

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL  
DISTRICT NO. 19

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COMPREHENSIVE FINANCIAL ANNUAL REPORT  
AND  
SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2008  
WITH  
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

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## INTRODUCTORY SECTION

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STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

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STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

OFFICIAL ROSTER  
June 30, 2008

Board of Education

Art Espinoza	Board President
Silviano A. Atencio	Board Vice President
Earnest E. Vigil	Board Secretary
Donald Valdez	Board Member
Gary Salazar	Board Member

School Officials

Manuel F. Valdez	Superintendent
Anthony Casados	Assistant Superintendent
Danette Garcia	Business Manager

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**FINANCIAL SECTION**

**FISCAL YEAR 2008**

**JULY 1, 2007 THROUGH JUNE 30, 2008**

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# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101  
Farmington, NM 87401

keystone@keystoneacct.com

Telephone (505) 566-1900  
Fax (505) 566-1911

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## INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor  
And the Board of Education of  
Chama Valley Independent School District No. 19

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Chama Valley Independent School District No. 19, as of and for the year ended June 30, 2008, which collectively comprise Chama Valley Independent School District No. 19's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Chama Valley Independent School District No. 19's nonmajor governmental presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Chama Valley Independent School District No. 19, as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons of 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 of the Chama Valley Independent School District No. 19, as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital projects funds, debt service fund, and all nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 4, 2008, on our consideration of the Chama Valley Independent School District No. 19'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 conjunction with this report in assessing the results of our audit.

# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101  
Farmington, NM 87401

[keystone@keystoneacct.com](mailto:keystone@keystoneacct.com)

Telephone (505) 566-1900  
Fax (505) 566-1911

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Hector H. Balderas, State Auditor  
And the Board of Education of  
Chama Valley Independent School District No. 19

The District has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not a required part of, the basic financial statements.

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

*Keystone Accounting, LLC*

November 4, 2008

## **BASIC FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

STATEMENT OF NET ASSETS  
June 30, 2008

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 2,779,761
Receivables:	
Delinquent property taxes receivable	322,899
Grant	277,610
Due from other governments	25,968
Deferred bond issuance costs	300,825
USDA commodities inventory	186
Food inventory	99
Non-current:	
Non-depreciable assets	266,200
Depreciable capital assets, net	<u>11,553,247</u>
 Total assets	 <u>15,526,795</u>
<u>LIABILITIES</u>	
Accounts payable	170,759
Interest payable	84,243
Deferred grant revenue	105,450
Deposits held for others	2,750
Compensated absences	127,499
Noncurrent liabilities:	
Due within one year	530,000
Due in more than one year	<u>6,289,225</u>
 Total liabilities	 <u>7,309,926</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	5,000,222
Restricted:	
Debt service	1,076,195
Capital projects	2,098,716
Inventories	285
Unrestricted	<u>41,451</u>
 Total net assets	 <u>\$ 8,216,869</u>

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



STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Primary government:					
Governmental activities:					
Instruction	\$ 3,426,753	\$ 36,524	\$ 1,629,257	\$ 7,816	\$ (1,753,156)
Support Services - Students	520,331	-	247,393	1,187	(271,751)
Support Services - Instruction	233,239	-	110,894	532	(121,813)
Support Services - General Administration	436,821	-	207,688	996	(228,137)
Support Services - School Administration	585,658	-	278,453	1,336	(305,869)
Central Services	234,000	-	111,256	534	(122,210)
Operations & Maintenance of Plant	1,400,877	20,614	666,050	3,195	(711,018)
Student Transportation	6,004	-	344,818	14	338,828
Other Support Services	475	-	226	1	(248)
Food Services	293,131	16,396	199,970	-	(76,765)
Bond interest paid	<u>238,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(238,959)</u>
 Total governmental activities	 <u>\$ 7,376,248</u>	 <u>\$ 73,534</u>	 <u>\$ 3,796,005</u>	 <u>\$ 15,611</u>	 <u>(3,491,098)</u>
 General revenues:					
Property Taxes:					
					22,692
					312,613
					56,985
					5,001,056
					<u>4,254</u>
					 Total general revenues
					<u>5,397,600</u>
					 Loss on asset disposal
					<u>(668,268)</u>
					 Change in net assets
					1,238,234
					 Net assets - beginning
					<u>6,978,635</u>
					 Net assets - ending
					<u>\$ 8,216,869</u>

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

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2008

	General <u>Fund</u>	Debt Service <u>Fund</u>	Bond Building <u>Fund</u>	Special Capital Outlay - State <u>Fund</u>	Capital Improvements SB-9 <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b><u>ASSETS</u></b>							
Pooled cash and investments	\$ 156,694	\$ 598,240	\$ 1,622,390	\$ 99,587	\$ 412,749	\$ (109,899)	\$ 2,779,761
Receivables:							
Delinquent property taxes	10,632	242,890	-	-	69,377	-	322,899
Grant	-	-	-	-	-	277,610	277,610
Due from other governments	908	18,483	-	-	6,577	-	25,968
USDA commodities inventory	-	-	-	-	-	186	186
Food inventory	-	-	-	-	-	99	99
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 168,234</u>	<u>\$ 859,613</u>	<u>\$ 1,622,390</u>	<u>\$ 99,587</u>	<u>\$ 488,703</u>	<u>\$ 167,996</u>	<u>\$ 3,406,523</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>							
Liabilities:							
Accounts payable	\$ 40,921	\$ -	\$ 129,091	\$ -	\$ -	\$ 747	\$ 170,759
Deposits held for others	2,750	-	-	-	-	-	2,750
Deferred revenue:							
Federal, state, and local grants	-	-	-	-	-	105,450	105,450
Delinquent property taxes	10,109	232,239	-	-	65,592	-	307,940
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>53,780</u>	<u>232,239</u>	<u>129,091</u>	<u>-</u>	<u>65,592</u>	<u>106,197</u>	<u>586,899</u>
Fund balance:							
Reserved:							
Retirement of long-term debt	-	627,374	-	-	-	-	627,374
Inventories	-	-	-	-	-	285	285
Unreserved reported in:							
General fund	114,454	-	-	-	-	-	114,454
Special revenue funds	-	-	-	-	-	44,387	44,387
Capital projects funds	-	-	1,493,299	99,587	423,111	17,127	2,033,124
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balance	<u>114,454</u>	<u>627,374</u>	<u>1,493,299</u>	<u>99,587</u>	<u>423,111</u>	<u>61,799</u>	<u>2,819,624</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balance	<u>\$ 168,234</u>	<u>\$ 859,613</u>	<u>\$ 1,622,390</u>	<u>\$ 99,587</u>	<u>\$ 488,703</u>	<u>\$ 167,996</u>	<u>\$ 3,406,523</u>

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

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

RECONCILIATION OF THE BALANCE SHEET - ALL  
GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
June 30, 2008

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

Fund balances - total governmental funds	\$ 2,819,624
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	11,819,447
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	307,940
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(6,730,142)</u>
Net assets of governmental activities	<u>\$ 8,216,869</u>

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

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2008

	General Fund	Debt Service Fund	Bond Building Fund	Special Capital Outlay - State Fund	Capital Improvements SB-9 Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
<b>Federal</b>							
Forest reserve	\$ 14,353	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,353
Federal flowthrough grants	2,311	-	-	-	-	478,581	480,892
Federal direct grants	-	-	-	-	-	50,143	50,143
Food and milk reimbursements	-	-	-	-	-	185,433	185,433
USDA Commodities	-	-	-	-	-	14,537	14,537
<b>Total federal revenues</b>	<u>16,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>728,694</u>	<u>745,358</u>
<b>State</b>							
State equalization guarantee	4,893,846	-	-	-	-	-	4,893,846
State flow through grants	5,960	-	-	-	-	-	5,960
Transportation	344,818	-	-	-	-	-	344,818
State instructional material	45,092	-	-	-	-	-	45,092
State grant	344,083	-	-	2,203,935	56,408	122,048	2,726,474
<b>Total state revenues</b>	<u>5,633,799</u>	<u>-</u>	<u>-</u>	<u>2,203,935</u>	<u>56,408</u>	<u>122,048</u>	<u>8,016,190</u>
<b>Local</b>							
Grant	-	-	-	-	-	44,580	44,580
District school tax levy	46,047	784,993	-	-	228,760	-	1,059,800
Fees and activities	20,614	-	-	-	-	52,920	73,534
Earnings from investments	4,159	1,715	13,890	29	1,689	98	21,580
Miscellaneous	-	-	92,857	-	-	-	92,857
<b>Total local revenues</b>	<u>70,820</u>	<u>786,708</u>	<u>106,747</u>	<u>29</u>	<u>230,449</u>	<u>97,598</u>	<u>1,292,351</u>
<b>Total revenue</b>	<u>5,721,283</u>	<u>786,708</u>	<u>106,747</u>	<u>2,203,964</u>	<u>286,857</u>	<u>948,340</u>	<u>10,053,899</u>

(continued)

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

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2008

	General Fund	Debt Service Fund	Bond Building Fund	Special Capital Outlay - State Fund	Capital Improvements SB-9 Fund	Other Governmental Funds	Total Governmental Funds
Expenditures:							
Current:							
Instruction	2,751,646	-	-	-	-	457,206	3,208,852
Support Services - Students	452,567	-	-	-	-	34,677	487,244
Support Services - Instruction	161,114	-	-	-	-	37,430	198,544
Support Services - General Administration	343,707	7,785	-	-	2,268	55,284	409,044
Support Services - School Administration	439,358	-	-	-	-	109,059	548,417
Central Services	198,776	-	-	-	-	20,344	219,120
Operations & Maintenance of Plant	1,201,493	-	7,533	2,143	90,082	10,546	1,311,797
Student Transportation	5,622	-	-	-	-	-	5,622
Other Support Services	445	-	-	-	-	-	445
Food Services	83,572	-	-	-	-	190,919	274,491
Capital outlay	159,627	-	1,926,156	2,103,935	-	10,548	4,200,266
Debt service:							
Principal retirement	-	490,000	-	-	-	-	490,000
Bond interest paid	-	214,969	-	-	-	-	214,969
Bond issuance costs	-	-	98,183	-	-	-	98,183
	<u>5,797,927</u>	<u>712,754</u>	<u>2,031,872</u>	<u>2,106,078</u>	<u>92,350</u>	<u>926,013</u>	<u>11,666,994</u>
Excess (deficiency) of revenues over expenditures	<u>(76,644)</u>	<u>73,954</u>	<u>(1,925,125)</u>	<u>97,886</u>	<u>194,507</u>	<u>22,327</u>	<u>(1,613,095)</u>
Other financing sources:							
Sale of bonds	-	-	715,000	-	-	-	715,000
Bond premium	-	-	417	-	-	-	417
	<u>-</u>	<u>-</u>	<u>715,417</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>715,417</u>
Net change in fund balance	(76,644)	73,954	(1,209,708)	97,886	194,507	22,327	(897,678)
Fund balance at beginning of the year	<u>191,098</u>	<u>553,420</u>	<u>2,703,007</u>	<u>1,701</u>	<u>228,604</u>	<u>39,472</u>	<u>3,717,302</u>
Fund balance at end of the year	<u>\$ 114,454</u>	<u>\$ 627,374</u>	<u>\$ 1,493,299</u>	<u>\$ 99,587</u>	<u>\$ 423,111</u>	<u>\$ 61,799</u>	<u>\$ 2,819,624</u>

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

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2008

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

Net change in fund balance - total governmental funds	\$ (897,678)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year	3,746,417
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(772,190)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar, items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(154,047)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(684,268)</u>
Change in net assets of governmental activities	<u>\$ 1,238,234</u>

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

GENERAL FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Forest reserve	\$ 14,428	\$ 14,428	\$ 14,353	\$ (75)
Federal grant	<u>12,964</u>	<u>12,964</u>	<u>2,311</u>	<u>(10,653)</u>
Total federal revenues	<u>27,392</u>	<u>27,392</u>	<u>16,664</u>	<u>(10,728)</u>
State sources:				
State equalization guarantee	4,856,563	4,994,893	4,893,847	(101,046)
State flowthrough grant	-	-	5,960	5,960
Transportation	322,083	487,846	324,486	(163,360)
State instructional material	40,439	48,181	45,092	(3,089)
State grant	<u>3,563</u>	<u>3,563</u>	<u>344,083</u>	<u>340,520</u>
Total state revenues	<u>5,222,648</u>	<u>5,534,483</u>	<u>5,613,468</u>	<u>78,985</u>
Local sources:				
District school tax levy	31,251	31,251	42,961	11,710
Fees and activities	29,000	29,000	23,508	(5,492)
Earnings from investments	<u>114,500</u>	<u>114,500</u>	<u>4,159</u>	<u>(110,341)</u>
Total local revenues	<u>174,751</u>	<u>174,751</u>	<u>70,628</u>	<u>(104,123)</u>
Total revenues	<u>5,424,791</u>	<u>5,736,626</u>	<u>5,700,760</u>	<u>(35,866)</u>

