611	8,053
Taxes Receivable									
Due from Grantor	(180)	(1,723)	65,107	(4)	(45,933)	(498,026)		2,611	
Inventory									
(Increase) Decrease in:									
Accounts Payable			(7,670)	4	285	2,220		(359)	(9,550)
Accrued Expenses									(748)
Due to Other Funds	180	1,723	(81,418)		45,648	495,806		(2,611)	
Deferred Revenue	(22,500)	1,723	(65,107)	4	45,933			(2,611)	
Revenues Over Expenditures									
- Statement of Revenues,									
Expenditures, and Changes									
in Fund Balance	<u>(22,500)</u>	<u>1,596</u>	<u>(66,455)</u>	<u>4</u>	<u>285</u>	<u></u>	<u>15,000</u>	<u>(2,970)</u>	<u>70,614</u>

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STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**NON-MAJOR GOVERNMENTAL FUNDS**  
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	<u>Fund 27169</u>	<u>Fund 27170</u>	<u>Fund 28121</u>	<u>Fund 28178</u>	<u>Fund 28180</u>	<u>Fund 29102</u>	<u>Fund 29114</u>	<u>Fund 29130</u>	<u>Fund 31200</u>	<u>Fund 31400</u>
	<u>PRE-K START UP</u>	<u>LIBRARIES GO BOND</u>	<u>PRE-SCHOOL CYFD</u>	<u>GEAR-UP CHE</u>	<u>REGIONAL QUALITY CENTER</u>	<u>PRIVATE DIRECT GRANTS</u>	<u>MCCUNE CHARITABLE FOUNDATION</u>	<u>SCHOOL BASED HEALTH CTR</u>	<u>PUBLIC SCHOOL CAPITAL OUTLAY</u>	<u>SPECIAL CAPITAL OUTLAY - STATE</u>
Revenues Over Expenditures - Budgetary Comparison Statements - Budgetary Basis	45,648	(57,137)	20,810	31,818		(23,180)	106	30,036	17,967	117,647
Adjustments:										
Increase (Decrease) in:										
Cash (Reclassification)	1,601	57,137	(15,184)	(29,886)	44			(6,765)	(17,967)	(117,647)
Taxes Receivable										
Due from Grantor		57,137	(20,810)	(39,626)				(8,817)	(140,761)	(124,249)
Inventory										
(Increase) Decrease in:										
Accounts Payable	(1,316)		(1,790)	7,724	(44)	3,747		(2,052)	2,964	(86,580)
Accrued Expenses				(1,030)				(1,783)		
Due to Other Funds		(57,137)	16,974	27,560				8,817	17,967	117,647
Deferred Revenue		(57,137)	3,145	(40,974)	2				140,761	14,093
Revenues Over Expenditures - Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>45,933</u>	<u>(57,137)</u>	<u>3,145</u>	<u>(44,414)</u>	<u>2</u>	<u>(19,433)</u>	<u>106</u>	<u>19,436</u>	<u>20,931</u>	<u>(79,089)</u>

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**NON-MAJOR GOVERNMENTAL FUNDS**  
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For the Year Ended June 30, 2008

	Fund 31500	Fund 31700	Fund 32100	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
	SPECIAL CAPITAL OUTLAY - FEDERAL	CAPITAL IMPROVEMENTS SB-9	PUBLIC SCHOOL CAPITAL OUTLAY - 20%	
Revenues Over Expenditures				
- Budgetary Comparison				
Statements - Budgetary Basis	513,299	569,652	(444,372)	3,268,705
Adjustments:				
Increase (Decrease) in:				
Cash (Reclassification)				(2,310,955)
Taxes Receivable		17,264		17,264
Due from Grantor		(372,489)		(3,375,737)
Inventory				(26,065)
(Increase) Decrease in:				
Accounts Payable	(13,558)	29,505	55,749	192,206
Accrued Expenses				(660)
Due to Other Funds				2,136,956
Deferred Revenue		(1,501)		(360,700)
Revenues Over Expenditures				
- Statement of Revenues,				
Expenditures, and Changes				
in Fund Balance	<u>499,741</u>	<u>242,431</u>	<u>(388,623)</u>	<u>(458,986)</u>

SEE INDEPENDENT AUDITORS' REPORTS  
The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 12000 - TEACHERAGE**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources:					
Rents	\$ 410,000	410,000	397,059	-	(12,941)
Investment Income	5,000	5,000	2,567	-	(2,433)
Total Revenues	<u>415,000</u>	<u>415,000</u>	<u>399,626</u>	<u>-</u>	<u>(15,374)</u>
Expenditures:					
Education, Current:					
Operations and Maintenance of Plant	437,879	473,822	438,483	(35,943)	35,339
Education, Non-Current:					
Capital Outlay	5,000	5,000	-	-	5,000
Total Expenditures	<u>442,879</u>	<u>478,822</u>	<u>438,483</u>	<u>(35,943)</u>	<u>40,339</u>
Revenues Over (Under) Expenditures	<u>(27,879)</u>	<u>(63,822)</u>	<u>(38,857)</u>	<u>(35,943)</u>	<u>24,965</u>
Budgetary Notation - Cash Appropriated from Prior Year	\$ <u>27,879</u>	<u>63,822</u>		<u>35,943</u>	

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 13000 - TRANSPORTATION**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources:					
Transportation Distribution	\$ 2,880,371	3,091,173	4,447,341	210,802	1,356,168
Expenditures:					
Education, Current:					
Student Transportation	2,880,371	3,091,173	3,090,386	(210,802)	787
Revenues Over (Under) Expenditures	\$ -	-	1,356,955	-	1,356,955

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 14000 - INSTRUCTIONAL MATERIALS**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources:					
Instructional Materials - Credit 50%	\$ 293,044	320,474	367,610	27,430	47,136
Instructional Materials - Cash 50%	293,044	325,792	299,172	32,748	(26,620)
Library Materials	51,634	44,260	59,576	(7,374)	15,316
	<u>637,722</u>	<u>690,526</u>	<u>726,358</u>	<u>52,804</u>	<u>35,832</u>
Local Sources:					
Insurance/Individual Recoveries	-	-	1,505	-	1,505
Total Revenues	<u>637,722</u>	<u>690,526</u>	<u>727,863</u>	<u>52,804</u>	<u>37,337</u>
Expenditures:					
Education, Current:					
Instruction	709,088	769,266	572,810	(60,178)	196,456
Support Services - Instruction	75,634	68,260	47,345	7,374	20,915
Total Expenditures	<u>784,722</u>	<u>837,526</u>	<u>620,155</u>	<u>(52,804)</u>	<u>217,371</u>
Revenues Over (Under) Expenditures	\$ <u>(147,000)</u>	<u>(147,000)</u>	<u>107,708</u>	<u>-</u>	<u>254,708</u>
Budgetary Notation - Cash Appropriated from Prior Year	\$ <u>147,000</u>	<u>147,000</u>			

