

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

Year Ended June 30, 2008

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Year Ended June 30, 2008

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OFFICIAL ROSTERS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

OFFICIAL ROSTERS
June 30, 2008

CIMARRON MUNICIPAL SCHOOL

Board of Education

Donna Archuleta	Board President
Thane Hascall	Board Vice President
Mark Anderson	Board Secretary
Sally Torres	Board Member
Gayanne Jeffers	Board Member

School Officials

James Gallegos	Superintendent
Lita Sanchez	Business Manager

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

OFFICIAL ROSTERS
June 30, 2008

MORENO VALLEY HIGH SCHOOL

Governing Council

Smith Holt	Board President
Dennis Cox	Board Vice President
Bill Bishop	Board Secretary
Ed Johnson	Board Treasurer
Phil Koszarek	Board Member
Mark Stewart	Board Member
Ellen Goins	Board Member
Joe Phillips	Board Member
Amy Franklin	Board Member

School Officials

Jackie Boyd	Director
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MORENO VALLEY EDUCATION FOUNDATION

Board of Directors

Lynda Perry	Board President
Kelly Haukebo	Board Vice President
Jodi Koszarek	Board Treasurer
Martha Stewart	Board Historian

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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

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor
And the Board of Education of
Cimarron Municipal School District No. 3

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cimarron Municipal School District No. 3, as of and for the year ended June 30, 2008, which collectively comprise Cimarron Municipal School District No. 3's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Cimarron Municipal School District No. 3's nonmajor governmental funds and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of Cimarron Municipal School District No. 3'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cimarron Municipal School District No. 3's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cimarron Municipal School District No. 3, as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund and fiduciary fund of Cimarron Municipal School District No. 3 as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Hector H. Balderas, State Auditor
And the Board of Education of
Cimarron Municipal School District No. 3

In accordance with Government Auditing Standards, we have also issued our report dated October 14, 2008, on our consideration of Cimarron Municipal School District No. 3'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.

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 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

October 14, 2008

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

STATEMENT OF NET ASSETS
June 30, 2008

	Primary Governmental <u>Activities</u>	Component <u>Unit</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 4,523,249	\$ 261,614
Receivables:		
Delinquent property taxes receivable	1,028,173	-
Grant	101,762	-
Interest	1,962	-
Due from other governments	86,117	-
Deferred bond issuance costs	29,336	-
Restricted cash for notes payable	-	27,504
USDA commodities inventory	252	-
Food inventory	512	-
Non-current:		
Non-depreciable assets	1,041,046	469,478
Depreciable capital assets, net	<u>11,789,486</u>	<u>594,176</u>
 Total assets	 <u>18,601,895</u>	 <u>1,352,772</u>
<u>LIABILITIES</u>		
Accounts payable	27,839	557
Accrued salaries	-	17,625
Accrued interest	37,188	-
Deferred grant revenue	162,273	13,936
Noncurrent liabilities:		
Due within one year	-	37,749
Due in more than one year	<u>1,770,997</u>	<u>230,611</u>
 Total liabilities	 <u>1,998,297</u>	 <u>300,478</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	11,059,535	795,294
Restricted:		
Debt service	803,248	-
Capital projects	4,448,751	1,520
Inventories	764	27,504
Unrestricted	<u>291,300</u>	<u>227,976</u>
 Total net assets	 <u>\$ 16,603,598</u>	 <u>\$ 1,052,294</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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>	<u>Component Units</u>
Primary government:						
Governmental activities:						
Instruction	\$ 3,603,163	\$ 8,558	\$ 273,794	\$ 65,706	\$ (3,255,105)	\$ -
Support Services - Students	643,166	13,374	48,872	11,729	(569,191)	-
Support Services - Instruction	93,805	-	7,128	1,711	(84,966)	-
Support Services - General Administration	227,564	-	17,292	4,150	(206,122)	-
Support Services - School Administration	215,208	-	16,353	3,924	(194,931)	-
Central Services	108,904	-	8,275	-	(100,629)	-
Operations & Maintenance of Plant	1,204,980	-	91,563	-	(1,113,417)	-
Student Transportation	371,038	-	344,559	-	(26,479)	-
Food Services	204,598	63,469	113,253	-	(27,876)	-
Bond interest paid	135,829	-	-	-	(135,829)	-
Total governmental activities	<u>\$ 6,808,255</u>	<u>\$ 85,401</u>	<u>\$ 921,089</u>	<u>\$ 87,220</u>	<u>(5,714,545)</u>	<u>-</u>
Component unit	<u>\$ 960,186</u>	<u>\$ 2,864</u>	<u>\$ 82,693</u>	<u>\$ -</u>	<u>-</u>	<u>(874,629)</u>
General revenues:						
Property Taxes:						
					139,500	-
					(2,221,076)	-
					1,821,855	-
					4,558,141	918,448
					<u>42,759</u>	<u>-</u>
					<u>4,341,179</u>	<u>918,448</u>
					<u>(3,003)</u>	<u>-</u>
					(1,376,369)	43,819
					<u>17,979,967</u>	<u>1,029,679</u>
					<u>\$ 16,603,598</u>	<u>\$ 1,073,498</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2008