(continued)

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

GENERAL FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Instruction	\$ 2,865,960	\$ 2,874,574	\$ 2,749,492	\$ 125,082
Support Services - Students	503,346	469,182	452,567	16,615
Support Services - Instruction	181,889	171,570	161,114	10,456
Support Services - General Administration	315,052	369,003	342,243	26,760
Support Services - School Administration	488,603	443,889	439,358	4,531
Central Services	233,810	212,897	194,563	18,334
Operation & Maintenance of Plant	873,009	1,051,675	867,389	184,286
Student Transportation	327,351	347,992	336,649	11,343
Other Support Services	-	446	445	1
Food Services Operations	<u>100,000</u>	<u>100,000</u>	<u>83,572</u>	<u>16,428</u>
Total current expenses	5,889,020	6,041,228	5,627,392	413,836
Capital outlay:				
Construction in progress	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total expenditures	<u>5,892,020</u>	<u>6,203,855</u>	<u>5,787,019</u>	<u>416,836</u>
Excess (deficiency) of revenues over expenditures	(467,229)	(467,229)	(86,259)	380,970
Beginning cash balance budgeted	467,229	467,229	-	(467,229)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>191,098</u>	<u>191,098</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	104,839	<u>\$ 104,839</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(23,515)	
Change in due from other governments			352	
Change in payables			17,902	
Change in accrued liabilities			(8,479)	
Change in deferred property taxes			<u>23,355</u>	
			<u>\$ 114,454</u>	

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



STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

AGENCY FUNDS  
Statement of Fiduciary Assets and Liabilities  
June 30, 2008

ASSETS

Pooled cash and investments	\$	<u>44,494</u>
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LIABILITIES

Deposits held for others	\$	<u>44,494</u>
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The notes to the financial statements are an integral part of this statement.

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STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Chama Valley Independent School District (District) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the Village of Chama, New Mexico and the surrounding areas. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District's financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, no component units or fiduciary units were included in the financial statements.

GAAP requires that financial statements present the District (primary government) and its component units. The district does not have any component units that are required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*.

1. Blended Component Units

The District does not have any component units reported as blended component units.

2. Discretely Presented Component Units

The District does not have any component units reported as blended component units.

The summary of significant accounting policies of the District is presented to assist in the understanding of the Association's financial statements. The financial statements and notes are the representation of Chama Valley Independent School District's management who is responsible for their integrity and objectivity. The financial statements of the Association conform to Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of interfund activity has been removed from these statements.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

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

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The government reports the following major governmental funds:

General Fund – The general fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

Bond Building Fund – This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

Special Capital Outlay-State – This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

Capital Improvements SB-9 – This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

Additionally, the government reports the following fund types:

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

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

Fiduciary Funds – Fiduciary Funds are the agency funds used to account for financial resources used by the student activity groups for which the District has stewardship

Similar to private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

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

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

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity

1. *Deposits and investments*

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

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

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

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

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

2. *Receivables and payables*

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

The District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB – 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the School District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectibles has not been recorded.

3. *Inventories*

USDA Commodities are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2006, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The costs of library books are not depreciated unless the individual cost is in excess of \$5,000. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.



STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Building improvements	20
Land Improvements	10-20
Vehicles	5-7
Office equipment	5
Computer equipment	3-5

5. *Compensated absences*

It is the School District's policy to permit employees to accumulate earned but unused vacation, which no more than 20 days will be paid to employees upon separation from the District's service. Twelve-month employees that are full time are entitled to two weeks paid vacation per year. Vacation days may not accrue from one year to the next without the prior approval of the superintendent, and is accrued when incurred in the government-wide financial statements.

Sick pay does not vest and is recorded as expenditures when it is paid.

6. *Long-term obligations*

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

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

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. *Fund balance*

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

8. *Net assets*

Net assets are presented on the statement of net assets and may be presented in any of three components.

a. Invested in capital assets, net of related debt

This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and 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. The portion of the debt attributable to the unspent proceeds is not be included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

b. Restricted net assets

Net assets are reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

c. Unrestricted net assets

Unrestricted net assets consist of net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

In the governmental environment, net assets often are designated to indicate that management does not consider them to be available for general operations. In contrast to restricted net assets, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. *Indirect Costs*

The District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

10. *Estimates*

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

11. *Revenues*

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$4,893,846 in state equalization guarantee distributions during the year ended June 30, 2008.

**Transportation Distribution:** School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$344,818 in transportation distributions during the year ended June 30, 2008.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.” The details of the \$11,819,447 difference are as follows:

Capital assets	\$ 16,873,616
Accumulated depreciation	<u>(5,054,169)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 11,819,447</u>

Another element of the reconciliation states “other assets are not available to pay to current-period expenditures and therefore are deferred in the funds.” The details of the \$307,940 difference are as follows:

Property taxes receivable	<u>\$ 307,940</u>
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The final adjustment in the reconciliation indicates that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The \$6,730,142 difference is detailed as follows:

Bonds payable	\$ (6,795,000)
Accrued interest payable	(84,243)
Accrued vacation payable	(127,499)
Bond premiums	(31,833)
Amortization of bond premiums	7,608
Bond issue costs	378,867
Amortization of bond issue costs	<u>(78,042)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ (6,730,142)</u>

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
(continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities  
(continued)

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$3,746,417 difference are as follows:

Capital outlay	\$ 4,200,266
Depreciation expense	<u>(453,849)</u>
Net adjustment to changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 3,746,417</u>

The second element in the reconciliation indicates “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The adjustment of \$772,190 is detailed as follows:

Reduction in revenue:	
Deferred grant revenue in 2007	\$ (104,680)
Deferred property taxes in 2007	(975,450)
Amounts to be included in revenue:	
Deferred property taxes in 2008	<u>307,940</u>
Net adjustment to change in net assets of governmental activities for revenues that are not recorded in the funds	<u>\$ (772,190)</u>

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
(continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities  
(continued)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$154,047 difference are as follows:

Principal repayments:	
General obligation debt	\$ 490,000
Payment to refunding debt escrow agent	(715,000)
Premium received on refunding bonds	(417)
Amortization of bond premium	1,041
Bond issuance costs	98,183
Amortization of bond issuance costs	<u>(27,854)</u>
Net adjustment to decrease change in net assets of governmental activities	<u>\$ (154,047)</u>

The final element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$684,266 difference are as follows:

Accrued interest:	
June 30, 2008	\$ (84,243)
June 30, 2007	88,107
Compensated absences:	
June 30, 2008	(127,499)
June 30, 2007	107,635
Loss on asset disposal	<u>(668,266)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (684,266)</u>

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

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

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

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

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2008 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 5,892,020	\$ 6,203,855
Special Revenue Fund	674,240	1,125,741
Debt Service Fund	1,099,516	1,099,516
Capital Projects Fund	1,912,637	2,588,383
Totals	\$ 9,578,413	\$ 11,017,495

B. Deficit fund equity

There were not any deficit fund balances as of June 30, 2008.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2008, the carrying amount of the District's deposits was \$2,824,260 and the bank balance was \$3,274,906. Of this balance \$100,000 was covered by federal depository insurance and \$1,751,371 was covered by collateral held in joint safekeeping by a third party. The remaining \$1,423,535 was not covered by pledged collateral is comprised of amounts in excess of those required to be collateralized under State law.



STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Temporary Investments (continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2008, \$1,423,535 of the District's bank balance of \$3,274,906 was exposed to custodial risk as follows:

Uninsured and uncollateralized	\$	1,423,535
Uninsured and collateral held by pledging bank's trust dept not in the District's name		<u>1,751,371</u>
Total uninsured		3,174,906
Insured (FDIC)		<u>100,000</u>
Total deposits	\$	<u>3,274,906</u>
State of New Mexico collateral requirement:		
50% of uninsured public fund bank deposits	\$	1,587,453
Pledged security		<u>1,751,371</u>
Over collateralization	\$	<u>163,918</u>

The collateral pledged is listed on Page 111 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

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

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

B. Receivables

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the following:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements SB-9</u>	<u>Other Governmental Funds</u>
Receivables:				
Delinquent property taxes	\$ 10,632	\$ 242,890	\$ 69,377	\$ -
Grant	-	-	-	277,610
Due from other:				
Governments	<u>908</u>	<u>18,483</u>	<u>6,577</u>	<u>-</u>
Total	<u>\$ 11,540</u>	<u>\$ 261,373</u>	<u>\$ 75,954</u>	<u>\$ 277,610</u>

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
Other Governmental Funds	\$ -	\$ 105,450
Delinquent property taxes		
General Fund	10,109	-
Headstart	-	-
Debt Service	232,239	
Capital Improvements SB-9	<u>65,592</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 307,940</u>	<u>\$ 105,450</u>

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 266,200	\$ -	\$ -	\$ 266,200
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>\$ 266,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,200</u>
Capital assets, being depreciated:				
Land improvements	\$ 1,076,222	\$ 198,716	\$ (326,939)	\$ 947,999
Buildings and improvements	11,125,202	3,841,923	(1,214,482)	13,752,643
Furniture, fixtures, and equipment	2,005,394	159,627	(258,247)	1,906,774
Total capital assets being depreciated	<u>14,206,818</u>	<u>4,200,266</u>	<u>(1,799,668)</u>	<u>16,607,416</u>
Less accumulated depreciation for:				
Land improvements	(930,458)	(20,569)	283,144	(667,883)
Buildings and improvements	(3,338,553)	(280,608)	591,239	(3,027,922)
Furniture, fixtures, and equipment	(1,462,709)	(152,672)	257,017	(1,358,364)
Total accumulated depreciation	<u>(5,731,720)</u>	<u>(453,849)</u>	<u>1,131,400</u>	<u>(5,054,169)</u>
Total capital assets being depreciated, net	<u>\$ 8,475,098</u>	<u>\$ 3,746,417</u>	<u>\$ (668,268)</u>	<u>\$ 11,553,247</u>

Depreciation has been allocated to the functions by the following amounts:

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 217,901
Support Services - Students	33,087
Support Services - Instruction	14,831
Support Services - General Administration	27,777
Support Services - School Administration	37,241
Central Services	14,880
Operations & Maintenance of Plant	89,080
Student Transportation	382
Other Support Services	30
Food Services	18,640
Total Depreciation Expense	<u>\$ 453,849</u>

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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IV. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

Depreciation expense was not charged to functions/programs of the District because the detail information was not available.

Construction commitments

The Chama Valley Independent School District No. 19 received \$2,103,935 any funds from the State of New Mexico Public School Facilities Authority for the year ended June 30, 2008.

The District is involved in several long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$19,865,389 in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

D. Inter-Fund Receivables and Payables

There were not any inter-fund receivables or payables at June 30, 2008.

E. Inter-Fund Transfers

There were not any inter-fund transfers made during the year ended June 30, 2008.