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 21000 - FOOD SERVICES**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources:					
Direct Federal Grants	\$ 2,760,250	2,760,250	2,851,811	-	91,561
Donated Commodities	210,000	210,000	207,755	-	(2,245)
	<u>2,970,250</u>	<u>2,970,250</u>	<u>3,059,566</u>	<u>-</u>	<u>89,316</u>
Local Sources:					
Fees - Adults	228,000	228,000	173,969	-	(54,031)
Total Revenues	<u>3,198,250</u>	<u>3,198,250</u>	<u>3,233,535</u>	<u>-</u>	<u>35,285</u>
Expenditures:					
Education, Current:					
Food Services	<u>3,348,250</u>	<u>3,348,250</u>	<u>3,286,928</u>	<u>-</u>	<u>61,322</u>
Revenues Over (Under) Expenditures	<u>(150,000)</u>	<u>(150,000)</u>	<u>(53,393)</u>	<u>-</u>	<u>96,607</u>
Budgetary Notation - Cash Appropriated from Prior Year	<u>\$ 150,000</u>	<u>150,000</u>			

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 22000 - ATHLETICS**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources:					
Fees - Activities	\$ 239,470	239,470	301,346	-	61,876
Investment Income	6,000	6,000	7,838	-	1,838
Total Revenues	<u>245,470</u>	<u>245,470</u>	<u>309,184</u>	<u>-</u>	<u>63,714</u>
Expenditures:					
Education, Current:					
Instructional	<u>430,470</u>	<u>423,174</u>	<u>243,108</u>	<u>7,296</u>	<u>180,066</u>
Revenues Over (Under) Expenditures	<u>(185,000)</u>	<u>(177,704)</u>	<u>66,076</u>	<u>(7,296)</u>	<u>243,780</u>
Budgetary Notation - Cash Appropriated from Prior Year	<u>\$ 185,000</u>	<u>177,704</u>		<u>7,296</u>	

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 23000 - NON-INSTRUCTIONAL SUPPORT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources:					
Fees - Activities	\$ 10,000	10,000	1,252	-	(8,748)
Fees - Users	1,062,737	1,062,737	1,020,885	-	(41,852)
Investment Income	40,000	40,000	29,612	-	(10,388)
Total Revenues	<u>1,112,737</u>	<u>1,112,737</u>	<u>1,051,749</u>	<u>-</u>	<u>(60,988)</u>
Expenditures:					
Education, Current:					
Instructional	<u>1,696,741</u>	<u>1,707,079</u>	<u>1,039,582</u>	<u>(10,338)</u>	<u>667,497</u>
Revenues Over (Under) Expenditures	<u>(584,004)</u>	<u>(594,342)</u>	<u>12,167</u>	<u>(10,338)</u>	<u>606,509</u>
Other Financing Uses:					
Lease Purchase Payments	<u>(50,996)</u>	<u>(50,996)</u>	<u>(50,996)</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures and Other Financing Uses	<u>(635,000)</u>	<u>(645,338)</u>	<u>(38,829)</u>	<u>(10,338)</u>	<u>606,509</u>
Budgetary Notation - Cash Appropriated from Prior Year	<u>\$ 635,000</u>	<u>645,338</u>		<u>10,338</u>	



STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24109 - IDEA-B PRESCHOOL**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ 57,759	109,854	76,546	52,095	(33,308)
Expenditures:					
Education, Current:					
Instruction	56,485	108,580	91,887	(52,095)	16,693
Support Services - General Administration	1,274	1,274	1,274	-	-
Total Expenditures	57,759	109,854	93,161	(52,095)	16,693
Revenues Over (Under) Expenditures	\$ -	-	(16,615)	-	(16,615)

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24133 - ENHANCING EDUCATION THRU TECHNOLOGY**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ -	16,333	16,333	16,333	-
Expenditures:					
Education, Current:					
Instruction	-	15,981	15,981	(15,981)	-
Support Services - General Administration	-	352	245	(352)	107
Total Expenditures	-	16,333	16,226	(16,333)	107
Revenues Over (Under) Expenditures	\$ -	-	107	-	107

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24150 - TITLE V INNOVATION STRATEGIES**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ 8,699	8,954	3,067	255	(5,887)
Expenditures:					
Education, Current:					
Instruction	8,392	8,821	8,821	(429)	-
Support Services - Students	174	-	-	174	-
Support Services - General Administration	133	133	133	-	-
Total Expenditures	8,699	8,954	8,954	(255)	-
Revenues Over (Under) Expenditures	\$ -	-	(5,887)	-	(5,887)

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24153 - ENGLISH LANGUAGE ACQUISITION**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ 197,676	211,934	285,538	14,258	73,604
Expenditures:					
Education, Current:					
Instruction	181,698	195,956	195,956	(14,258)	-
Support Services - Students	9,000	-	-	9,000	-
Support Services - Instruction	-	606	606	(606)	-
Support Services - General Administration	3,024	3,024	3,024	-	-
Support Services - School Administration	3,954	12,348	12,348	(8,394)	-
Total Expenditures	197,676	211,934	211,934	(14,258)	-
Revenues Over (Under) Expenditures	\$ -	-	73,604	-	73,604

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24154 - TITLE II-A**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ 679,340	761,242	627,929	81,902	(133,313)
Expenditures:					
Education, Current:					
Instruction	525,946	597,848	545,801	(71,902)	52,047
Support Services - Students	23,000	20,033	2,373	2,967	17,660
Support Services - Instruction	-	967	889	(967)	78
Support Services - General Administration	130,394	54,801	9,729	75,593	45,072
Support Services - School Administration	-	87,593	86,798	(87,593)	795
Total Expenditures	679,340	761,242	645,590	(81,902)	115,652
Revenues Over (Under) Expenditures	\$ -	-	(17,661)	-	(17,661)

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24157 - TITLE IV-A**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ 73,801	72,922	25,866	(879)	(47,056)
Expenditures:					
Education, Current:					
Instruction	71,731	67,898	29,156	3,833	38,742
Support Services - Students	897	897	305	-	592
Support Services - School Administration	1,173	4,127	4,127	(2,954)	-
Total Expenditures	73,801	72,922	33,588	879	39,334
Revenues Over (Under) Expenditures	\$ -	-	(7,722)	-	(7,722)

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24162 - TITLE I PROGRAM IMPROVEMENT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ -	-	166,540	-	166,540
Expenditures:					
Education, Current:					
Total Expenditures	-	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	166,540	-	166,540

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24167 - READING FIRST**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ 1,062,813	1,012,456	1,075,447	(50,357)	62,991
Expenditures:					
Education, Current:					
Instruction	1,047,553	997,196	997,196	50,357	-
Support Services - General Administration	15,260	15,260	15,260	-	-
Total Expenditures	1,062,813	1,012,456	1,012,456	50,357	-
Revenues Over (Under) Expenditures	\$ -	-	62,991	-	62,991



STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24174 - CARL PERKINS - SECONDARY**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ -	116,011	69,828	116,011	(46,183)
Expenditures:					
Education, Current:					
Instruction	-	110,914	39,929	(110,914)	70,985
Support Services - Students	-	3,354	158	(3,354)	3,196
Support Services - General Administration	-	1,743	430	(1,743)	1,313
Total Expenditures	-	116,011	40,517	(116,011)	75,494
Revenues Over (Under) Expenditures	\$ -	-	29,311	-	29,311