	General Fund	Education Technology Bonds Fund	Capital Improvements HB-33 Fund	Capital Improvements SB-9 Fund	Ed Technology Equipment Act Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>							
Pooled cash and investments	\$ 260,774	\$ (185,147)	\$ 1,735,354	\$ 1,666,895	\$ 771,570	\$ 273,803	\$ 4,523,249
Receivables:							
Delinquent property taxes	12,451	744,362	118,884	71,322	-	81,154	1,028,173
Grant	-	-	-	-	-	101,762	101,762
Interest	-	-	-	1,962	-	-	1,962
Due from other governments	5,947	15,879	37,207	27,006	-	78	86,117
Due from other funds	53,867	-	-	-	-	-	53,867
USDA commodities inventory	-	-	-	-	-	252	252
Food inventory	-	-	-	-	-	512	512
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 333,039</u>	<u>\$ 575,094</u>	<u>\$ 1,891,445</u>	<u>\$ 1,767,185</u>	<u>\$ 771,570</u>	<u>\$ 457,561</u>	<u>\$ 5,795,894</u>
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Accounts payable	19,700	-	-	5,337	2,461	341	27,839
Due to other funds	-	30,500	-	-	-	23,367	53,867
Deferred revenue:							
Federal, state, and local grants	-	-	-	-	-	162,273	162,273
Delinquent property taxes	6,666	728,670	82,548	45,300	-	81,094	944,278
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>26,366</u>	<u>759,170</u>	<u>82,548</u>	<u>50,637</u>	<u>2,461</u>	<u>267,075</u>	<u>1,188,257</u>
Fund balance:							
Reserved:							
Retirement of long-term debt	-	(184,076)	-	-	-	185,412	1,336
Inventories	-	-	-	-	-	764	764
Unreserved reported in:							
General fund	306,673	-	-	-	-	-	306,673
Special revenue funds	-	-	-	-	-	(22,039)	(22,039)
Capital projects funds	-	-	1,808,897	1,716,548	769,109	26,349	4,320,903
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>306,673</u>	<u>(184,076)</u>	<u>1,808,897</u>	<u>1,716,548</u>	<u>769,109</u>	<u>190,486</u>	<u>4,607,637</u>
Total liabilities and fund balance	<u>\$ 333,039</u>	<u>\$ 575,094</u>	<u>\$ 1,891,445</u>	<u>\$ 1,767,185</u>	<u>\$ 771,570</u>	<u>\$ 457,561</u>	<u>\$ 5,795,894</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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	\$ 4,607,637
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	12,830,532
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	944,278
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,778,849)</u>
Net assets of governmental activities	<u>\$ 16,603,598</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	General Fund	Education Technology Bonds Fund	Capital Improvements HB-33 Fund	Capital Improvements SB-9 Fund	Ed Technology Equipment Act Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Federal sources:							
Forest reserve	\$ 2,447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,447
Federal flowthrough grants	-	-	-	-	-	240,589	240,589
Federal direct grants	-	-	-	-	-	35,230	35,230
Food and milk reimbursements	-	-	-	-	-	107,263	107,263
USDA Commodities	-	-	-	-	-	5,990	5,990
Total federal revenues	2,447	-	-	-	-	389,072	391,519
State sources:							
State equalization guarantee	4,555,397	-	-	-	-	-	4,555,397
Transportation	344,559	-	-	-	-	-	344,559
State instructional material	56,165	-	-	-	-	-	56,165
State grant	23,282	-	-	-	-	17,743	41,025
Total state revenues	4,979,403	-	-	-	-	17,743	4,997,146
Local sources:							
Grant	47,459	-	-	-	-	30,663	78,122
District school tax levy	151,517	504,579	984,602	807,370	-	12,279	2,460,347
Fees and activities	8,558	-	-	-	-	76,843	85,401
Earnings from investments	41,937	-	40,435	8,879	37,906	1,497	130,654
Miscellaneous	297	-	-	-	-	-	297
Total local revenues	249,768	504,579	1,025,037	816,249	37,906	121,282	2,754,821
Total revenue	5,231,618	504,579	1,025,037	816,249	37,906	528,097	8,143,486
Expenditures:							
Current:							
Instruction	3,015,189	-	-	-	-	277,338	3,292,527
Support Services - Students	553,446	-	-	-	-	34,271	587,717
Support Services - Instruction	85,270	-	-	-	-	448	85,718
Support Services - General Administration	190,371	3,957	7,197	6,288	-	132	207,945
Support Services - School Administration	175,935	-	-	-	-	20,719	196,654
Central Services	99,515	-	-	-	-	-	99,515
Operations & Maintenance of Plant	637,131	-	-	229,459	234,506	-	1,101,096
Student Transportation	339,050	-	-	-	-	-	339,050
Food Services	-	-	-	-	-	186,959	186,959
Capital outlay	-	-	87,891	100,809	149,775	-	338,475
Debt service:							
Principal retirement	-	585,000	-	-	-	-	585,000
Bond interest paid	-	127,650	-	-	-	-	127,650
Total expenditures	5,095,907	716,607	95,088	336,556	384,281	519,867	7,148,306
Excess (deficiency) of revenues over expenditures	135,711	(212,028)	929,949	479,693	(346,375)	8,230	995,180
Other financing sources and uses:							
Transfers in	-	-	-	-	-	73,022	73,022
Transfers out	(73,022)	-	-	-	-	-	(73,022)
Total other financing sources and uses	(73,022)	-	-	-	-	73,022	-
Net change in fund balance	62,689	(212,028)	929,949	479,693	(346,375)	81,252	995,180
Fund balance at beginning of the year	243,984	27,952	878,948	1,236,855	1,115,484	109,234	3,612,457
Fund balance (deficit) at end of the year	\$ 306,673	\$ (184,076)	\$ 1,808,897	\$ 1,716,548	\$ 769,109	\$ 190,486	\$ 4,607,637