F. Long-Term Debt

General Obligation Bonds

General Obligation Bonds – The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries. The details of the bonds and notes as of June 30, 2008 are as follows:

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

<u>General Obligations Bonds</u>		<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2007</u>	<u>Amount Due Within One Year</u>
Series	2004	\$ 2,500,000	2.00% to 3.50%	\$ 2,010,000	\$ 190,000
Series	2005	2,000,000	2.25% to 4.00%	1,735,000	150,000
Series	2005B	1,000,000	4.00%	935,000	65,000
Series	2006	800,000	3.45% to 4.20%	650,000	75,000
Series	2007	775,000	3.40% to 3.54%	750,000	25,000
Series	2007B	390,000	3.75% to 4.50%	390,000	-
Series	2008	325,000	2.785% to 4.40%	325,000	25,000
<b>Total</b>		<u>\$ 7,790,000</u>		<u>\$ 6,795,000</u>	<u>\$ 530,000</u>

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

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

<u>General Obligation Bonds</u>			
<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2009	\$ 530,000	\$ 228,988	\$ 758,988
2010	555,000	212,582	767,582
2011	570,000	195,619	765,619
2012	585,000	177,621	762,621
2013	605,000	158,234	763,234
2014 - 2018	3,765,000	432,145	4,197,145
2019 - 2023	185,000	7,500	192,500
<b>Total</b>	<u>\$ 6,795,000</u>	<u>\$ 1,412,689</u>	<u>\$ 8,207,689</u>

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

G. Long-Term Debt (continued)

Changes in long term debt – During the year ended June 30, 2008 the following changes occurred in liabilities reported in the general obligation bonds account group:

	Balance <u>June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2008</u>	Amount Due <u>Within One Year</u>
Compensated absences:					
Compensated vacation	\$ 130,191	\$ 49,343	\$ 52,035	\$ 127,499	\$ 127,499
Bonds payable	<u>6,570,000</u>	<u>715,000</u>	<u>490,000</u>	<u>6,795,000</u>	<u>530,000</u>
	<u>\$ 6,700,191</u>	<u>\$ 764,343</u>	<u>\$ 542,035</u>	<u>\$ 6,922,499</u>	<u>\$ 657,499</u>

	Balance <u>June 30, 2008</u>
Bonds payable	\$ 6,795,000
Unamortized:	
Bond premiums	<u>24,225</u>
Total non-current liabilities	<u>\$ 6,819,225</u>

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service fund.

V. OTHER INFORMATION

A. 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; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2008.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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V. OTHER INFORMATION (continued)

B. Contingent Liabilities

Amounts received or receivable from grant 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 that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

C. Employee 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 benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes the 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 87502-6129  
[www.nmerb.org](http://www.nmerb.org)

Funding Policy - Plan members are required to contribute 7.42% of their gross salary. Chama Valley Independent School District is required to contribute 10.95% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The District's contributions to the ERB for the years ended June 30, 2008, 2007 and 2006 were \$401,344, \$349,771, and \$318,069 respectively, equal to the amount of the required contribution for the year. The contribution rates will increase each year as follows:

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2008-2009	11.650%	7.900%
2009-2010	12.460%	7.900%
2010-2011	13.150%	7.900%
2011-2012	13.900%	7.900%

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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V. OTHER INFORMATION (continued)

D. Post-Retirement Health Care Benefits

Plan Description – Chama Valley Independent School District No. 19’s contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are:

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to:

Retiree Health Care Authority  
4308 Carlisle NE, Suite 104  
Albuquerque, NM 87107

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



STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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V. OTHER INFORMATION (continued)

D. Post-Retirement Health Care Benefits (continued)

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 January 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.

Chama Valley Independent School District No. 19's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$47,499, \$48,907 and \$44,203, respectively, which equal the required contributions for each year.

E. School District Cash Flows

The District operates on primarily on reimbursement grants. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in its self does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District cash flows and the ability to deliver educational services to the community in an effective manner. The delay in receiving reimbursements has been progressively increasing through this and the previous two years. The current trend will adversely affect the District in subsequent years.

F. Budgetary Violations

The District exceeded its legal budget in individual funds as referenced in Finding 2008-2 on page 126. The District is aware of legal binding of budgets and has implemented a system of checks that will help prevent any further violations of budgetary control.

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**GENERAL FUNDS**

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

GENERAL FUND  
Combining Balance Sheet  
June 30, 2008

	General Funds				
	Operational Fund	Teacherage Fund	Transportation Fund	Instructional Materials Fund	Total General Fund
<b><u>ASSETS</u></b>					
Pooled cash and investments	\$ 115,970	\$ 15,135	\$ 1,469	\$ 24,120	\$ 156,694
Receivables:					
Delinquent property taxes	10,632	-	-	-	10,632
Due from other governments	908	-	-	-	908
 Total assets	 \$ 127,510	 \$ 15,135	 \$ 1,469	 \$ 24,120	 \$ 168,234
<b><u>LIABILITIES AND FUND BALANCE</u></b>					
Liabilities:					
Accounts payable	\$ 19,145	\$ 175	\$ 467	\$ 21,134	\$ 40,921
Deposits held for others	-	2,750	-	-	2,750
Deferred revenue:					
Delinquent property taxes	10,109	-	-	-	10,109
 Total liabilities	 29,254	 2,925	 467	 21,134	 53,780
Fund balance:					
Unreserved reported in:					
General fund	98,256	12,210	1,002	2,986	114,454
 Total liabilities and fund balance	 \$ 127,510	 \$ 15,135	 \$ 1,469	 \$ 24,120	 \$ 168,234

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

GENERAL FUND  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2008

	General Funds				
	Operational Fund	Teacherage Fund	Transportation Fund	Instructional Materials Fund	General Fund
<b>Revenues:</b>					
<b>Federal</b>					
Forest reserve	\$ 14,353	\$ -	\$ -	\$ -	\$ 14,353
Federal flowthrough grants	2,311	-	-	-	2,311
USDA Commodities	-	-	-	-	-
<b>Total federal revenues</b>	<b>16,664</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,664</b>
<b>State</b>					
State equalization guarantee	4,893,846	-	-	-	4,893,846
State flow through grants	5,960	-	-	-	5,960
Transportation	-	-	344,818	-	344,818
State instructional material	-	-	-	45,092	45,092
State grant	195,057	-	143,400	5,626	344,083
<b>Total state revenues</b>	<b>5,094,863</b>	<b>-</b>	<b>488,218</b>	<b>50,718</b>	<b>5,633,799</b>
<b>Local</b>					
District school tax levy	46,047	-	-	-	46,047
Fees and activities	8,071	12,543	-	-	20,614
Earnings from investments	3,841	161	44	113	4,159
<b>Total local revenues</b>	<b>57,959</b>	<b>12,704</b>	<b>44</b>	<b>113</b>	<b>70,820</b>
<b>Total revenue</b>	<b>5,169,486</b>	<b>12,704</b>	<b>488,262</b>	<b>50,831</b>	<b>5,721,283</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	2,703,162	-	-	48,484	2,751,646
Support Services - Students	452,567	-	-	-	452,567
Support Services - Instruction	161,114	-	-	-	161,114
Support Services - General Administratio	343,707	-	-	-	343,707
Support Services - School Administration	439,358	-	-	-	439,358
Central Services	198,776	-	-	-	198,776
Operations & Maintenance of Plant	841,988	28,247	331,258	-	1,201,493
Student Transportation	5,622	-	-	-	5,622
Other Support Services	445	-	-	-	445
Food Services	83,572	-	-	-	83,572
<b>Total expenditures</b>	<b>5,241,372</b>	<b>28,247</b>	<b>479,824</b>	<b>48,484</b>	<b>5,797,927</b>
Excess of revenues over expenditures	(71,886)	(15,543)	8,438	2,347	(76,644)
Fund balance at beginning of the year	170,142	27,753	(7,436)	639	191,098
<b>Fund balance at end of the year</b>	<b>\$ 98,256</b>	<b>\$ 12,210</b>	<b>\$ 1,002</b>	<b>\$ 2,986</b>	<b>\$ 114,454</b>

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

OPERATIONAL FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Federal sources:				
Forest reserve	\$ 14,428	\$ 14,428	\$ 14,353	\$ (75)
Federal grant	<u>12,964</u>	<u>12,964</u>	<u>2,311</u>	<u>(10,653)</u>
<b>Total federal revenues</b>	<u>27,392</u>	<u>27,392</u>	<u>16,664</u>	<u>(10,728)</u>
State sources:				
State equalization guarantee	4,856,563	4,994,893	4,893,847	(101,046)
State flowthrough grant	-	-	5,960	5,960
State grant	<u>-</u>	<u>-</u>	<u>195,057</u>	<u>195,057</u>
<b>Total state revenues</b>	<u>4,856,563</u>	<u>4,994,893</u>	<u>5,094,864</u>	<u>99,971</u>
Local sources:				
District school tax levy	31,251	31,251	42,961	11,710
Fees and activities	14,000	14,000	10,964	(3,036)
Earnings from investments	<u>114,000</u>	<u>114,000</u>	<u>3,841</u>	<u>(110,159)</u>
<b>Total local revenues</b>	<u>159,251</u>	<u>159,251</u>	<u>57,766</u>	<u>(101,485)</u>
<b>Total revenues</b>	<u>5,043,206</u>	<u>5,181,536</u>	<u>5,169,294</u>	<u>(12,242)</u>
<b>Expenditures:</b>				
Current:				
Instruction	2,825,271	2,826,436	2,703,162	123,274
Support Services - Students	503,346	469,182	452,567	16,615
Support Services - Instruction	178,326	167,714	161,114	6,600
Support Services - General Administration	315,052	369,003	342,243	26,760
Support Services - School Administration	488,603	443,889	439,358	4,531
Central Services	233,810	212,897	194,563	18,334
Operation & Maintenance of Plant	833,405	1,012,071	839,186	172,885
Student Transportation	5,268	8,712	5,622	3,090
Other Support Services	-	446	445	1
Food Services Operations	<u>100,000</u>	<u>100,000</u>	<u>83,572</u>	<u>16,428</u>
<b>Total current expenses</b>	<u>5,483,081</u>	<u>5,610,350</u>	<u>5,221,832</u>	<u>388,518</u>
<b>Total expenditures</b>	<u>5,483,081</u>	<u>5,621,411</u>	<u>5,232,893</u>	<u>388,518</u>
Excess (deficiency) of revenues over expenditures	(439,875)	(439,875)	(63,599)	376,276
Beginning cash balance budgeted	439,875	439,875	-	(439,875)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>170,142</u>	<u>170,142</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>106,543</u>	<u>\$ 106,543</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			(23,515)	
Change in due from other governments			352	
Change in accrued liabilities			(8,479)	
Change in deferred property taxes			<u>23,355</u>	
			<u>\$ 98,256</u>	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

TEACHERAGE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
<b>Local sources:</b>				
Fees and activities	\$ 15,000	\$ 15,000	\$ 12,544	\$ (2,456)
Earnings from investments	250	250	161	(89)
<b>Total revenues</b>	<b>15,250</b>	<b>15,250</b>	<b>12,705</b>	<b>(2,545)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Operation & Maintenance of Plant	39,604	39,604	28,203	11,401
<b>Capital outlay:</b>				
Construction in progress	3,000	3,000	-	3,000
<b>Total expenditures</b>	<b>42,604</b>	<b>42,604</b>	<b>28,203</b>	<b>14,401</b>
Excess (deficiency) of revenues over expenditures	(27,354)	(27,354)	(15,498)	11,856
Beginning cash balance budgeted	27,354	27,354	-	(27,354)
Fund balance at beginning of the year	-	-	27,753	27,753
Fund balance at end of the year	\$ -	\$ -	12,255	\$ 12,255
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			(45)	
			\$ 12,210	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

TRANSPORTATION FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State sources:				
Transportation	\$ 322,083	\$ 487,846	\$ 324,486	\$ (163,360)
State grant	<u>-</u>	<u>-</u>	<u>143,400</u>	<u>143,400</u>
Total state revenues	322,083	487,846	467,886	(19,960)
Local sources:				
Earnings from investments	<u>-</u>	<u>-</u>	<u>44</u>	<u>44</u>
Total revenues	322,083	487,846	467,930	(19,916)
 <b>Expenditures:</b>				
Current:				
Student Transportation	<u>322,083</u>	<u>339,280</u>	<u>331,027</u>	<u>8,253</u>
Excess (deficiency) of revenues over expenditures	-	-	(11,663)	(11,663)
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>(7,436)</u>	<u>(7,436)</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(19,099)	<u>\$ (19,099)</u>
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			<u>20,101</u>	
			<u>\$ 1,002</u>	



STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

INSTRUCTIONAL MATERIALS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
State sources:				
State instructional material	\$ 40,439	\$ 48,181	\$ 45,092	\$ (3,089)
State grant	3,563	3,563	5,626	2,063
Total state revenues	44,002	51,744	50,718	(1,026)
Local sources:				
Earnings from investments	250	250	113	(137)
Total revenues	44,252	51,994	50,831	(1,163)
<b>Expenditures:</b>				
Current:				
Instruction	40,689	48,138	46,330	1,808
Support Services - Instruction	3,563	3,856	-	3,856
Total expenditures	44,252	51,994	46,330	5,664
Excess of revenues over expenditures	-	-	4,501	4,501
Fund balance at beginning of the year	-	-	639	639
Fund balance at end of the year	\$ -	\$ -	5,140	\$ 5,140
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			(2,154)	
			\$ 2,986	