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24175 - CARL PERKINS SECONDARY - PY UNLIQUIDATED OBLIGATIONS**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ -	33,114	33,113	33,114	(1)
Expenditures:					
Education, Current:					
Instruction	-	33,114	33,113	(33,114)	1
Revenues Over (Under) Expenditures	\$ -	-	-	-	-

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24176 - CARL PERKINS - DISTRIBUTION**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ -	37,177	-	37,177	(37,177)
Expenditures:					
Education, Current:					
Instruction	-	36,617	11,798	(36,617)	24,819
Support Services - General Administration	-	560	181	(560)	379
Total Expenditures	-	37,177	11,979	(37,177)	25,198
Revenues Over (Under) Expenditures	\$ -	-	(11,979)	-	(11,979)

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24180 - CARL PERKINS - HSTW**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ 20,000	20,000	26,953	-	6,953
Expenditures:					
Education, Current:					
Instruction	14,000	14,000	5,535	-	8,465
Support Services - General Administration	301	301	97	-	204
Support Services - School Administration	5,699	5,699	625	-	5,074
Total Expenditures	20,000	20,000	6,257	-	13,743
Revenues Over (Under) Expenditures	\$ -	-	20,696	-	20,696

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 24181 - CARL PERKINS - HSTW - PY UNLIQUIDATED OBLIGATIONS**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ -	18,587	18,586	18,587	(1)
Expenditures:					
Education, Current:					
Instruction	-	14,039	14,039	(14,039)	-
Support Services - General Administration	-	2,430	2,429	(2,430)	1
Support Services - School Administration	-	2,118	2,118	(2,118)	-
Total Expenditures	-	18,587	18,586	(18,587)	1
Revenues Over (Under) Expenditures	\$ -	-	-	-	-

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 25122 - IHS/NORTHERN NAVAJO MEDICAL CENTER**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ -	196,940	229,150	196,940	32,210
Expenditures:					
Education, Current:					
Instruction	16,000	44,986	29,224	(28,986)	15,762
Support Services - Students	99,477	210,758	163,414	(111,281)	47,344
Total Expenditures	115,477	255,744	192,638	(140,267)	63,106
Revenues Over (Under) Expenditures	(115,477)	(58,804)	36,512	56,673	95,316
Budgetary Notation - Cash Appropriated from Prior Year	\$ 115,477	58,804			

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 25131 - JOHNSON O'MALLEY**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ 153,161	549,873	394,889	396,712	(154,984)
Expenditures:					
Education, Current:					
Instruction	75,000	343,347	225,572	(268,347)	117,775
Support Services - Students	38,323	137,312	135,095	(98,989)	2,217
Support Services - General Administration	1,516	8,413	6,364	(6,897)	2,049
Support Services - School Administration	38,322	60,801	44,937	(22,479)	15,864
Total Expenditures	153,161	549,873	411,968	(396,712)	137,905
Revenues Over (Under) Expenditures	\$ -	-	(17,079)	-	(17,079)

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 25145 - IMPACT AID - SPECIAL EDUCATION**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ 782,599	782,599	946,959	-	164,360
Expenditures:					
Education, Current:					
Instruction	1,057,167	1,453,479	1,173,847	(396,312)	279,632
Support Services - School Administration	16,327	22,390	18,012	(6,063)	4,378
Operations and Maintenance of Plant	9,964	9,964	9,964	-	-
Total Expenditures	1,083,458	1,485,833	1,201,823	(402,375)	284,010
Revenues Over (Under) Expenditures	(300,859)	(703,234)	(254,864)	(402,375)	448,370
Budgetary Notation - Cash Appropriated from Prior Year	\$ 300,859	703,234		402,375	



STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 25149 - NM GRADS**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ -	5,005	5,000	5,005	(5)
Expenditures:					
Education, Current:					
Instruction	-	5,005	5,004	(5,005)	1
Revenues Over (Under) Expenditures	\$ -	-	(4)	-	(4)

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 25151 - PROMOTION OF THE ARTS GRANT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ -	10,000	10,000	10,000	-
Expenditures:					
Education, Current:					
Instruction	-	10,000	9,062	(10,000)	938
Revenues Over (Under) Expenditures	\$ -	-	938	-	938

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 25152 - MEDICAL ASSISTANCE PAYMENTS (MEDICAID)**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ 183,186	183,186	283,012	-	99,826
Expenditures:					
Education, Current:					
Instruction	183,186	183,186	174,420	-	8,766
Revenues Over (Under) Expenditures	\$ -	-	108,592	-	108,592

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 25162 - TANF - GRADS - HSD**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ -	12,533	12,000	12,533	(533)
Expenditures:					
Education, Current:					
Instruction	-	12,533	12,533	(12,533)	-
Revenues Over (Under) Expenditures	\$ -	-	(533)	-	(533)

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 25184 - INDIAN EDUCATION FORMULA GRANT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ 1,176,167	1,176,167	1,102,191	-	(73,976)
Expenditures:					
Education, Current:					
Instruction	1,143,925	1,111,111	1,111,111	32,814	-
Support Services - Students	14,518	20,785	20,784	(6,267)	1
Support Services - General Administration	17,724	17,724	17,724	-	-
Support Services - School Administration	-	26,547	26,547	(26,547)	-
Total Expenditures	1,176,167	1,176,167	1,176,166	-	1
Revenues Over (Under) Expenditures	\$ -	-	(73,975)	-	(73,975)

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 25201 - NAVAJO NATION GRANTS**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ -	-	158,890	-	158,890
Expenditures:					
Education, Current:					
Total Expenditures	-	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	158,890	-	158,890

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 26119 - HEIFER INTERNATIONAL GRANT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources	\$ -	-	-	-	-
Expenditures:					
Education, Current:					
Instruction	2,919	2,134	1,889	785	245
Revenues Over (Under) Expenditures	<u>(2,919)</u>	<u>(2,134)</u>	<u>(1,889)</u>	<u>785</u>	<u>245</u>
Budgetary Notation - Cash Appropriated from Prior Year	\$ <u>2,919</u>	<u>2,134</u>			

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 26123 - PNM FOUNDATION GRANT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources	\$ -	2,500	-	2,500	(2,500)
Expenditures:					
Education, Current:					
Instruction	-	2,500	2,442	(2,500)	58
Revenues Over (Under) Expenditures	\$ -	-	(2,442)	-	(2,442)



STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 26143 - SAVE THE CHILDREN**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources	\$ 163,507	492,396	308,725	328,889	(183,671)
Expenditures:					
Education, Current:					
Instruction	39,556	312,595	123,796	(273,039)	188,799
Support Services - Students	36,997	87,015	63,159	(50,018)	23,856
Support Services - Instruction	58,882	25,519	24,762	33,363	757
Support Services - General Administration	2,300	2,732	2,732	(432)	-
Support Services - School Administration	8,924	51,727	32,049	(42,803)	19,678
Student Transportation	13,000	8,960	2,379	4,040	6,581
Food Services	3,848	3,848	265	-	3,583
Total Expenditures	163,507	492,396	249,142	(328,889)	243,254
Revenues Over (Under) Expenditures	\$ -	-	59,583	-	59,583