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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	\$ 995,180
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	(239,773)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,720,068)
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.	580,249
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>8,043</u>
Change in net assets of governmental activities	<u>\$ (1,376,369)</u>

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Forest reserve	\$ 2,403	\$ 2,403	\$ 2,447	\$ 44
State sources:				
State equalization guarantee	4,381,998	4,555,823	4,555,397	(426)
Transportation	340,908	344,559	344,559	-
State instructional material	37,131	94,022	56,165	(37,857)
State grant	<u>519,639</u>	<u>519,639</u>	<u>23,282</u>	<u>(496,357)</u>
Total state revenues	<u>5,279,676</u>	<u>5,514,043</u>	<u>4,979,403</u>	<u>(534,640)</u>
Local sources:				
Grant	-	47,459	47,459	-
District school tax levy	145,658	145,658	149,401	3,743
Fees and activities	8,460	8,460	8,558	98
Earnings from investments	42,000	42,000	41,936	(64)
Miscellaneous	<u>-</u>	<u>-</u>	<u>297</u>	<u>297</u>
Total local revenues	<u>196,118</u>	<u>243,577</u>	<u>247,651</u>	<u>4,074</u>
Total revenues	<u>\$ 5,478,197</u>	<u>\$ 5,760,023</u>	<u>\$ 5,229,501</u>	<u>\$ (530,522)</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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>		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Expenditures:				
Current:				
Instruction	\$ 3,022,835	\$ 3,251,049	\$ 3,007,162	\$ 243,887
Support Services - Students	782,796	782,833	563,712	219,121
Support Services - Instruction	88,466	89,182	85,270	3,912
Support Services - General Administration	210,042	232,848	193,217	39,631
Support Services - School Administration	244,128	244,128	175,935	68,193
Central Services	101,764	101,852	99,515	2,337
Operation & Maintenance of Plant	754,286	780,600	639,513	141,087
Student Transportation	340,908	344,559	339,050	5,509
	<u>5,545,225</u>	<u>5,827,051</u>	<u>5,103,374</u>	<u>723,677</u>
Excess (deficiency) of revenues over expenditures	(67,028)	(67,028)	126,127	193,155
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(73,022)</u>	<u>(73,022)</u>
Net change in fund balance	(67,028)	(67,028)	53,105	120,133
Beginning cash balance budgeted	<u>67,028</u>	<u>67,028</u>	<u>-</u>	<u>(67,028)</u>
Fund balance at beginning of the year	-	-	243,984	243,984
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	297,089	<u>\$ 297,089</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(10,768)	
Change in due from other governments			868	
Change in payables			7,467	
Change in deferred property taxes			<u>12,017</u>	
			<u>\$ 306,673</u>	