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**NONMAJOR GOVERNMENTAL FUNDS**

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2008

	Special Revenue Funds							
	Food Service <u>Fund</u>	Athletics <u>Fund</u>	Title I <u>Fund</u>	Migrant Children Education <u>Fund</u>	Entitlement IDEA-B <u>Fund</u>	Discretionary IDEA-B <u>Fund</u>	Competitive IDEA-B <u>Fund</u>	Title V Innovative Education <u>Fund</u>
<b><u>ASSETS</u></b>								
Pooled cash and investments	\$ 38,097	\$ 2,410	\$ (32,552)	\$ (4,399)	\$ (62,044)	\$ (47,655)	\$ 916	\$ (315)
Receivables:								
Grant	3,880	-	33,018	4,399	62,044	47,655	-	315
USDA commodities inventory	186	-	-	-	-	-	-	-
Food inventory	99	-	-	-	-	-	-	-
	<u>99</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 42,262</u>	<u>\$ 2,410</u>	<u>\$ 466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 916</u>	<u>\$ -</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 466	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue:								
Federal, state, and local grants	-	-	-	-	-	-	916	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>916</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>916</u>	<u>-</u>
Fund balance:								
Reserved:								
Inventories	285	-	-	-	-	-	-	-
Unreserved and reported in:								
Special revenues funds	41,977	2,410	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>42,262</u>	<u>2,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 42,262</u>	<u>\$ 2,410</u>	<u>\$ 466</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 916</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2008

	Special Revenue Funds							
	Title III English Language Acquisition <u>Fund</u>	Title II Teacher Training & Recruiting <u>Fund</u>	Title IV Safe & Drug Free Schools <u>Fund</u>	21st Century Community Living <u>Fund</u>	Reading First <u>Fund</u>	Bilingual Education <u>Fund</u>	Schools with Sol <u>Fund</u>	Title XIX Medicaid <u>Fund</u>
<b><u>ASSETS</u></b>								
Pooled cash and investments	\$ (13,010)	\$ (7,834)	\$ (492)	\$ (22,280)	\$ (11,826)	\$ 4	\$ -	\$ 22,574
Receivables:								
Grant	13,010	7,834	492	22,280	11,826	-	-	-
USDA commodities inventory	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 22,574</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 281
Deferred revenue:								
Federal, state, and local grants	-	-	-	-	-	4	-	22,293
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>22,293</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>22,574</u>
Fund balance:								
Reserved:								
Inventories	-	-	-	-	-	-	-	-
Unreserved and reported in:								
Special revenues funds	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 22,574</u>

(continued)

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2008

	<u>Special Revenue Funds</u>							
	Bill & Melinda Gates Foundation <u>Fund</u>	LANL Foundatio n <u>Fund</u>	Technology for Education <u>Fund</u>	Physical Education Classes <u>Fund</u>	Incentives for School Improvement <u>Fund</u>	Libraries GO Bonds <u>Fund</u>	PreK Initiative <u>Fund</u>	Beginning Teacher Mentoring <u>Fund</u>
<u>ASSETS</u>								
Pooled cash and investments	\$ 44	\$ 17,718	\$ 14,322	\$ -	\$ 36,727	\$ -	\$ (54,029)	\$ -
Receivables:								
Grant	-	-	-	-	-	-	54,029	-
USDA commodities inventory	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-
	<u>44</u>	<u>17,718</u>	<u>14,322</u>	<u>-</u>	<u>36,727</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 44</u>	<u>\$ 17,718</u>	<u>\$ 14,322</u>	<u>\$ -</u>	<u>\$ 36,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LIABILITIES AND FUND BALANCE</u>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue:								
Federal, state, and local grants	<u>44</u>	<u>17,718</u>	<u>14,322</u>	<u>-</u>	<u>36,727</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>44</u>	<u>17,718</u>	<u>14,322</u>	<u>-</u>	<u>36,727</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>44</u>	<u>17,718</u>	<u>14,322</u>	<u>-</u>	<u>36,727</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:								
Reserved:								
Inventories	-	-	-	-	-	-	-	-
Unreserved and reported in:								
Special revenues funds	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 44</u>	<u>\$ 17,718</u>	<u>\$ 14,322</u>	<u>\$ -</u>	<u>\$ 36,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2008

	Special Revenue Funds					Total
	Chama Preschool <u>Fund</u>	State 21st Century <u>Fund</u>	Pre-School CYFD <u>Fund</u>	Libraries GO Bonds <u>Fund</u>	Clothes Helping Kids <u>Fund</u>	Nonmajor Special Revenue <u>Funds</u>
<b><u>ASSETS</u></b>						
Pooled cash and investments	\$ 10,770	\$ (6,246)	\$ (402)	\$ (10,180)	\$ 2,656	\$ (127,026)
Receivables:						
Grant	-	6,246	402	10,180	-	277,610
USDA commodities inventory	-	-	-	-	-	186
Food inventory	-	-	-	-	-	99
	-	-	-	-	-	-
Total assets	\$ 10,770	\$ -	\$ -	\$ -	\$ 2,656	\$ 150,869
<b><u>LIABILITIES AND FUND BALANCE</u></b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 747
Deferred revenue:						
Federal, state, and local grants	10,770	-	-	-	2,656	105,450
	10,770	-	-	-	2,656	106,197
Total liabilities	10,770	-	-	-	2,656	106,197
<b>Fund balance:</b>						
Reserved:						
Inventories	-	-	-	-	-	285
Unreserved and reported in:						
Special revenues funds	-	-	-	-	-	44,387
Capital projects funds	-	-	-	-	-	-
	-	-	-	-	-	-
Total fund balance	-	-	-	-	-	44,672
Total liabilities and fund balance	\$ 10,770	\$ -	\$ -	\$ -	\$ 2,656	\$ 150,869

(continued)

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2008

	<b>Capital Projects Funds</b>			
	Energy Efficiency Act <u>Fund</u>	Public School Capital Outlay - 20% <u>Fund</u>	Total Nonmajor Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<b><u>ASSETS</u></b>				
Pooled cash and investments	\$ 17,027	\$ 100	\$ 17,127	\$ (109,899)
Receivables:				
Grant	-	-	-	277,610
USDA commodities inventory	-	-	-	186
Food inventory	-	-	-	99
	-	-	-	99
Total assets	\$ 17,027	\$ 100	\$ 17,127	\$ 167,996
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 747
Deferred revenue:				
Federal, state, and local grants	-	-	-	105,450
	-	-	-	105,450
Total liabilities	-	-	-	106,197
<b>Fund balance:</b>				
Reserved:				
Inventories	-	-	-	285
Unreserved and reported in:				
Special revenues funds	-	-	-	44,387
Capital projects funds	17,027	100	17,127	17,127
	17,027	100	17,127	17,127
Total fund balance	17,027	100	17,127	61,799
Total liabilities and fund balance	\$ 17,027	\$ 100	\$ 17,127	\$ 167,996



STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2008

	Special Revenue Funds				
	Food Service <u>Fund</u>	Athletics <u>Fund</u>	Title I <u>Fund</u>	Migrant Children Education <u>Fund</u>	Entitlement IDEA-B <u>Fund</u>
<b>Revenues:</b>					
<b>Federal</b>					
Federal flowthrough grants	\$ -	\$ -	\$ 137,465	\$ 7,545	\$ 80,953
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	185,433	-	-	-	-
USDA Commodities	<u>14,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total federal revenues	<u>199,970</u>	<u>-</u>	<u>137,465</u>	<u>7,545</u>	<u>80,953</u>
<b>State</b>					
State grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Local</b>					
Grant	-	-	-	-	-
Fees and activities	16,396	36,524	-	-	-
Earnings from investments	<u>50</u>	<u>45</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total local revenues	<u>16,446</u>	<u>36,569</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>216,416</u>	<u>36,569</u>	<u>137,465</u>	<u>7,545</u>	<u>80,953</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	-	39,990	69,835	-	73,726
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	-	25,791	-	-
Support Services - General Administration	-	-	33,329	7,545	-
Support Services - School Administration	-	-	3,507	-	7,227
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	5,003	-	-
Food Service	<u>189,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>189,966</u>	<u>39,990</u>	<u>137,465</u>	<u>7,545</u>	<u>80,953</u>
Excess (deficiency) of revenues over expenditures	26,450	(3,421)	-	-	-
Fund balance at beginning of the year	<u>15,812</u>	<u>5,831</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 42,262</u>	<u>\$ 2,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2008

	Special Revenue Funds				
	Discretionary IDEA-B <u>Fund</u>	Competitive IDEA-B <u>Fund</u>	Title V Innovative Education <u>Fund</u>	Title III English Language Acquisition <u>Fund</u>	Title II Teacher Training & Recruiting <u>Fund</u>
<b>Revenues:</b>					
Federal					
Federal flowthrough grants	\$ 48,164	\$ -	\$ 2,830	\$ 15,341	\$ 31,869
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
Total federal revenues	48,164	-	2,830	15,341	31,869
State					
State grant	-	-	-	-	-
Local					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total local revenues	-	-	-	-	-
Total revenue	48,164	-	2,830	15,341	31,869
<b>Expenditures:</b>					
Current:					
Instruction	-	-	2,695	15,302	14,979
Support Services - Students	-	-	-	39	7,879
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	135	-	7,300
Support Services - School Administration	48,164	-	-	-	1,711
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Service	-	-	-	-	-
Total expenditures	48,164	-	2,830	15,341	31,869
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2008

	Special Revenue Funds				
	Title IV Safe & Drug Free Schools <u>Fund</u>	21st Century Community Living <u>Fund</u>	Reading First <u>Fund</u>	Bilingual Education <u>Fund</u>	Schools with Sol <u>Fund</u>
	<b>Revenues:</b>				
<b>Federal</b>					
Federal flowthrough grants	\$ 1,613	\$ 152,801	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
Total federal revenues	1,613	152,801	-	-	-
<b>State</b>					
State grant	-	-	-	-	-
<b>Local</b>					
Grant	-	-	-	-	10,548
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total local revenues	-	-	-	-	10,548
Total revenue	1,613	152,801	-	-	10,548
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	1,532	99,677	-	-	-
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	81	5,424	-	-	-
Support Services - School Administration	-	47,700	-	-	-
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Service	-	-	-	-	-
Total expenditures	1,613	152,801	-	-	10,548
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2008

	Special Revenue Funds				
	Title XIX Medicaid <u>Fund</u>	Bill & Melinda Gates Foundation <u>Fund</u>	LANL Foundation <u>Fund</u>	Technology for Education <u>Fund</u>	Physical Education Classes <u>Fund</u>
<b>Revenues:</b>					
<b>Federal</b>					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	50,143	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
	-	-	-	-	-
<b>Total federal revenues</b>	50,143	-	-	-	-
<b>State</b>					
State grant	-	-	-	6,632	-
	-	-	-	6,632	-
<b>Local</b>					
Grant	-	-	31,983	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
	-	-	31,983	-	-
<b>Total local revenues</b>	-	-	31,983	-	-
<b>Total revenue</b>	50,143	-	31,983	6,632	-
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	22,090	-	-	-	-
Support Services - Students	26,759	-	-	-	-
Support Services - Instruction	-	-	11,639	-	-
Support Services - General Administration	341	-	-	1,129	-
Support Services - School Administration	-	-	-	665	-
Central Services	-	-	20,344	-	-
Operations & Maintenance of Plant	-	-	-	4,838	-
Food Service	953	-	-	-	-
	953	-	-	-	-
<b>Total expenditures</b>	50,143	-	31,983	6,632	-
<b>Excess (deficiency) of revenues   over expenditures</b>	-	-	-	-	-
<b>Fund balance at beginning of the year</b>	-	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2008

	Special Revenue Funds				
	Incentives for School Improvement <u>Fund</u>	Libraries GO Bonds <u>Fund</u>	PreK Initiative <u>Fund</u>	Beginning Teacher Mentoring <u>Fund</u>	Chama Preschool <u>Fund</u>
<b>Revenues:</b>					
Federal					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
Total federal revenues	-	-	-	-	-
State					
State grant	6,768	-	36,607	1,858	-
Local					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total local revenues	-	-	-	-	-
Total revenue	6,768	-	36,607	1,858	-
<b>Expenditures:</b>					
Current:					
Instruction	6,768	-	36,522	1,858	-
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	-	-	85	-	-
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Service	-	-	-	-	-
Total expenditures	6,768	-	36,607	1,858	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2008