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 26150 - BURLINGTON GRANT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources	\$ -	-	-	-	-
Expenditures:					
Education, Current:					
Instruction	600	364	364	236	-
Revenues Over (Under) Expenditures	(600)	(364)	(364)	236	-
Budgetary Notation - Cash Appropriated from Prior Year	\$ 600	364			

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 26174 - PARENTS REACHING OUT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources	\$ -	47,398	62,500	47,398	15,102
Expenditures:					
Education, Current:					
Community Services	-	47,398	47,111	(47,398)	287
Revenues Over (Under) Expenditures	\$ -	-	15,389	-	15,389

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 26176 - NM COMMUNITY FOUNDATION**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources	\$ -	27,000	27,000	27,000	-
Expenditures:					
Education, Current:					
Community Services	-	4,500	-	(4,500)	4,500
Support Services - Students	-	22,500	-	(22,500)	22,500
Total Expenditures	-	27,000	-	(27,000)	27,000
Revenues Over (Under) Expenditures	\$ -	4,500	27,000	-	27,000

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27117 - TECHNOLOGY FOR EDUCATION**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ -	124,339	171,364	124,339	47,025
Expenditures:					
Education, Current:					
Operations and Maintenance of Plant	-	124,339	123,965	(124,339)	374
Revenues Over (Under) Expenditures	\$ -	-	47,399	-	47,399

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27121 - ELEMENTARY PHYSICAL EDUCATION GRANT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ -	-	83,370	-	83,370
Expenditures:					
Education, Current:					
Total Expenditures	-	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	83,370	-	83,370

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27138 - INCENTIVES FOR SCHOOL IMPROVEMENTS**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ -	35,131	62,626	35,131	27,495
Expenditures:					
Education, Current:					
Instruction	-	33,131	13,473	(33,131)	19,658
Community Services	-	2,000	1,255	(2,000)	745
Total Expenditures	-	35,131	14,728	(35,131)	20,403
Revenues Over (Under) Expenditures	\$ -	-	47,898	-	47,898

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27140 - FAMILY AND YOUTH RESOURCES - PRO**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ -	45,000	22,680	45,000	(22,320)
Expenditures:					
Education, Current:					
Support Services - Students	-	44,322	22,161	(44,322)	22,161
Support Services - General Administration	-	678	339	(678)	339
Total Expenditures		45,000	22,500	(45,000)	22,500
Revenues Over (Under) Expenditures	\$ -	-	180	-	180



STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27145 - GO BOND LIBRARY FUNDING**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ -	3,409	1,723	3,409	(1,686)
Expenditures:					
Education, Current:					
Support Services - Instruction	-	3,409	127	(3,409)	3,282
Revenues Over (Under) Expenditures	\$ -	-	1,596	-	1,596

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27149 - PRE-K INITIATIVE**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ -	605,489	539,384	605,489	(66,105)
Expenditures:					
Education, Current:					
Instruction	-	605,489	605,489	(605,489)	-
Revenues Over (Under) Expenditures	\$ -	-	(66,105)	1,210,978	(66,105)

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27150 - INDIAN EDUCATION ACT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ -	8,333	-	8,333	(8,333)
Expenditures:					
Education, Current:					
Instruction	-	8,333	-	(8,333)	8,333
Revenues Over (Under) Expenditures	\$ -	-	-	-	-

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27154 - BEGINNING TEACHER MENTORING**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ -	37,157	37,157	37,157	-
Expenditures:					
Education, Current:					
Instruction	-	36,597	36,597	(36,597)	-
Support Services - Administration	-	560	560	(560)	-
Total Expenditures	-	37,157	37,157	(37,157)	-
Revenues Over (Under) Expenditures	\$ -	-	-	-	-

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27155 - BREAKFAST FOR ELEMENTARY STUDENTS**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ 102,907	102,907	102,907	-	-
Expenditures:					
Education, Current:					
Food Services	102,907	102,907	102,907	-	-
Revenues Over (Under) Expenditures	\$ -	-	-	-	-

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27163 - SCHOOLS IN NEED OF IMPROVEMENT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ -	-	498,026	-	498,026
Expenditures:					
Education, Current:					
Total Expenditures	-	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	-	498,026	-	498,026

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27164 - SCHOOL IMPROVEMENT FRAMEWORK**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ -	15,000	15,000	15,000	-
Expenditures:					
Education, Current:					
Instruction	-	15,000	-	(15,000)	15,000
Revenues Over (Under) Expenditures	\$ -	-	15,000	-	15,000

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27165 - OUTDOOR CLASSROOM**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ -	5,000	-	5,000	(5,000)
Expenditures:					
Education, Current:					
Instruction	-	5,000	2,611	(5,000)	2,389
Revenues Over (Under) Expenditures	\$ -	-	(2,611)	-	(2,611)



STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27166 - KINDERGARTEN - THREE PLUS**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ 120,000	311,997	311,997	191,997	-
Expenditures:					
Education, Current:					
Instruction	120,000	311,997	239,138	(191,997)	72,859
Revenues Over (Under) Expenditures	\$ -	-	72,859	-	72,859

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27169 - PRE-K START-UP**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ -	115,700	161,348	115,700	45,648
Expenditures:					
Education, Current:					
Instruction	-	115,700	115,700	(115,700)	-
Revenues Over (Under) Expenditures	\$ -	-	45,648	-	45,648

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 27170 - LIBRARIES - GO BOND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ -	64,638	-	64,638	(64,638)
Expenditures:					
Education, Current:					
Instruction	-	64,638	57,137	(64,638)	7,501
Revenues Over (Under) Expenditures	\$ -	-	(57,137)	-	(57,137)

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 28121 - PRESCHOOL - CYFD**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ 12,581	138,425	156,090	125,844	17,665
Expenditures:					
Education, Current:					
Instruction	12,581	-	-	12,581	-
Support Services - General Administration	-	5,000	2,039	(5,000)	2,961
Community Services	-	133,425	133,241	(133,425)	184
Total Expenditures	12,581	138,425	135,280	(125,844)	3,145
Revenues Over (Under) Expenditures	\$ -	-	20,810	-	20,810

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 28178 - GEAR-UP CHE**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ 107,192	153,771	99,543	46,579	(54,228)
Expenditures:					
Education, Current:					
Instruction	96,193	133,575	58,939	(37,382)	74,636
Support Services - Students	10,999	19,877	8,470	(8,878)	11,407
Support Services - School Administration	-	319	316	(319)	3
Total Expenditures	107,192	153,771	67,725	(46,579)	86,046
Revenues Over (Under) Expenditures	\$ -	-	31,818	-	31,818

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 28180 - REGIONAL QUALITY CENTER (RQC)**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ -	97,750	97,750	97,750	-
Expenditures:					
Education, Current:					
Support Services - School Administration	-	97,750	97,750	(97,750)	-
Revenues Over (Under) Expenditures	\$ -	-	-	-	-