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

ASSETS

Pooled cash and investments	\$ 95,506
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LIABILITIES

Deposits held for others	\$ 95,506
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Cimarron Municipal 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 Villages of Cimarron, New Mexico, Eagle's Nest, New Mexico, Angel Fire, 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.

As required by GAAP, these financial statements present the District (primary government) and its component units. The component units discussed below are included in the District's reporting because of the significance of their operational or financial relationships with the District 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

a. Moreno Valley High School

Moreno Valley High School (Charter School) was established in 2002 under the Charter School Act and serves to provide public education to the communities of Angel Fire, New Mexico and Eagle's Nest, New Mexico. The Charter School has a significant financial relationship with the District as that it receives federal and state funding through the District. Additionally, the District is financially responsible for the Charter School. The Charter School operates and is reported on the same basis as the District.

b. Moreno Valley High School Foundation

Moreno Valley High School Foundation (Foundation) was established in 2001 in order to provide funding, both public and private monies, to the Charter School. The Foundation exists solely for this purpose and constitutes a significant operational relationship with the Charter School. The Foundation operates and is reported on the same basis as the District.

No other entities meet the criteria for inclusion in the reporting entity.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

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 Cimarron Municipal School District's management who is responsible for their integrity and objectivity. The financial statements of the District 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.

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.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

The government reports the following major governmental funds:

General Fund – 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.

Education Technology Bonds Debt Service Fund – Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with the Education Technology bond issues.

HB-33 Capital Improvements Fund – This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 5 mill property tax levy and interest earned on investments, under House Bill 33.

SB-9 Capital Improvements Fund – 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.

Ed Technology Equipment Act Fund – This fund provides financing for the purchase of educational technology used in the educational process that constitutes learning and administrative resources for the School District. Funding is received from bond issues under 6-15A-1 through 6-15-A-16.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Additionally, the government reports the following fund types:

SPECIAL REVENUE FUNDS

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

DEBT SERVICE FUNDS

Debt Service Funds – 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.

FIDUCIARY FUNDS

Fiduciary Funds – Fiduciary Funds are Cimarron Municipal School District No. 3 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
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

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 Cimarron Municipal School District No. 3 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 School 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, HB – 33 Capital Improvements 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
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

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 Commodity and food inventories 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
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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	25-50
Building improvements	7-20
Vehicles	5
Office equipment	5
Computer equipment	5

5. *Compensated absences*

Accrued and unused annual leave is not paid at the termination of an employee's contract. Accrued sick and unused sick leave is paid to employees who terminate their employment and where employed prior to 1999. The number of employees that are eligible for this payout is minimal and the accrual was not reported in these financial statements.

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
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

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
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. *Indirect Costs*

The School 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 \$4,555,397 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 \$344,559 in transportation distributions during the year ended June 30, 2008.

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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 \$12,830,532 difference are as follows:

Capital assets	\$ 19,579,449
Accumulated depreciation	<u>(6,748,917)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 12,830,532</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 \$944,278 difference are as follows:

Property taxes receivable	<u>\$ 944,278</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 \$1,778,849 difference is detailed as follows:

Bonds payable	\$ 1,750,000
Accrued interest payable	37,188
Bond premiums	45,885
Amortization of bond premiums	(24,888)
Bond issue costs	(72,064)
Amortization of bond issue costs	<u>42,728</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 1,778,849</u>

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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 \$239,773 difference are as follows:

Capital outlay	\$	338,475
Depreciation expense		(575,245)
Loss on asset disposal		<u>(3,003)</u>
Net adjustment to changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$	<u>(239,773)</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 \$2,720,068 is detailed as follows:

Reduction in revenue:		
Deferred property taxes in 2007	\$	(3,664,346)
Amounts to be included in revenue:		
Deferred property taxes in 2008		<u>944,278</u>
Net adjustment to change in net assets of governmental activities for revenues that are not recorded in the funds	\$	<u>(2,720,068)</u>