	Special Revenue Funds				
	State 21st Century <u>Fund</u>	Pre-School CYFD <u>Fund</u>	Libraries GO Bonds <u>Fund</u>	Clothes Helping Kids <u>Fund</u>	Total Nonmajor Special Revenue <u>Funds</u>
<b>Revenues:</b>					
<b>Federal</b>					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ 478,581
Federal direct grants	-	-	-	-	50,143
Food and milk reimbursements	-	-	-	-	185,433
USDA Commodities	-	-	-	-	14,537
	-----	-----	-----	-----	-----
<b>Total federal revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>728,694</b>
	-----	-----	-----	-----	-----
<b>State</b>					
State grant	55,703	4,300	10,180	-	122,048
	-----	-----	-----	-----	-----
<b>Local</b>					
Grant	-	-	-	2,049	44,580
Fees and activities	-	-	-	-	52,920
Earnings from investments	-	-	-	-	95
	-----	-----	-----	-----	-----
<b>Total local revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,049</b>	<b>97,595</b>
	-----	-----	-----	-----	-----
<b>Total revenue</b>	<b>55,703</b>	<b>4,300</b>	<b>10,180</b>	<b>2,049</b>	<b>948,337</b>
	-----	-----	-----	-----	-----
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	55,703	4,300	10,180	2,049	457,206
Support Services - Students	-	-	-	-	34,677
Support Services - Instruction	-	-	-	-	37,430
Support Services - General Administration	-	-	-	-	55,284
Support Services - School Administration	-	-	-	-	109,059
Central Services	-	-	-	-	20,344
Operations & Maintenance of Plant	-	-	-	-	9,841
Food Service	-	-	-	-	190,919
	-----	-----	-----	-----	-----
<b>Total expenditures</b>	<b>55,703</b>	<b>4,300</b>	<b>10,180</b>	<b>2,049</b>	<b>925,308</b>
	-----	-----	-----	-----	-----
Excess (deficiency) of revenues over expenditures	-	-	-	-	23,029
	-----	-----	-----	-----	-----
Fund balance at beginning of the year	-	-	-	-	21,643
	-----	-----	-----	-----	-----
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,672</u>

(continued)

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2008

	<b>Capital Projects Funds</b>			
	Energy Efficiency Act <u>Fund</u>	Public School Capital Outlay - 20% <u>Fund</u>	Total Nonmajor Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<b>Revenues:</b>				
<b>Federal</b>				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ 478,581
Federal direct grants	-	-	-	50,143
Food and milk reimbursements	-	-	-	185,433
USDA Commodities	-	-	-	14,537
	-----	-----	-----	-----
Total federal revenues	-	-	-	728,694
	-----	-----	-----	-----
<b>State</b>				
State grant	-	-	-	122,048
	-----	-----	-----	-----
<b>Local</b>				
Grant	-	-	-	44,580
Fees and activities	-	-	-	52,920
Earnings from investments	-	3	3	98
	-----	-----	-----	-----
Total local revenues	-	3	3	97,598
	-----	-----	-----	-----
Total revenue	-	3	3	948,340
	-----	-----	-----	-----
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	-	-	-	457,206
Support Services - Students	-	-	-	34,677
Support Services - Instruction	-	-	-	37,430
Support Services - General Administration	-	-	-	55,284
Support Services - School Administration	-	-	-	109,059
Central Services	-	-	-	20,344
Operations & Maintenance of Plant	-	705	705	10,546
Food Service	-	-	-	190,919
	-----	-----	-----	-----
Total expenditures	-	705	705	926,013
	-----	-----	-----	-----
Excess (deficiency) of revenues over expenditures	-	(702)	(702)	22,327
Fund balance at beginning of the year	17,027	802	17,829	39,472
	-----	-----	-----	-----
Fund balance at end of the year	\$ 17,027	\$ 100	\$ 17,127	\$ 61,799
	-----	-----	-----	-----

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## **BUDGETARY PRESENTATION**

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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**FOOD SERVICES**

This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-4, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

**ATHLETICS**

This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

**TITLE I**

To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

**MIGRANT CHILDREN EDUCATION**

To support high quality education programs for migratory children and help ensure that migratory children who move among the states are not penalized in any manner by disparities among states in curriculum, graduation requirements, or state academic content and student academic achievement standards. Funds also ensure that migratory children not only are provided with appropriate education services (including supportive services) that address their special needs but also that such children receive full and appropriate opportunities to meet the same challenging state academic content and student academic achievement standards that all children are expected to meet. Federal funds are allocated by formula to SEAs, based on each state's per pupil expenditure for education and counts of eligible migratory children, age 3 through 21, residing within the state. Authorization: The Elementary and Secondary Education Act of 1965, Title I, Part C, as amended by the No Child Left Behind Act of 2001; 20 U.S.C. 6391-6399.

**ENTITLEMENT/COMPETITIVE/DISCRETIONARY IDEA-B**

The Entitlement/Competitive/Discretionary IDEA-B 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. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

**TITLE V INNOVATIVE EDUCATION**

To assist State and Local educational agencies in the reform of elementary and secondary education. Authorized by the Elementary and Secondary Education Act of 1965, Title VI, as amended, 20 U.S.C. 7301-7373.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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**TITLE III ENGLISH LANGUAGE ACQUISITION**

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

**TITLE II TEACHER TRAINING & RECRUITING**

To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in the academic achievement. Authorization is granted through the Elementary and Secondary Education Act of 1965, as amended, Title II, Part A, Public Law 107-110.

**TITLE IV SAFE & DRUG FREE SCHOOLS**

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

**21<sup>ST</sup> CENTURY COMMUNITY LIVING**

After school adolescence care, providing the community with responsible Child Care, while providing the children and their families with referral services, drug prevention education, academic help, and character building (social skill) activities. Funding is provided by the Department of Education under the Elementary and Secondary Education Act of 1965, Title X, part I Section 10901, Public Law 103-382 Stat. 3844, 20 U.S.C. 8241.

**READING FIRST**

To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Authorization is granted by Elementary and Secondary Education Act of 1965 (ESEA), as amended, Public Law 107-110.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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**BILINGUAL EDUCATION**

To develop and implement new comprehensive, coherent, and successful bilingual education or special alternative instructional programs for limited English proficient students including programs of early childhood education, kindergarten through twelfth grade education, gifted and talented education, and vocational and applied technology education; to improve the education of limited English proficient students and their families by implementing family education programs and parent outreach and training activities designed to assist parents to become active participants in the education of their children; to improve the instructional program by identifying, acquiring, and upgrading curriculum, instructional and educational software, and assessment procedures, to compensate personnel, including teacher aides who have been specifically trained, or are being trained, to provide services, and to provide tutorials and academic career counseling for children and youth of limited English proficiency. Authorized by Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A.

**SCHOOLS WITH SOL**

To provide for the implementation of alternative energy sources.

**TITLE XIX – MEDICAID**

To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, 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. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-14, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

**BILL & MELINDA GATES FOUNDATION**

To provide superintendents and principals from public and private schools access to quality leadership development focused on technology integration and whole systems change

**CHILD & ADULT FOOD**

To account for the activities of a program to provide for healthier schools by providing a health center at the schools. Funding is from the New Mexico Department of Health. The authority for creation of this fund was approved by the original budget by the Chama Board of Education.

**LANL FOUNDATION**

Local grant sponsored by Los Alamos National Laboratory that was used to provide a scholarship to a senior high student at Questa Independent High School that was to be used in a four-year program for educational efforts in pursuing an engineering degree at a New Mexico college or university.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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**TECHNOLOGY FOR EDUCATION**

State funding to provide financial assistance to school districts to improve educational opportunities for all students to close the technology gap between schools and the workplace through enhancement of computer education. The funding is provided by state resources and supplements the federal funding for the Technology Literacy Challenge grant. The creation of the fund is authorized by NMSA 1978 22-15A-1 TO 22-15A-10.

**PHYSICAL EDUCATION CLASSES**

State program to provide a elementary physical education curriculum aligned to the New Mexico Physical Education Content Standards with Benchmarks and Performance Standards. It is to be taught by PED licensed elementary physical education instructors. The school must provide physical education 3 days a week for 30 minutes per day to all students in the school in grades K-6. The program is funded by the state equalization guarantee (SEG)

**INCENTIVES FOR SCHOOL IMPROVEMENTS**

State funding awarded to five School Districts in the state for achieving improved test scores of the students in their districts. The funds were used to purchase supplies and other textbooks for the school district. Authority for creation is NMSA 25-13A-1.

**LIBRARIES GO BOND**

Funding made available to update and expand library collections.

**PREK INITIATIVE**

The pre-k program shall address the total development needs of preschool children, including physical, cognitive, social and emotional needs, and shall include health care, nutrition, safety and multicultural sensitivity.

**BEGINNING TEACHER MENTORING PROGRAM**

Funds to assist school districts in the design, implementation, and evaluation of beginning teacher mentoring programs. Funding is provided through the 2000 legislative session, with appropriated funds from the General Appropriations Act.

**CHAMA PRESCHOOL**

Funds to develop and implement voluntary NM PreK programs for 4 year olds throughout New Mexico to advance childhood development and readiness.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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STATE 21<sup>ST</sup> CENTURY COMMUNITY LEARNING CENTER

To provide (1) opportunities for academic enrichment, including providing tutorial services to help students, particularly students in high-poverty areas and those who attend low-performing schools, meet State and local student performance standards in core academic subjects such as reading and mathematics; (2) students a broad array of additional services, programs, and activities, such as youth development activities, drug and violence prevention programs, counseling programs, art, music, and recreation programs, technology education programs, and character education programs, that are designed to reinforce and complement the regular academic program of participating students; and (3) families of students served by community learning centers opportunities for literacy and related educational development.

PRESCHOOL CYFD

To provide for the developmental needs of pre-kindergarten, 4 year old, children.

CLOTHES HELPING KIDS

Program assisting students through safe, nurturing, summer school environment. Scientifically based reading instruction and enrichment. Opportunities for academic enrichment, activities that enhance character building. Providing technology training and enrichment, healthy and varied recreational activities, and outstanding partnership activities.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

FOOD SERVICE SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Federal sources:				
Food and milk reimbursements	\$ 165,300	\$ 165,300	\$ 181,553	\$ 16,253
USDA Commodities	-	14,537	14,537	-
	165,300	179,837	196,090	16,253
Local sources:				
Fees and activities	9,500	9,500	16,395	6,895
Earnings from investments	150	150	50	(100)
	9,650	9,650	16,445	6,795
Total local revenues	9,650	9,650	16,445	6,795
Total revenues	174,950	189,487	212,535	23,048
<b>Expenditures:</b>				
Current:				
Food Services Operations	176,430	190,967	189,839	1,128
Excess (deficiency) of revenues over expenditures	(1,480)	(1,480)	22,696	24,176
Beginning cash balance budgeted	1,480	1,480	-	(1,480)
Fund balance at beginning of the year	-	-	15,812	15,812
Fund balance at end of the year	\$ -	\$ -	38,508	\$ 38,508
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in Inventory			(126)	
Change in receivables			3,880	
			\$ 42,262	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

ATHLETICS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Fees and activities	\$ 60,000	\$ 60,000	\$ 36,524	\$ (23,476)
Earnings from investments	<u>100</u>	<u>100</u>	<u>45</u>	<u>(55)</u>
Total revenues	60,100	60,100	36,569	(23,531)
 Expenditures:				
Current:				
Instruction	<u>71,068</u>	<u>71,068</u>	<u>39,995</u>	<u>31,073</u>
Excess (deficiency) of revenues over expenditures	(10,968)	(10,968)	(3,426)	7,542
Beginning cash balance budgeted	10,968	10,968	-	(10,968)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>5,831</u>	<u>5,831</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,405	<u>\$ 2,405</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>-</u>	
			<u>\$ 2,405</u>	



STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

TITLE I SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ 146,785	\$ 156,138	\$ 111,813	\$ (44,325)
<b>Expenditures:</b>				
Current:				
Instruction	78,807	80,914	69,835	11,079
Support Services - Instruction	27,195	29,511	25,791	3,720
Support Services - General Administration	33,783	35,327	33,329	1,998
Support Services - School Administration	2,000	5,176	3,507	1,669
Operation & Maintenance of Plant	5,000	5,210	4,966	244
Total expenditures	146,785	156,138	137,428	18,710
Excess (deficiency) of revenues over expenditures	-	-	(25,615)	(25,615)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(25,615)	\$ (25,615)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			25,652	
Change in payables			(37)	
			\$ -	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