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 29102 - PRIVATE DIRECT GRANTS**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources	\$ -	4,752	-	4,752	(4,752)
Expenditures:					
Education, Current:					
Instruction	8,599	11,298	6,831	(2,699)	4,467
Support Services - Students	4,328	4,326	4,326	2	-
Education, Non-Current:					
Capital Outlay	9,970	12,023	12,023	(2,053)	-
Total Expenditures	<u>22,897</u>	<u>27,647</u>	<u>23,180</u>	<u>(4,750)</u>	<u>4,467</u>
Revenues Over (Under) Expenditures	<u>(22,897)</u>	<u>(22,895)</u>	<u>(23,180)</u>	<u>2</u>	<u>(285)</u>
Budgetary Notation - Cash Appropriated from Prior Year	\$ <u>22,897</u>	<u>22,895</u>			

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 29114 - MCCUNE CHARITABLE FOUNDATION**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources	\$ -	10,000	10,000	10,000	-
Expenditures:					
Education, Current:					
Support Services - General Administration	-	10,000	9,894	(10,000)	106
Revenues Over (Under) Expenditures	\$ -	-	106	-	106



STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 29130 - SCHOOL BASED HEALTH CENTER**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ 26,950	76,420	74,212	49,470	(2,208)
Expenditures:					
Education, Current:					
Support Services - Students	26,950	76,420	44,176	(49,470)	32,244
Revenues Over (Under) Expenditures	\$ -	-	30,036	-	30,036

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 31200 - PUBLIC SCHOOL CAPITAL OUTLAY**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ 13,682,282	4,751	22,717	(13,677,531)	17,966
Expenditures:					
Education, Non-Current:					
Capital Outlay	13,682,282	4,751	4,750	13,677,531	1
Revenues Over (Under) Expenditures	\$ -	-	17,967	-	17,967

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 31400 - SPECIAL CAPITAL OUTLAY - STATE**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources	\$ 508,900	1,151,051	206,180	642,151	(944,871)
Expenditures:					
Education, Non-Current:					
Capital Outlay	508,900	1,151,051	88,533	(642,151)	1,062,518
Revenues Over (Under) Expenditures	\$ -	-	117,647	-	117,647

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 31500 - SPECIAL CAPITAL OUTLAY - FEDERAL**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal Sources	\$ -	608,871	626,395	608,871	17,524
Expenditures:					
Education, Non-Current:					
Capital Outlay	1,578,277	2,334,860	113,096	(756,583)	2,221,764
Revenues Over (Under) Expenditures	(1,578,277)	(1,725,989)	513,299	(147,712)	2,239,288
Budgetary Notation - Cash Appropriated from Prior Year	\$ 1,578,277	1,725,989		147,712	

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 31700 - CAPITAL IMPROVEMENTS SB-9**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
State Sources					
State Flow-Through Grant	\$ -	496,282	950,661	496,282	454,379
Local Sources					
Ad Valorem Taxes - School District	1,264,393	1,264,393	1,298,560	-	34,167
Oil and Gas Taxes	45,337	45,337	52,141	-	6,804
Investment Income	45,000	45,000	23,880	-	(21,120)
	<u>1,354,730</u>	<u>1,354,730</u>	<u>1,374,581</u>	<u>-</u>	<u>19,851</u>
Total Revenues	<u>1,354,730</u>	<u>1,851,012</u>	<u>2,325,242</u>	<u>496,282</u>	<u>474,230</u>
Expenditures:					
Education, Current:					
Support Services - General Administration	10,000	16,282	12,986	(6,282)	3,296
Education, Non-Current:					
Capital Outlay	<u>2,444,046</u>	<u>2,543,812</u>	<u>1,742,604</u>	<u>(99,766)</u>	<u>801,208</u>
Total Expenditures	<u>2,454,046</u>	<u>2,560,094</u>	<u>1,755,590</u>	<u>(106,048)</u>	<u>804,504</u>
Revenues Over (Under) Expenditures	<u>(1,099,316)</u>	<u>(709,082)</u>	<u>569,652</u>	<u>390,234</u>	<u>1,278,734</u>
Budgetary Notation - Cash Appropriated from Prior Year	\$ <u>1,099,316</u>	<u>709,082</u>			

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FUND 32100 - PUBLIC SCHOOL CAPITAL OUTLAY - 20%**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local Sources					
Investment Income	\$ 12,000	12,000	10,859	-	(1,141)
Expenditures:					
Education, Non-Current:					
Capital Outlay	458,743	456,372	455,231	2,371	1,141
Revenues Over (Under) Expenditures	(446,743)	(444,372)	(444,372)	(2,371)	(2,282)
Budgetary Notation - Cash Appropriated from Prior Year	\$ 446,743	444,372		2,371	

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**FIDUCIARY FUNDS DESCRIPTION**  
For the Year Ended June 30, 2008

Agency Funds - Agency funds are used to account for assets held by the District as an agent for individuals, private organizations, or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. These funds relate primarily to the various activities of the individual schools.

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
ALL AGENCY FUNDS**  
As of June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Net Increase</u> <u>(Decrease)</u>	<u>Balance</u> <u>June 30, 2008</u>
<b><u>Assets</u></b>					
Cash and Investments	\$ <u>623,165</u>	<u>880,738</u>	<u>780,568</u>	<u>100,170</u>	<u>723,335</u>
<b><u>Liabilities</u></b>					
Deposits Held for Others	\$ <u>623,165</u>	<u>880,738</u>	<u>780,568</u>	<u>100,170</u>	<u>723,335</u>



STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**STATEMENT OF CHANGES IN DEPOSITS HELD FOR OTHERS -  
ALL AGENCY FUNDS**  
As of June 30, 2008

	Balance <u>July 1, 2007</u>	Additions	Deletions	Balance <u>June 30, 2008</u>
Central Activity - District	\$ 94,362	75,684	36,710	133,336
Kirtland Central High School	190,541	267,111	232,884	224,768
Kirtland Middle School	34,787	58,601	64,729	28,659
Kirtland Elementary School	12,686	43,585	33,329	22,942
Grace B. Wilson Elementary School	33,720	7,141	8,923	31,938
Ruth N. Bond Elementary School	29,533	16,788	29,626	16,695
Ojo Amarillo Elementary School	7,183	24,630	14,992	16,821
Kirtland Early Childhood Center	495	1,180	-	1,675
Shiprock High School	96,572	206,333	175,977	126,928
Career Prep High School	10,293	18,018	15,022	13,289
Tse Bit Ai Middle School	20,776	58,190	52,793	26,173
Mesa Elementary School	402	5,910	3,692	2,620
Nataani Nez Elementary School	13,919	7,103	5,982	15,040
Nizhoni Elementary School	8,638	4,135	8,284	4,489
Eva B. Stokely Elementary School	1,846	6,477	6,631	1,692
Newcomb High School	35,575	31,361	46,298	20,638
Newcomb Middle School	17,117	10,461	12,623	14,955
Newcomb Elementary School	8,904	20,484	14,517	14,871
Naschitti Elementary School	5,816	17,546	17,556	5,806
	<u>\$ 623,165</u>	<u>880,738</u>	<u>780,568</u>	<u>723,335</u>