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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 \$580,249 difference are as follows:

Principal repayments:	
General obligation debt	\$ 585,000
Amortization of bond premium	11,471
Amortization of bond issuance costs	<u>(16,222)</u>
Net adjustment to decrease change in net assets of governmental activities	<u>\$ 580,249</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 \$8,043 difference are as follows:

Accrued interest:	
June 30, 2008	\$ (37,188)
June 30, 2007	<u>45,231</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 8,043</u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

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
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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 Cimarron Municipal School District No. 3 to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 5,545,225	\$ 5,827,051
Special Revenue Fund	512,810	663,574
Debt Service Fund	786,495	786,620
Capital Projects Fund	4,611,762	4,615,721
Totals	\$ 11,456,292	\$ 11,892,966

B. Deficit Fund Equity

Cimarron Municipal Schools

There were two deficit fund balance as of June 30, 2008. The \$22,512 fund balance deficit in the Food Service Special Revenue Fund and \$184,076 in Education Technology Bonds Debt Service will be covered by the General Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2008, the carrying amount of the District's deposits was \$4,618,755 and the bank balance was \$4,794,277. Of this balance \$200,000 was covered by federal depository insurance and \$2,366,924 was covered by collateral held in joint safekeeping by a third party. The remaining \$2,227,353 not covered by pledged collateral is comprised of amounts in excess of those required to be collateralized under State law.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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. NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. 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.

	Cimarron Municipal Schools	Moreno Valley High School	Moreno Valley Education Foundation
Uninsured and uncollateralized	\$ 2,227,353	\$ 20,082	\$ -
Uninsured and collateral held by pledging bank's trust dept not in the city's name	<u>2,366,924</u>	<u>100,559</u>	<u>-</u>
Total uninsured	4,594,277	120,641	-
Insured (FDIC)	<u>200,000</u>	<u>112,137</u>	<u>76,586</u>
Total deposits	<u>\$ 4,794,277</u>	<u>\$ 232,778</u>	<u>\$ 76,586</u>
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ 2,297,139	\$ 60,321	\$ -
Pledged security	<u>2,366,924</u>	<u>100,559</u>	<u>-</u>
Over collateralization	<u>\$ 69,785</u>	<u>\$ 40,238</u>	<u>\$ -</u>

The collateral pledged is listed on Pages 138 and 139 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any Cimarron Municipal School District No. 3, 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
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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>	Education Technology <u>Bonds</u>	HB-33 Capital <u>Improvements</u>	SB-9 Capital <u>Improvements</u>	Other Governmental <u>Funds</u>
Receivables:					
Delinquent property taxes	\$ 12,451	\$ 744,362	\$ 118,884	\$ 71,322	\$ 81,154
Grant	-	-	-	-	101,762
Interest	-	-	-	1,962	-
Due from other:					
Governments	5,947	15,879	37,207	27,006	78
Funds	<u>53,867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 72,265</u>	<u>\$ 760,241</u>	<u>\$ 156,091</u>	<u>\$ 100,290</u>	<u>\$ 182,994</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:

Cimarron Municipal School District:

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
Other Governmental Funds	-	162,273
Delinquent property taxes		
General Fund	6,666	-
Education Technology Bond	728,670	-
HB-33 Capital Improvements	82,548	-
SB-9 Capital Improvements	45,300	-
Other Governmental Funds	<u>81,094</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 944,278</u>	<u>\$ 162,273</u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

B. Receivables (continued)

Moreno Valley High School:

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
Entitlement IDEA-B	\$ -	\$ 12,195
Libraries GO Bond	-	350
Gear Up	-	1,391
	-	1,391
Total deferred/unearned revenue for governmental funds	\$ -	\$ 13,936

C. Capital Assets

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

Cimarron Municipal School District:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,041,046	\$ -	\$ -	\$ 1,041,046
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	\$ 1,041,046	\$ -	\$ -	\$ 1,041,046
Capital assets, being depreciated:				
Land improvements	\$ 95,684	\$ 49,569	\$ -	\$ 145,253
Buildings and improvements	15,261,781	145,196	-	15,406,977
Furniture, fixtures, and equipment	2,862,611	143,710	(20,148)	2,986,173
Total capital assets being depreciated	18,220,076	338,475	(20,148)	18,538,403
Less accumulated depreciation for:				
Land improvements	(7,044)	(8,020)	-	(15,064)
Buildings and improvements	(4,956,055)	(323,975)	-	(5,280,030)
Furniture, fixtures, and equipment	(1,227,718)	(243,250)	17,145	(1,453,823)
Total accumulated depreciation	(6,190,817)	(575,245)	17,145	(6,748,917)
Total capital assets being depreciated, net	\$ 12,029,259	\$ (236,770)	\$ (3,003)	\$ 11,789,486