MIGRANT CHILDREN EDUCATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 10,000	\$ 3,590	\$ (6,410)
Expenditures:				
Current:				
Support Services - General Administration	-	9,870	7,545	2,325
Support Services - School Administration	-	130	-	130
Total expenditures	-	10,000	7,545	2,455
Excess (deficiency) of revenues over expenditures	-	-	(3,955)	(3,955)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(3,955)	<u>\$ (3,955)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>3,955</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

ENTITLEMENT IDEA-B SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ -	\$ 84,357	\$ 17,642	\$ (66,715)
 <b>Expenditures:</b>				
Current:				
Instruction	-	77,130	73,726	3,404
Support Services - School Administration	-	7,227	7,227	-
Total expenditures	-	84,357	80,953	3,404
Excess (deficiency) of revenues over expenditures	-	-	(63,311)	(63,311)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(63,311)	<u>\$ (63,311)</u>
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			62,044	
Change in deferred revenue			<u>1,267</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

DISCRETIONARY IDEA-B SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ -	\$ 54,811	\$ -	\$ (54,811)
 <b>Expenditures:</b>				
Current:				
Support Services - School Administration	<u>-</u>	<u>54,811</u>	<u>48,164</u>	<u>6,647</u>
Excess (deficiency) of revenues over expenditures	-	-	(48,164)	(48,164)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>(48,164)</u>	<u>\$ (48,164)</u>
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			47,655	
Change in deferred revenue			<u>509</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
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TITLE V INNOVATIVE EDUCATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 3,413	\$ 4,283	\$ 1,771	\$ (2,512)
Expenditures:				
Current:				
Instruction	3,229	4,099	2,695	1,404
Support Services - General Administration	184	184	135	49
Total expenditures	<u>3,413</u>	<u>4,283</u>	<u>2,830</u>	<u>1,453</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,059)	(1,059)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,059)	<u>\$ (1,059)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			315	
Change in deferred revenue			<u>744</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

TITLE III ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 21,473	\$ 8,889	\$ (12,584)
Expenditures:				
Current:				
Instruction	-	18,288	15,665	2,623
Support Services - Students	-	1,200	39	1,161
Support Services - General Administration	-	1,225	-	1,225
Support Services - School Administration	-	760	-	760
Total expenditures	-	21,473	15,704	5,769
Excess (deficiency) of revenues over expenditures	-	-	(6,815)	(6,815)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(6,815)	<u>\$ (6,815)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			6,453	
Change in payables			<u>362</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

TITLE II TEACHER TRAINING & RECRUITING SPECIAL REVENUE FUND

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ 43,419	\$ 58,894	\$ 29,904	\$ (28,990)
<b>Expenditures:</b>				
Current:				
Instruction	16,079	30,754	14,979	15,775
Support Services - Students	15,000	15,000	7,879	7,121
Support Services - General Administration	2,340	7,869	7,300	569
Support Services - School Administration	10,000	5,271	1,711	3,560
	43,419	58,894	31,869	27,025
Excess (deficiency) of revenues over expenditures	-	-	(1,965)	(1,965)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(1,965)	\$ (1,965)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			1,965	
			\$ -	

STATE OF NEW MEXICO  
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TITLE IV SAFE & DRUG FREE SCHOOLS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 2,747	\$ 2,747	\$ 2,516	\$ (231)
Expenditures:				
Current:				
Instruction	2,599	2,599	1,532	1,067
Support Services - General Administration	148	148	81	67
Total expenditures	<u>2,747</u>	<u>2,747</u>	<u>1,613</u>	<u>1,134</u>
Excess of revenues over expenditures	-	-	903	903
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	903	<u>\$ 903</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(903)</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
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21ST CENTURY COMMUNITY LIVING SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 218,639	\$ 226,106	\$ 137,581	\$ (88,525)
Expenditures:				
Current:				
Instruction	167,782	172,620	99,677	72,943
Support Services - General Administration	3,703	5,494	5,424	70
Support Services - School Administration	47,154	47,992	47,700	292
Total expenditures	<u>218,639</u>	<u>226,106</u>	<u>152,801</u>	<u>73,305</u>
Excess (deficiency) of revenues over expenditures	-	-	(15,220)	(15,220)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(15,220)	<u>\$ (15,220)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>15,220</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

READING FIRST SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 7,940	\$ 7,940
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	7,940	7,940
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	7,940	<u>\$ 7,940</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(7,940)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SCHOOLS WITH SOL SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ 10,548	\$ 10,548
 Expenditures:				
Capital outlay:				
Buildings and improvements	-	-	10,548	(10,548)
 Excess of revenues over expenditures	-	-	-	-
 Fund balance at beginning of the year	-	-	-	-
 Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

TITLE XIX MEDICAID SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Federal sources:				
Federal direct grant	\$ 11,739	\$ 50,271	\$ 33,210	\$ (17,061)
<b>Expenditures:</b>				
Current:				
Instruction	5,869	22,107	22,090	17
Support Services - Students	5,870	26,523	26,523	-
Support Services - General Administration	-	341	341	-
Food Services Operations	-	1,300	953	347
	11,739	50,271	49,907	364
Excess (deficiency) of revenues over expenditures	-	-	(16,697)	(16,697)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(16,697)	\$ (16,697)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			(236)	
Change in deferred revenue			16,933	
			\$ -	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

LANL FOUNDATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ 38,903	\$ 22,645	\$ (16,258)
Expenditures:				
Current:				
Instruction	-	6,917	-	6,917
Support Services - Instruction	-	11,642	11,639	3
Central Services	-	20,344	20,344	-
Total expenditures	-	38,903	31,983	6,920
Excess (deficiency) of revenues over expenditures	-	-	(9,338)	(9,338)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(9,338)	<u>\$ (9,338)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			9,338	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

TECHNOLOGY FOR EDUCATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 7,554	\$ 27,777	\$ 20,223
<b>Expenditures:</b>				
Current:				
Instruction	-	871	-	871
Support Services - General Administration	-	1,179	1,129	50
Support Services - School Administration	-	665	665	-
Operation & Maintenance of Plant	-	4,839	4,838	1
	<u>-</u>	<u>7,554</u>	<u>6,632</u>	<u>922</u>
 Total expenditures	 -	 7,554	 6,632	 922
 Excess of revenues over expenditures	 -	 -	 21,145	 21,145
 Fund balance at beginning of the year	 -	 -	 -	 -
 Fund balance at end of the year	 <u>\$ -</u>	 <u>\$ -</u>	 21,145	 <u>\$ 21,145</u>
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(6,823)	
Change in deferred revenue			<u>(14,322)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
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PHYSICAL EDUCATION CLASSES SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 26,295	\$ 26,295
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	26,295	26,295
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	26,295	<u>\$ 26,295</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(26,295)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

INCENTIVES FOR SCHOOL IMPROVEMENT SPECIAL REVENUE FUND

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 20,350	\$ 19,075	\$ (1,275)
Expenditures:				
Current:				
Instruction	-	16,280	6,768	9,512
Support Services - Students	-	4,070	-	4,070
Total expenditures	-	20,350	6,768	13,582
Excess of revenues over expenditures	-	-	12,307	12,307
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	12,307	<u>\$ 12,307</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(12,307)</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
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LIBRARIES GO BONDS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 8,622	\$ 8,622
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	8,622	8,622
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	8,622	<u>\$ 8,622</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(8,622)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

PREK INITIATIVE SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 36,750	\$ 16,611	\$ (20,139)
Expenditures:				
Current:				
Instruction	-	36,665	36,522	143
Support Services - School Administration	-	85	85	-
Total expenditures	-	36,750	36,607	143
Excess (deficiency) of revenues over expenditures	-	-	(19,996)	(19,996)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(19,996)	<u>\$ (19,996)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>19,996</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
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BEGINNING TEACHER MENTORING SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 1,858	\$ 1,858	\$ -
 <b>Expenditures:</b>				
Current:				
Instruction	-	1,858	1,858	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in deferred revenue			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
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CHAMA PRESCHOOL SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 3,733	\$ 3,733
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	3,733	3,733
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,733	<u>\$ 3,733</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(3,733)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
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STATE 21ST CENTURY SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 57,249	\$ 49,457	\$ (7,792)
<b>Expenditures:</b>				
Current:				
Instruction	<u>-</u>	<u>57,249</u>	<u>55,703</u>	<u>1,546</u>
Excess (deficiency) of revenues over expenditures	-	-	(6,246)	(6,246)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(6,246)	<u>\$ (6,246)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>6,246</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
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PRE-SCHOOL CYFD SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 12,760	\$ 3,898	\$ (8,862)
 <b>Expenditures:</b>				
Current:				
Instruction	<u>-</u>	<u>12,760</u>	<u>4,300</u>	<u>8,460</u>
Excess (deficiency) of revenues over expenditures	-	-	(402)	(402)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(402)	<u>\$ (402)</u>
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>402</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
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LIBRARIES GO BONDS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 15,747	\$ -	\$ (15,747)
<b>Expenditures:</b>				
Current:				
Instruction	<u>-</u>	<u>15,747</u>	<u>10,180</u>	<u>5,567</u>
Excess (deficiency) of revenues over expenditures	-	-	(10,180)	(10,180)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(10,180)	<u>\$ (10,180)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>10,180</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

CLOTHES HELPING KIDS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Miscellaneous	\$ -	\$ 3,455	\$ 1,250	\$ (2,205)
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>3,455</u>	<u>2,049</u>	<u>1,406</u>
Excess (deficiency) of revenues over expenditures	-	-	(799)	(799)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(799)	<u>\$ (799)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>799</u>	
			<u>\$ -</u>	



**STATE OF NEW MEXICO**  
**CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19**

**CAPITAL PROJECTS FUNDS**  
Year Ended June 30, 2008

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**BOND BUILDING FUND**

This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

**SPECIAL CAPITAL OUTLAY - STATE**

This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

**CAPITAL IMPROVEMENTS SB – 9**

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

**ENERGY EFFICIENCY ACT**

This fund permits governmental agencies of the State of New Mexico to enter into contracts with providers to reduce energy costs. Funding is provided by the State of New Mexico by authority of NMSA 1987 6-23-1.

**PUBLIC SCHOOL CAPITAL OUTLAY – 20%**

A capital projects fund to capture the 20% of eligible federal (Forest Reserve and Impact Aid) and local revenue (local taxes) that must be budgeted in Capital Outlay. Provides financing for the construction and improvement of buildings and land, and the purchase of equipment.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