SEE INDEPENDENT AUDITORS' REPORTS

The accompanying notes are an integral part of these financial statements

**OTHER SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2008

<b><u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u></b>	<b><u>Federal CFDA Number</u></b>	<b><u>Pass-Through Number</u></b>	<b><u>Federal Expenditures</u></b>
<b>Major Programs:</b>			
U. S. Department of Education Direct Grants:			
Impact Aid:			
General	84.041	11000	\$ 19,933,161
Special Education	84.041	25145	1,201,823
Indian Add-on	84.041	25147	5,284,725
Native American School Repair and Renovation Grants	84.352B	31500	<u>126,654</u>
Total U.S. Department of Education Direct Grants			<u>26,546,363</u>
US Department of Education Passed Through New Mexico State Public Education Department:			
Teacher/Principal Training and Recruiting (Title II-A)	84.367A	24154	645,590
Reading First	84.357	24167	1,010,683
U.S. Department of Interior - Bureau of Indian Affairs Direct Grant:			
Johnson O'Malley	15.130	25131	<u>423,097</u>
Total Major Programs			<u>28,625,733</u>
<b>Non-Major Programs:</b>			
U. S. Department of Education Passed Through New Mexico State Public Education Department:			
Title I Cluster:			
ESEA Title I	84.010	24101	3,815,672
Safe and Drug Free Schools and Communities (Title IV-A)	84.186A	24157	<u>33,588</u>
Total Title I Cluster			<u>3,849,260</u>
IDEA-B Cluster:			
IDEA-B Entitlement	84.027	24106	<u>1,703,979</u>
Total IDEA-B Cluster			<u>1,703,979</u>
IDEA-B Pre-School	84.173	24109	93,161
Technology Literacy Challenge	84.318X	24133	16,226
ESEA Title V-A Innovation Strategies	84.298	24150	8,954
English Language Acquisition	84.365A	24153	211,915
Carl Perkins Secondary	84.048A	24174	37,474
Carl Perkins Secondary Prior Year - Unliquidated Obligations	84.048A	24175	33,113
Carl Perkins Distribution	84.048A	24176	16,203
Carl Perkins HSTW	84.048A	24180	(3,049)
Carl Perkins HSTW Prior Year - Unliquidated Obligations	84.048A	24181	18,586
Indian Education Formula Grant	84.060	25184	<u>1,176,166</u>
Total Department of Education Non-Major Programs			<u>7,161,988</u>

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2008

	<u>Federal CFDA Number</u>	<u>Pass- Through Number</u>	<u>Federal Expenditures</u>
U. S. Department of Health & Human Services Indirect Grants			
Passed through Navajo Nation:			
IHS/Navajo Nation Medical Center	93.228	25122	194,009
Passed through New Mexico Public Education Department:			
NM GRADS	93.596	25149	5,004
First A/C NM GRADS	93.558/93.590	25162	<u>12,533</u>
Total Department of Health & Human Services Indirect Grants			<u>211,546</u>
U.S. Department of Agriculture:			
Passed through New Mexico Public Education Department:			
National School Breakfast	10.553	21000	698,554
National School Lunch	10.555	21000	2,226,346
Passed through New Mexico Department of Human Services:			
Commodities	10.550	21000	<u>213,819</u>
Total Department of Agriculture			<u>3,138,719</u>
National Endowment for the Arts:			
Promotion of the Arts Grant	45.024	25151	<u>9,062</u>
Total Non-Major Programs			<u>10,521,315</u>
Total Expenditures of Federal Awards			<u>\$ 39,147,048</u>

Notes to Schedule of Expenditures of Federal Awards:

1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of Central Consolidated Schools for the fiscal year ended June 30, 2008 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

2 Non-Cash Assistance

Included above - U.S. Department of Agriculture - Food Distribution 213,819

3 Federal Insurance

None

4 Federal Loans and/or Loan Guarantees

None

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**SCHEDULE OF PLEDGED COLLATERAL**  
For the Year Ended June 30, 2008

<u>Security Description</u>	<u>Security Number</u>	<u>CUSIP Number</u>	<u>Market Value</u>	<u>Maturity Date</u>
Wells Fargo Bank:				
			\$	
Ginnie Mae Mortgage Backed Security	256327	3137MVU8	1,385,913	07-1-2036
Ginnie Mae Mortgage Backed Security	781316	36225BN95	<u>1,172,099</u>	07-15-2031
			\$ <u><u>2,558,012</u></u>	

These securities are held by Wells Fargo Bank in the name of the District in a vault at the following address:  
Wells Fargo Bank  
608 2nd Ave. South  
Minneapolis, MN 55402

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**CASH RECONCILIATION**  
For the Year Ended June 30, 2008

	<u>Operational</u>	<u>Teacherage</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Food Services</u>	<u>Athletics</u>
Audited Cash and Investments, June 30, 2007	\$ 3,979,091	68,483		112,351		177,974
Add:						
2007-2008 Revenues	55,267,664	399,626	4,447,341	727,863	3,233,535	309,184
Prior Year Checks Voided	542,195					
Cash Reclassification of Outstanding Liabilities	(436,255)	(1,456)	(48,304)		(20,597)	(245)
Net Loans from Other Funds			(1,224,102)		144,000	
Operating Transfer In						
Total Cash and Investments Available	<u>59,352,695</u>	<u>466,653</u>	<u>3,174,935</u>	<u>840,214</u>	<u>3,356,938</u>	<u>486,913</u>
Less:						
2007-2008 Expenditures	55,712,067	438,483	3,090,434	620,473	3,287,434	243,108
Net Loans to Other Funds	(2,365,822)					
Operating Transfer Out	<u>665,858</u>					
Cash and Investments, June 30, 2008	<u>\$ 5,340,592</u>	<u>28,170</u>	<u>84,501</u>	<u>219,741</u>	<u>69,504</u>	<u>243,805</u>

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**CASH RECONCILIATION, continued**  
For the Year Ended June 30, 2008

	Non-Instructional Support	Federal Grants	State and Local Grants	Bond Building	Public School Capital Outlay	Special Capital Outlay - State
Audited Cash and Investments, June 30, 2007	\$ 661,578	6,733,324	74,491	10,787,897		
Add:						
2007-2008 Revenues	1,051,749	16,535,921	2,843,402	5,794,839	22,717	206,180
Prior Year Checks Voided						
Cash Reclassification of Outstanding Liabilities	(1,472)	(248,012)	(3,672)			
Net Loans from Other Funds		(548,038)	(602,068)		(17,967)	(117,647)
Operating Transfer In			742			
Total Cash and Investments Available	<u>1,711,855</u>	<u>22,473,195</u>	<u>2,312,895</u>	<u>16,582,736</u>	<u>4,750</u>	<u>88,533</u>
Less:						
2007-2008 Expenditures	1,090,599	16,144,502	2,000,383	10,028,895	4,750	88,533
Net Loans to Other Funds						
Operating Transfer Out		742				
Cash and Investments, June 30, 2008	<u>\$ 621,256</u>	<u>6,327,951</u>	<u>312,512</u>	<u>6,553,841</u>		

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**CASH RECONCILIATION, continued**  
For the Year Ended June 30, 2008