BOND BUILDING CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Revenues:</b>				
Local sources:				
Earnings from investments	\$ 20,000	\$ 20,000	\$ 14,307	\$ (5,693)
Miscellaneous	-	-	92,858	92,858
Total revenues	20,000	20,000	107,165	87,165
<b>Expenditures:</b>				
Current:				
Operation & Maintenance of Plant	50,000	40,796	7,533	33,263
Capital outlay:				
Land and improvements	-	158,719	158,719	-
Construction in progress	1,279,682	1,790,047	1,723,855	66,192
Total capital outlay	1,279,682	1,948,766	1,882,574	66,192
Total expenditures	1,329,682	1,989,562	1,890,107	99,455
Excess (deficiency) of revenues over expenditures	(1,309,682)	(1,969,562)	(1,782,942)	186,620
<b>Other financing sources:</b>				
Sale of bonds	-	659,880	616,817	(43,063)
Net change in fund balance	(1,309,682)	(1,309,682)	(1,166,125)	143,557
Beginning cash balance budgeted	1,309,682	1,309,682	-	(1,309,682)
Fund balance at beginning of the year	-	-	2,703,007	2,703,007
Fund balance at end of the year	\$ -	\$ -	1,536,882	\$ 1,536,882
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			(43,583)	
			\$ 1,493,299	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State sources:				
State grant	\$ 128,000	\$ 128,000	\$ 100,000	\$ (28,000)
Local sources:				
Earnings from investments	25	25	29	4
Total revenues	128,025	128,025	100,029	(27,996)
<b>Expenditures:</b>				
Current:				
Operation & Maintenance of Plant	1,664	2,143	2,143	-
Capital outlay:				
Land and improvements	50,000	50,000	-	50,000
Equipment	28,000	27,521	-	27,521
Construction in progress	50,000	50,000	-	50,000
Total capital outlay	128,000	127,521	-	127,521
Total expenditures	129,664	129,664	2,143	127,521
Excess (deficiency) of revenues over expenditures	(1,639)	(1,639)	97,886	99,525
Beginning cash balance budgeted	1,639	1,639	-	(1,639)
Fund balance at beginning of the year	-	-	1,701	1,701
Fund balance at end of the year	\$ -	\$ -	99,587	\$ 99,587
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in deferred revenue			-	
			\$ 99,587	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ -	\$ 56,408	\$ 56,408
Local sources:				
District school tax levy	219,363	235,229	227,438	(7,791)
Earnings from investments	<u>2,000</u>	<u>2,000</u>	<u>1,689</u>	<u>(311)</u>
Total local revenues	<u>221,363</u>	<u>237,229</u>	<u>229,127</u>	<u>(8,102)</u>
Total revenues	<u>221,363</u>	<u>237,229</u>	<u>285,535</u>	<u>48,306</u>
<b>Expenditures:</b>				
Current:				
Support Services - General Administration	4,525	4,525	2,268	2,257
Operation & Maintenance of Plant	<u>228,954</u>	<u>233,653</u>	<u>95,568</u>	<u>138,085</u>
Total current expenses	<u>233,479</u>	<u>238,178</u>	<u>97,836</u>	<u>140,342</u>
Capital outlay:				
Land and improvements	85,000	129,233	39,997	89,236
Equipment	6,500	4,530	-	4,530
Construction in progress	<u>127,500</u>	<u>96,404</u>	<u>10,040</u>	<u>86,364</u>
Total capital outlay	<u>219,000</u>	<u>230,167</u>	<u>50,037</u>	<u>180,130</u>
Total expenditures	<u>452,479</u>	<u>468,345</u>	<u>147,873</u>	<u>320,472</u>
Excess (deficiency) of revenues over expenditures	(231,116)	(231,116)	137,662	368,778
Beginning cash balance budgeted	231,116	231,116	-	(231,116)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>228,604</u>	<u>228,604</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	366,266	<u>\$ 366,266</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			(172,898)	
Change in due from other governments			2,445	
Change in payables			55,523	
Change in deferred property taxes			<u>171,775</u>	
			<u>\$ 423,111</u>	

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

PUBLIC SCHOOL CAPITAL OUTLAY - 20% CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Earnings from investments	\$ 10	\$ 10	\$ 3	\$ (7)
Expenditures:				
Current:				
Operation & Maintenance of Plant	<u>812</u>	<u>812</u>	<u>705</u>	<u>107</u>
Excess (deficiency) of revenues over expenditures	(802)	(802)	(702)	100
Beginning cash balance budgeted	802	802	-	(802)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>802</u>	<u>802</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	100	<u>\$ 100</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>-</u>	
			<u>\$ 100</u>	

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STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

DEBT SERVICE FUND  
Year Ended June 30, 2008

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DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

DEBT SERVICE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues:</b>				
Local sources:				
District school tax levy	\$ 704,508	\$ 704,508	\$ 780,433	\$ 75,925
Earnings from investments	2,000	2,000	1,715	(285)
Total revenues	706,508	706,508	782,148	75,640
<b>Expenditures:</b>				
Current:				
Support Services - General Administration	7,045	7,785	7,785	-
Debt service:				
Principal retirement	490,000	490,000	490,000	-
Bond interest paid	214,508	314,970	214,969	100,001
Total debt service	704,508	804,970	704,969	100,001
Non-operating reserves	387,963	286,761	-	286,761
Total expenditures	1,099,516	1,099,516	712,754	386,762
Excess (deficiency) of revenues over expenditures	(393,008)	(393,008)	69,394	462,402
Beginning cash balance budgeted	393,008	393,008	-	(393,008)
Fund balance at beginning of the year	-	-	553,420	553,420
Fund balance at end of the year	\$ -	\$ -	622,814	\$ 622,814
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			(475,331)	
Change in due from other governments			7,511	
Change in deferred property taxes			472,380	
			\$ 627,374	

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**OTHER SUPPLEMENTAL INFORMATION**

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SCHEDULE OF CAPITAL ASSETS - BY SOURCE  
June 30, 2008

Capital assets:

Land and improvements	\$	1,214,199
Buildings and improvements		13,752,643
Equipment (software)		1,906,774
Construction in progress		-
 Total Capital assets	 \$	 <u>16,873,616</u>

Investment in Capital assets from:

General Fund	\$	2,579,335
Special revenue funds:		
Federal Projects		445,302
State Projects		64,867
Capital projects funds:		
Bond Building Fund		8,165,007
SB-9 Capital Improvements		1,795,937
Capital Outlay 20%		8,732
Energy Efficiency		256,282
State Grants Capital Outlay		3,037,883
Donated		520,271
 Total investment in Capital assets	 \$	 <u>16,873,616</u>

See accompanying notes.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

FIDUCIARY FUNDS

Schedule of Changes in Assets and Liabilities - All Agency Funds  
Year Ended June 30, 2008

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2008</u>
23001	Central Office Activity	\$ 714	\$ 136	\$ 182	\$ 668
23003	Transportation Activity	32	30	-	62
23110	Escalante - Natural Helpers	8	-	8	-
23112	Escalante - Office/Admin.	2,130	4,872	5,525	1,477
23116	Escalante - Library	34	1	-	35
23117	Escalante - FFA	1,453	2,011	1,090	2,374
23118	Escalante - BPA	566	11,144	10,921	789
23119	Escalante - Third Rock	178	1	-	179
23120	Escalante - Student Council	1,506	3,227	4,623	110
23121	Escalante - Honor Society	671	289	320	640
23129	Escalante - Class 2010	2,476	2,916	1,214	4,178
23131	Escalante - Journalism	1,044	6	-	1,050
23132	Escalante - Class 05	13	-	-	13
23133	Escalante - Class 06	100	1	-	101
23134	Escalante - Class 07	1,214	4	1,216	2
23135	Escalante - Business Ed	249	246	352	143
23136	Escalante - Class 08	591	2,731	2,836	486
23137	Escalante - Weight Room	742	4	-	746
23138	Escalante - Class 09	2,088	7,859	8,078	1,869
23139	Art Lab	-	591	-	591
23140	EHS Cheerleaders	-	9,547	6,434	3,113
23141	Class 2011	-	1,554	424	1,130
23201	TA Mid - Athletics	3,099	17	818	2,298
23202	Mid Volleyball/Football	-	7,055	5,638	1,417
23203	TA Mid - Cheerleaders	439	-	439	-
23204	TA Mid - Closeup	147	15,528	15,674	1
23210	TA Mid - Natural Helpers	288	2	222	68
23212	TA Mid - Office/Admin.	1,679	209	1,189	699
23216	TA Mid - Library	654	128	70	712
23218	TA Mid - BPA	60	-	60	-
23219	TA Mid - BPA Boosters	7	-	-	7
23220	TA Mid - Student council	2,905	11,336	9,165	5,076
23227	TA Mid - Class of 01	109	-	-	109
23232	TA Mid - Class of 06	309	2	-	311
23233	TA Mid - Class of 07	33	-	-	33
23301	TA Elem - 5th & 6th Basketbal	111	343	454	-
23302	TA Elem - 3rd & 4th Basketbal	1,377	8	205	1,180
23303	TA Elem - .TA.P.T.O	\$ 306	\$ -	\$ 305	\$ 1

(continued)

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

FIDUCIARY FUNDS

Schedule of Changes in Assets and Liabilities - All Agency Funds  
Year Ended June 30, 2008

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2008</u>
23313	TA Elem - Administration	\$ 2,287	\$ 548	\$ 1,532	\$ 1,303
23315	TA Elem - Lost Books	146	35	-	181
23316	TA Elem - Library	470	2,412	1,991	891
23350	TA Elem - Kindergarten	21	-	-	21
23351	TA Elem - 1st Grade	6	-	-	6
23352	TA Elem - 2nd Grade	36	780	780	36
23353	TA Elem - 3rd Grade	82	-	-	82
23354	TA Elem - 4th Grade	1	832	816	17
23355	TA Elem - 5th Grade	26	-	-	26
23603	Chama - 7th & 8th Grade	4,719	390	2,733	2,376
23604	Chama - 5th & 6th Grade	824	1,026	1,599	251
23605	Chama - Basketball	-	3,059	3,034	25
23610	Chama - Natural Helpers	508	3	222	289
23612	Chama Mid Administration	1,760	2,745	2,350	2,155
23613	Chama Elem. Administration	518	3	25	496
23615	Chama Textbooks	68	-	-	68
23616	Chama Library	699	1,343	1,075	967
23620	Chama Student Council	1,656	648	545	1,759
23640	Chama Spelling Bee	32	-	-	32
23645	Chama Book Orders	14	753	752	15
23660	Chama Miscellaneous	40	19,869	18,079	1,830
		<u>41,245</u>	<u>116,244</u>	<u>112,995</u>	<u>44,494</u>
	Pooled cash and investments	\$ 41,245	\$ 116,244	\$ 112,995	\$ 44,494
	<b>LIABILITIES</b>				
	<u>Deposits held for others</u>	<u>\$ 41,245</u>	<u>\$ 116,244</u>	<u>\$ 112,995</u>	<u>\$ 44,494</u>

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SCHEDULE OF PLEDGED COLLATERAL  
June 30, 2008

	<u>Community Bank</u>
Cash on deposit at June 30, 2008	\$ 3,274,906
Less FDIC coverage	<u>100,000</u>
Uninsured funds	<u>\$ 3,174,906</u>
50% collateral requirement	\$ 1,587,453
Pledged collateral	<u>1,751,371</u>
Excess of pledged collateral	<u>\$ 163,918</u>

Pledged collateral of financial institutions consists of the following at June 30, 2008

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
FHLMC	7/30/2009	3128X3SL8	\$ 202,822
FHLB	2/12/2010	3133MWBM2	1,008,465
FHLB	9/15/2008	3134A4UD4	501,275
FNMA	10/1/2021	31292GCY0	5,873
FNMA	4/1/2024	31360FC45	7,652
FNMA	4/1/2024	31360FC45	<u>25,284</u>
FNCL	5/15/2010	912828 DU1	<u>\$ 1,751,371</u>

The above securities are held at Federal Home Loan Bank in Dallas, TX.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

CASH RECONCILIATION  
June 30, 2008

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 179,569	\$ 5,213,046	\$ (5,276,645)	\$ -	\$ 115,970	\$ -	\$ 115,970
Teachergage	30,633	12,705	(28,203)	-	15,135	-	15,135
Transportation	13,132	467,931	(479,594)	-	1,469	-	1,469
Instructional Materials	19,619	50,831	(46,330)	-	24,120	-	24,120
Food Services	15,400	197,999	(175,302)	-	38,097	-	38,097
Athletics	5,831	36,569	(39,990)	-	2,410	-	2,410
Federal Projects (Flowthrough)	(44,229)	321,647	(478,909)	-	(201,491)	-	(201,491)
Federal Projects (Direct)	39,275	43,758	(60,455)	-	22,578	-	22,578
Local Projects	27,100	22,645	(31,983)	-	17,762	-	17,762
State Projects (Flowthrough)	(44,315)	157,326	(122,049)	-	(9,038)	-	(9,038)
State/Local Projects	3,455	1,250	(2,049)	-	2,656	-	2,656
Bond Building	2,788,516	723,980	(1,890,106)	-	1,622,390	-	1,622,390
Capital Outlay - State	1,701	100,029	(2,143)	-	99,587	-	99,587
Capital Improvement SB - 9	275,088	285,535	(147,874)	-	412,749	-	412,749
Energy Efficiency	17,027	-	-	-	17,027	-	17,027
PSCO - 20%	802	3	(705)	-	100	-	100
Debt Service	528,845	782,148	(712,753)	-	598,240	-	598,240
Agency Funds	-	-	-	-	-	44,499	44,499
<b>Total</b>	<b>\$ 3,857,449</b>	<b>\$ 8,417,402</b>	<b>\$ (9,495,090)</b>	<b>\$ -</b>	<b>\$ 2,779,761</b>	<b>\$ 44,499</b>	<b>\$ 2,824,260</b>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	Adjustments to report:	
Operational	Checking	Community Bank	\$ 3,274,906	Agency funds	\$ 44,499
				Adjustments to cash:	
				Bank Balance	\$ 3,274,906
				Reconciling items	(450,646)
				<b>Total adjustment to cash</b>	<b>\$ 2,824,260</b>



**SINGLE AUDIT SECTION**

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

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# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101  
Farmington, NM 87401

[keystone@keystoneacct.com](mailto:keystone@keystoneacct.com)

Telephone (505) 566-1900  
Fax (505) 566-1911

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

Hector H. Balderas, State Auditor  
and the Board of Education  
Chama Valley Independent School District No. 19

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of Chama Valley Independent School District No. 19, as of and for the year ended June 30, 2008, and have issued our report thereon dated November 4, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Chama Valley Independent School District No. 19'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 Chama Valley Independent School District No. 19's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Chama Valley Independent School District No. 19's internal control over financial reporting.