	Special Capital Outlay - Federal	Capital Improvements SB-9	PSCO - 20%	Debt Services	Totals
Audited Cash and Investments, June 30, 2007	\$ 1,725,989	709,082	444,372	4,722,031	30,196,663
Add:					
2007-2008 Revenues	626,395	2,325,242	10,859	4,624,139	98,426,656
Prior Year Checks Voided					542,195
Cash Reclassification of Outstanding Liabilities					(760,013)
Net Loans from Other Funds					(2,365,822)
Operating Transfer In				665,858	666,600
Total Cash and Investments Available	<u>2,352,384</u>	<u>3,034,324</u>	<u>455,231</u>	<u>10,012,028</u>	<u>126,706,279</u>
Less:					
2007-2008 Expenditures	113,096	1,755,591	455,231	5,104,020	100,177,599
Net Loans to Other Funds					(2,365,822)
Operating Transfer Out					666,600
Cash and Investments, June 30, 2008	<u>\$ 2,239,288</u>	<u>1,278,733</u>	<u><u>          </u></u>	<u>4,908,008</u>	<u>28,227,902</u>



STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**JOINT POWERS AGREEMENTS**  
June 30, 2008

**MEDICAID PROGRAM AS A PROVIDER OF SCHOOL-BASED HEALTH SERVICES**

Participants: Central Consolidated School District No. 22 and New Mexico Human Services Department

Responsible Parties: Central Consolidated School District No. 22 and New Mexico Human Services Department

Description: To participate in the Medicaid program as a provider of school-based health services

Period: 4/24/03 until indefinite

Project Cost: 100% reimbursement of cost to Medicaid-eligible children

District Contribution: Undetermined

Audit Responsibility: Central Consolidated School District No. 22

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
**BANK DEPOSITORIES**  
June 30, 2008

The following information is presented to comply with Section 12-6-5 NMSA 1978.

The following is a list of individual deposit accounts and investments held by Central Consolidated School District No. 22 as of June 30, 2008. Accounts were held at Wells Fargo Bank, Bank of America, and the New Mexico State Treasurer.

<u>Account Name</u>	<u>Account Type</u>	<u>Balance Per Bank</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks/Transfers</u>	<u>Adjustments</u>	<u>Balance Per Books</u>
Wells Fargo Bank:						
Fiduciary Accounts:						
Central Activity	1	\$ 23,591	2,137	(28,811)		\$ (3,083)
Investment	2	726,418				726,418
Total		<u>750,009</u>	<u>2,137</u>	<u>(28,811)</u>		<u>723,335</u>
District Accounts:						
Operational	1	688,896	11,547	(4,107,338)	2,817,634	(589,261)
Athletic	1	13,167		(667)	(12,500)	-
Investment	2,3	13,015,700				13,015,700
Total		<u>13,717,763</u>	<u>11,547</u>	<u>(4,108,005)</u>	<u>2,805,134</u>	<u>12,426,439</u>
Total Wells Fargo Bank		\$ <u>14,467,772</u>	<u>13,684</u>	<u>(4,136,816)</u>	<u>2,805,134</u>	\$ <u>13,149,774</u>
Bank of Albuquerque	3	\$ <u>771,778</u>				\$ <u>771,778</u>
New Mexico State Treasurer	4	\$ <u>15,029,685</u>				\$ <u>15,029,685</u>
Total All Accounts and Investment:						\$ <u>28,951,237</u>
Tie-in to Financial Statements:						
Cash and Investments - Statement of Net Assets						\$ 28,227,902
Cash and Investments - Statement of Fiduciary Net Assets						723,335
Total Cash and Investment:						\$ <u>28,951,237</u>

The adjustment to the Operation account includes the \$2,805,134 for reclassification of liabilities and \$12,500 for the reclassification between the Operational and Athletic accounts.

Account Type

- 1-Checking
- 2-Money Market Account
- 3-Government Agency Notes
- 4-State Pool Investment

SEE INDEPENDENT AUDITORS' REPORTS

The accompanying notes are an integral part of these financial statements



# Griego Professional Services, LLC

Certified Public Accountants

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Hector H. Balderas  
New Mexico State Auditor  
The Office of Management and Budget  
To the Board of Education  
Central Consolidated Schools District No. 22  
Kirtland, New Mexico

We have audited the financial statements of the governmental activities, each major fund, budgetary comparisons for the general fund and major special revenue funds and the aggregate remaining fund information of Central Consolidated Schools District No. 22 ("District"), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 7, 2008. We also have audited the financial statements of each of the District's major capital project funds, the debt service fund, nonmajor governmental and fiduciary funds, including budgetary comparisons, presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents, and have issued our report thereon dated November 7, 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 Central Consolidated Schools District No. 22, New Mexico's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as items FS 07-02 and FS 08-01.

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 agency's internal control.

Our consideration of 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 internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe the significant deficiencies described above are material weaknesses.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Consolidated School District No. 22, New Mexico'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item FS 07-02.

We noted certain matters that are required to be reported under *Government Auditing Standards January 2008 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as item FS 07-01.

The agency's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the agency's responses and, accordingly, we express no opinion on them.

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

*Grigo Professional Services, LLC*

Albuquerque, New Mexico  
November 7, 2008



# Griego Professional Services, LLC

Certified Public Accountants

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

Hector H. Balderas  
New Mexico State Auditor  
The Office of Management and Budget  
To the Board of Education  
Central Consolidated Schools District No. 22  
Kirtland , New Mexico

### Compliance

We have audited the compliance of Central Consolidated Schools District No. 22, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Central Consolidated Schools District No. 22's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Central Consolidated Schools District No. 22's management. Our responsibility is to express an opinion on Central Consolidated Schools District No. 22's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Central Consolidated Schools District No. 22's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Central Consolidated Schools District No. 22's compliance with those requirements.

In our opinion, Central Consolidated Schools District No. 22, New Mexico complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

### Internal Control Over Compliance

The management of Central Consolidated Schools District No. 22, New Mexico is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Central Consolidated Schools District No. 22, New Mexico's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance and accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

P.O. Box 37379 • Albuquerque, NM 87176-7379  
8500 Menaul Blvd. NE, Ste. B295 • Albuquerque, NM 87112  
Phone (505) 856-2741 - Fax (505) 856-7510

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

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

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

*Grigo Professional Services, LLC*

Albuquerque, New Mexico  
November 7, 2008

**STATE OF NEW MEXICO**  
**CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Schedule V

**Section I – Summary of Audit Results**

*Financial Statements:*

- |   |             |
|---|-------------|
| 1. Type of auditors' report issued  | Unqualified |
| 2. Internal control over financial reporting:                                     |             |
| a. Material weakness identified?  | No          |
| b. Significant deficiencies identified not considered to be material weaknesses?  | Yes         |
| c. Control deficiencies identified not considered to be significant deficiencies? | Yes         |
| d. Noncompliance material to financial statements noted?                          | No          |

*Federal Awards:*

- | 1. Internal control over major programs:   |                  |                 |        |            |         |           |        |               |        |                  |  |
|--|------------------|-----------------|--------|------------|---------|-----------|--------|---------------|--------|------------------|--|
| a. Material weakness identified?   | No               |                 |        |            |         |           |        |               |        |                  |  |
| b. Significant deficiencies identified not considered to be material weaknesses?   | No               |                 |        |            |         |           |        |               |        |                  |  |
| c. Control deficiencies identified not considered to be significant deficiencies?  | No               |                 |        |            |         |           |        |               |        |                  |  |
| 2. Type of auditors' report issued on compliance for major programs  | Unqualified      |                 |        |            |         |           |        |               |        |                  |  |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  | No               |                 |        |            |         |           |        |               |        |                  |  |
| 4. Identification of major programs:   |                  |                 |        |            |         |           |        |               |        |                  |  |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">CFDA<br/>Number</th> <th style="text-align: center; border-bottom: 1px solid black;">Federal Program</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">84.041</td> <td style="text-align: center;">Impact Aid</td> </tr> <tr> <td style="text-align: center;">84.367A</td> <td style="text-align: center;">Title IIA</td> </tr> <tr> <td style="text-align: center;">84.357</td> <td style="text-align: center;">Reading First</td> </tr> <tr> <td style="text-align: center;">15.130</td> <td style="text-align: center;">Johnson O'Malley</td> </tr> </tbody> </table> | CFDA<br>Number   | Federal Program | 84.041 | Impact Aid | 84.367A | Title IIA | 84.357 | Reading First | 15.130 | Johnson O'Malley |  |
| CFDA<br>Number   | Federal Program  |                 |        |            |         |           |        |               |        |                  |  |
| 84.041   | Impact Aid       |                 |        |            |         |           |        |               |        |                  |  |
| 84.367A  | Title IIA        |                 |        |            |         |           |        |               |        |                  |  |
| 84.357   | Reading First    |                 |        |            |         |           |        |               |        |                  |  |
| 15.130   | Johnson O'Malley |                 |        |            |         |           |        |               |        |                  |  |
| 5. Dollar threshold used to distinguish between type A and type B programs:  | \$1,159,259      |                 |        |            |         |           |        |               |        |                  |  |
| 6. Auditee qualified as low-risk auditee?  | No               |                 |        |            |         |           |        |               |        |                  |  |

## **Section II – Financial Statement Findings**

### **FS 07-01 Timeliness of Deposits**

*Condition:* During our testwork of receipts, we noted four out of twenty-five in which a receipt was not deposited timely. Deposits made in the amounts of \$118, \$3.75, \$514.15 and \$917.35 were not made within 24 hours of receipt.

*Criteria:* NMAC 6.20.2.6 states that deposits must be made within a 24 hour period from the receipt of the monies.

*Effect:* Non-adherence to state statutes places the District in noncompliance and lack of timeliness of deposits could subject the District to a possible occurrence of fraud.

*Cause:* The staff of the District did not deposit the funds within 24 hours after receipt. Proper procedures relating to cash receipts were not followed.

*Auditors' Recommendations:* We recommend that the District emphasize the importance of timely deposits of receipts, and monitor receipts more closely in order to be compliant with state statutes. The District should cross-train employees so that more than one individual is able to make deposits to ensure daily deposits are possible.

*Management's Response:* The District has emphasized the importance of making timely deposits with all individuals in the District responsible for making deposits. The Business Office staff will monitor timeliness of deposits throughout the District. Additionally, the District will request a waiver of the deposit rule from the State Auditor's Office for those schools in the Newcomb/Naschitti area. The District will request a deposit schedule on a weekly basis as these schools are thirty-five to fifty miles from the nearest branch of Wells Fargo Bank.

### **FS-07-02 Internal Control Structure Standards**

*Condition:* The District has not maintained formalized/"written" procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions as required by NMAC 6.20.2.11.

*Criteria:* Per NMAC 6.20.2.11, "Each school district shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions."

*Effect:* The absence of proper and required policies and procedures may cause management to lack reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations.

*Cause:* The District has operated under the Supplement 13 of the Public Education Department and did not formalize policies and procedures at the District level. Supplement 13 provides guidance relating to operations of a school district as it relates to the Public Education Department, however, it does not meet the requirements of NMAC 6.20.2.11.

*Auditors' Recommendations:* The District must develop and implement written internal control policies and procedures in compliance with NMAC 6.20.2.11. The development of such policies will ensure operational effectiveness through a disaster, turnover, and operation changes.



STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2008

*Management's Response:* The District has some flowcharts and written procedures for internal control policies and procedures in the District. However, these do not cover all control areas or procedures and in some instances have not been updated to reflect the most current internal control policies and procedures in the District. The District is in the process of updating, developing, and implementing written internal control policies and procedures for all relevant areas within the District.

**FS 08-01 Disaster Recovery Plan**

*Criteria:* The District should design and implement policies and procedures relating to a disaster recovery plan.

*Condition:* The District has not formalized and implemented a disaster recovery plan to insure vital data is not compromised in the event of a disaster.

*Effect:* The formalized and implementation of a disaster recovery plan is essential to insure the safeguard of the District's assets. In addition poor accounting practices, the lack of a proper disaster recovery plan may result in the District's inability to regenerate financial and school records, create difficulties in attempts with regards to insurance recoveries or create liabilities due to a lack of information with regards to payments to vendors and/or employees.

*Cause:* The District has implemented many policies and procedures within its operations, however, a disaster recovery plan has not been given a high priority.

*Auditor's Recommendation:* A formal disaster recovery plan should be formalized and implemented by the District. The plan must include an accurate listing of District assets and incorporate the District's financial records.

*Management's Response:* The District is in the process of developing a formalized disaster recovery plan. The District currently backs up critical financial data on a nightly basis and stores these backups off-site. Additionally, the District is in the process of implementing an imaging system which will provide for the electronic storage of additional financial information which can also be stored off-site. The District will also formalize an agreement with another local school district to use their server to house District financial data in the case of a major catastrophe at the Business Office. These procedures will be formalized in a written document.

STATE OF NEW MEXICO  
CENTRAL CONSOLIDATED SCHOOL DISTRICT NO. 22  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2008

**Section III – Federal Award Findings and Questioned Costs**

None

**Section IV – Prior Year Audit Findings**

FS 06-01 Timeliness of Audit Report - Resolved

FS 06-04 Over Expenditure of Budget – Resolved

FS 07-01 Timeliness of Deposits – Repeated

FS 07-02 Internal Control Structure Standards – Repeated

FA 06-02 Audit Report Submission of Data Collection Form and Reporting Package – Resolved

FA 07-1 Period of Availability of Funds – Resolved

**Section V – Other Disclosures**

Auditor Prepared Financials

The financial statements presented in this report were prepared by the by the staff of Central Consolidated School District.

Exit Conference

The contents of this report were discussed on November 13, 2008. The following individuals were in attendance.

CENTRAL CONSOLIDATED SCHOOLS

Randy Manning, Board Member

Bill Noland, Superintendent

Byron Manning, Executive Director of Finance  
and Business Operations

Kathy Hamilton, Accountant

Gary Martinez, Controller

Griego Professional Services, LLC

J.J. Griego, CPA