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

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by Chama Valley Independent School District No. 19'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. Findings 2008 – 1 through 2008 – 5.

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.

# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101  
Farmington, NM 87401

[keystone@keystoneacct.com](mailto:keystone@keystoneacct.com)

Telephone (505) 566-1900  
Fax (505) 566-1911

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Hector H. Balderas, State Auditor  
and the Board of Education  
Chama Valley Independent School District No. 19

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

### Compliance and other matters

As part of obtaining reasonable assurance about whether Chama Valley Independent School District No. 19'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 responses as items findings 2008 – 2, and 2008 – 5.

Chama Valley Independent School District No. 19's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Chama Valley Independent School District No. 19's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the Chama Valley Independent School District No. 19, the audit committee, the State Auditor, the New Mexico Legislature, New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

*Keystone Accounting, LLC*

November 4, 2008

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

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# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101  
Farmington, NM 87401

[keystone@keystoneacct.com](mailto:keystone@keystoneacct.com)

Telephone (505) 566-1900  
Fax (505) 566-1911

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

Hector H. Balderas, State Auditor  
And the Board of Education  
Chama Valley Independent School District No. 19

### Compliance

We have audited the compliance of Chama Valley Independent School District No. 19 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* (Revised May, 2008) that are applicable to each of its major federal programs for the year ended June 30, 2008. Chama Valley Independent School's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of finding 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 Chama Valley Independent School's management. Our responsibility is to express an opinion on Chama Valley Independent School'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; 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 Chama Valley Independent School District No. 19'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 Chama Valley Independent School District No. 19's compliance with those requirements.

In our opinion, Chama Valley Independent School District No. 19, 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 Chama Valley Independent School District No. 19 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Chama Valley Independent School District No. 19'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 an opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Chama Valley Independent School District No. 19's internal control over compliance.

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Farmington, NM 87401

[keystone@keystoneacct.com](mailto:keystone@keystoneacct.com)

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Hector H. Balderas, State Auditor  
And the Board of Education  
Chama Valley Independent School District No. 19

A *control deficiency* in the District'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 management, others within the Chama Valley Independent School District No. 19, the audit committee, the State Auditor, the New Mexico Legislature, New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.



November 4, 2008

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2008

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A. PRIOR YEAR AUDIT FINDINGS

2007 – 1 CASH RECONCILIATIONS

Current Status: Not resolved. Repeated in the current year as finding 2008 – 3.

2007 – 2 LACK OF REQUIRED SECURITIES HELD AS COLLATERAL FOR PUBLIC MONIES

Current Status: Resolved. Not repeated in the current year.

2007 – 3 EXPENDITURES WERE PAID IN EXCESS OF BUDGETED AMOUNT

Current Status: Not resolved. Repeated in the current year as finding 2008 – 2.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008

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A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Chama Valley Independent School District No. 19.
2. There were five significant deficiencies disclosed during the audit of the financial statements in the 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. None of these deficiencies were disclosed as material weaknesses.
3. No instances of noncompliance material to the financial statements of Chama Valley Independent School District No. 19 were disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal awards program in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Chama Valley Independent School District No. 19 expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Chama Valley Independent School District No. 19 that is required to be reported in accordance with OMB Circular A-133.510(a).
7. The programs treated as major programs include: 21<sup>st</sup> Century Community Living CFDA 84.287 and IDEA-B Cluster CFDA 84.027 and 84.173.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Chama Valley Independent School District No. 19 was determined to be a low-risk auditee.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2008 – 1 PREPARATION OF FINANCIAL STATEMENTS

*Condition:* The financial statements were prepared by the auditor.

*Criteria:* Management is required to have an internal control system of financial reporting including the preparation of the financial statements.

*Effect of condition:* Management's ability to ascertain the accuracy and completeness of the financial statements has been diminished.

*Cause:* Management does not have internal controls in place that are necessary for the preparation of the financial statements.

*Recommendation:* Management should develop a plan and system of controls that enable them to review the accuracy and completeness of the financial statements.

*Management's Response:* A system of controls will be developed and implemented that will allow management to determine the accuracy and fair presentation of the financial statements.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 2 BUDGET OVER EXPENDITURES

*Condition:* The County incurred expenditures in excess of the approved budget in the following funds. A repeat of prior year finding 2007-1.

Fund	Approved Budget	Actual Expenditures	Amount over expended
Schools with Sol	\$ -	\$ 10,548	\$ (10,548)

*Criteria:* According to NMSA 1978 Section 22-8-11 B all fiscal agents of public monies have a responsibility to monitor spending to comply with established budget guidelines. A budget is a proposed plan of financial operations for a given period of time. The annual budget authorizes and provides the basis for control of financial operations during the fiscal year. The budget should be analyzed monthly to insure expenditures remain within the legally adopted budget and revisions should be made whenever necessary.

*Effect of condition:* State statute may have been violated subjecting those responsible to the penalty provisions of the statute.

*Cause:* Purchases were approved in excess of available budget or budget adjustments were not approved to cover the expenditures approved.

*Recommendation:* We recommend that purchases not be approved which would cause the budget to be exceeded. We also recommend that timely budget adjustments be prepared when necessary.

*Response:* The District will implement a system of controls to monitor budget line items and ensure budgets are not exceeded. Budget adjustment requests will be done in a timely manner at the beginning of the fiscal year to cover amounts.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 3 CASH ACCOUNTS NOT RECONCILED TO GENERAL LEDGER

*Condition:* Reconciliation of bank balance to the general ledger was out of balance by \$42,609. A repeat of prior year finding 2007-1.

*Criteria:* As per 1978 NMAC 6.10.2, reconciliation of bank statements to general ledger cash balances should be performed monthly, and reviewed by internal management to maintain fiscal responsibility and safeguard the District's assets.

*Effect of condition:* Over-expenditure of funds, overdraft of cash accounts, and exposure to possible consequences of fraudulent reporting to the New Mexico Board of Education and Federal oversight agencies.

*Cause:* Reconciliation reports are not being printed and reviewed for accuracy and errors.

*Recommendation:* Review bank reconciliation reports for each bank account and compare to actual balances in the general ledger. Any errors or variances should be researched and corrected.

*Management's Response:* Management commits to reconciling cash to the general ledger accurately. In the future cash will be reconciled in a timely manner to avoid discrepancy between cash balances and general ledger balances in all funds.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 4 MISSING RECEIPTS

*Condition:* Four receipts out of the thirty tested could not be located due to a missing receipt book.

*Criteria:* NMAC 6.20.2.14(c) states that money received and receipted shall be deposited in the bank within 24 hours or one banking day.

*Effect of the Condition:* The District is in violation of NMAC 6.20.2.14(c). The District cannot verify the use of receipts for receipting monies and is thereby leaving some monies susceptible to misuse or fraud.

*Cause:* The person in charge of athletics resigned prior to checking in all receipt books checked out to him/her and subsequent searches have failed to locate the missing receipt book.

*Recommendation:* All receipt books should be checked in/out by the administration office for verification of receipts used. All documentation in the possession of a employee whom is terminating employment should be turned over and verified by a supervisor or the administration office prior to the employee leaving the District.

*Response:* The District commits to gaining tighter controls of receipt books. In the future management will develop processes that will prevent the loss of any receipts disbursed.



STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 5 FAILURE TO FILE TAX FORM 941

*Condition:* The district did not file a tax form 941 on time in 2005.

*Criteria:* IRS Tax Code Title 29 requires the filing of Form 941 after each quarter reporting wages paid and employer payroll taxes to be paid.

*Effect of the Condition:* The District is in violation of the IRS Tax Code Title 29 and subject to the penalties set within for failure to file Form 941.

*Cause:* The District failed to file the Form 941 on time and prior to receiving notice from the Internal Revenue Service.

*Recommendation:* The District must implement controls to ensure that compliance to all IRS Tax Code requirements are adhered to completely.

*Response:* Management commits to correctly filing tax form 941 on time.

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No audit findings to report.

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2008

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Child Nutrition -- Cluster:</u>			
<u>U.S. Department of Agriculture:</u>			
Pass-Through Program From:			
New Mexico Department of Education:			
USDA National School Lunch Program	10.555	21000	\$ 121,803
USDA School Breakfast Program	10.553	21000	<u>63,630</u>
<b>Total USDA - Child Nutrition Cluster</b>			<b>185,433</b>
Direct Program:			
Forest Reserve	10.670	11000	14,353
Pass-Through Program From:			
New Mexico Human Service Department:			
USDA Commodities Program	10.550	21000	<u>14,537</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>214,323</u></b>
<u>Special Education -- Cluster:</u>			
<u>U.S. Department of Education:</u>			
Pass-Through Programs From:			
New Mexico Department of Education:			
IDEA-B Entitlement	84.027	24106	<u>\$ 129,117</u>

(continued)

See accompanying notes to the  
Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2008

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education (continued):</u>			
Pass-Through Programs From:			
New Mexico Department of Education:			
Title I Basic Education Grant		24101	\$ 145,010
Title V Inovative Education	84.298	24150	2,830
Title II English Language	84.365	24153	15,341
Title II Improving Teacher Quality	84.367	24154	31,869
Title IV - Safe and Drug-Free Schools	84.186	24157	1,613
21st Century Community Living	84.287	24159	<u>152,801</u>
Subtotal Pass-Through Programs			<u>349,464</u>
Total U.S. Department of Education			<u>478,581</u>
<u>U.S. Department of Health and Human Services:</u>			
Pass-Through Program From:			
New Mexico Department of Health:			
Title XIX Medicaid	93.778	25153	<u>50,143</u>
Total Expenditures of Federal Awards			<u>\$ 743,047</u>

See accompanying notes to the  
Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO  
 CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

Notes To The Schedule Of Expenditures Of Federal Awards  
 Year Ended June 30, 2008

1. Scope of audit pursuant to OMB Circular A-133

All federal grant operations of Chama Valley Independent School District No. 19 (the “School District”) are included in the scope of the Office of management and Budget (“OMB”) Circular A-133 audit (the “Single Audit”). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised May 2008 the “Compliance Supplement”). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2008 cash and non-cash expenditures to ensure coverage of at least 25% (LOW risk auditee) of federally granted funds. Actual coverage is approximately 38% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$728,510 and all non-cash expenditures amounted to \$14,537.

Major Federal Award Program Description	Fiscal 2008 <u>Expenditure</u>
Cash assistance:	
21st Century Community Living	\$ 152,801
IDEA-B Cluster	<u>129,117</u>
Total	<u>\$ 281,918</u>

The District did not have any Type-A programs. The District’s federal programs 21<sup>st</sup> Century Community Learning and IDEA-B Cluster were considered low risk Type B programs for the 2008 audit.

The U.S. Department of Education is the School District’s oversight agency for single audit.

STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

Notes To The Schedule Of Expenditures Of Federal Awards  
Year Ended June 30, 2008

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2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditure of Federal Awards includes all federal grants to the School District that had activity during the fiscal year ended June 30, 2008. This Statement has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School District has met the qualifications for the respective grant.

Accrued and deferred reimbursements

Various reimbursement procedures are used for Federal awards received by the School District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

3. Audits performed by other entities

There were no other audits performed by other organizations on the School Districts federal grant programs in 2008.

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**REQUIRED DISCLOSURE**

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STATE OF NEW MEXICO  
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

REQUIRED DISCLOSURES  
Year Ended June 30, 2008

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REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held November 4, 2008, during which the audit findings were discussed. The exit conference was attended by the following individuals:

CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

Silviano A. Atencio	Vice-President
Manuel F. Valdez	Superintendent
Anthony Casados	Assistant Superintendent
Danette Garcisa	Business Manager

KEYSTONE ACCOUNTING, LLC

Terry Ogle, CPA	Partner
William W. King	Senior Auditor