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

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

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 310,636
Support Services - Students	55,449
Support Services - Instruction	8,087
Support Services - General Administration	19,619
Support Services - School Administration	18,554
Central Services	9,389
Operations & Maintenance of Plant	103,884
Student Transportation	31,988
Food Services	<u>17,639</u>
Total Depreciation Expense	<u>\$ 575,245</u>

Construction commitments

The Cimarron Municipal School District No. 3 has not received 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 \$3,257,637 in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

Moreno Valley High School:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital assets, being depreciated:				
Buildings and improvements	352,228	-	-	352,228
Furniture, fixtures, and equipment	<u>46,439</u>	-	-	<u>46,439</u>
Total capital assets being depreciated	<u>398,667</u>	<u>-</u>	<u>-</u>	<u>398,667</u>
Less accumulated depreciation for:				
Buildings and improvements	(73,553)	(23,482)	-	(97,035)
Furniture, fixtures, and equipment	<u>(29,708)</u>	<u>(2,121)</u>	-	<u>(31,829)</u>
Total accumulated depreciation	<u>(103,261)</u>	<u>(25,603)</u>	<u>-</u>	<u>(128,864)</u>
Total capital assets being depreciated, net	<u>\$ 295,406</u>	<u>\$ (25,603)</u>	<u>\$ -</u>	<u>\$ 269,803</u>

The Charter School has determined that the capital assets serve essentially the entire School's functional activities and had decided not to allocate depreciation by function. Depreciation expense for the Charter School was \$25,603.

The State of New Mexico Public School Facilities Authority has paid portions of the Moreno Valley High School's expense for the schools lease of classroom space. For the year ended June 30, 2008, these contributions amounted to \$53,900.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

Moreno Valley Education Foundation:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 300,000	\$ -	\$ -	\$ 300,000
Construction in progress	146,161	23,317	-	169,478
Total capital assets, not being depreciated	<u>\$ 446,161</u>	<u>\$ 23,317</u>	<u>\$ -</u>	<u>\$ 469,478</u>
Capital assets, being depreciated:				
Land improvements	-	-	-	-
Buildings and improvements	335,244	-	-	335,244
Furniture, fixtures, and equipment	98,969	-	-	98,969
Total capital assets being depreciated	<u>434,213</u>	<u>-</u>	<u>-</u>	<u>434,213</u>
Less accumulated depreciation for:				
Buildings and improvements	(57,649)	(16,684)	-	(74,333)
Furniture, fixtures, and equipment	(25,389)	(10,148)	-	(35,537)
Total accumulated depreciation	<u>(83,038)</u>	<u>(26,832)</u>	<u>-</u>	<u>(109,870)</u>
Total capital assets being depreciated, net	<u>\$ 351,175</u>	<u>\$ (26,832)</u>	<u>\$ -</u>	<u>\$ 324,343</u>

The Foundation has decided not to allocate depreciation by function because capital assets serve essentially the entire school's functional activities. Depreciation expense for the Foundation was \$26,832.

The Moreno Valley Education Foundation has not received any funds from the State of New Mexico Public School Facilities Authority for the year ended June 30, 2008.

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
 June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Inter-Fund Receivables and Payables

The composition of inter-fund balances at June 30, 2008 is as follows:

Cimarron Municipal Schools:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 53,867	\$ -
Education Technology Bonds	-	30,500
Other governmental funds:		
Food Service	-	23,367
Total	<u>\$ 53,867</u>	<u>\$ 53,867</u>

The inter-fund loans were made in order to cover cash shortfalls within the individual funds as a result of budgeted revenues not being received.

E. Inter-Fund Transfers

There was one inter-fund transfers in Cimarron Municipal School District made during the year ended June 30, 2008 for the purpose of covering debt service payments.

	<u>From</u>	<u>To</u>
General Fund	\$ 73,022	\$ -
Debt Service	-	73,022
Total	<u>\$ 73,022</u>	<u>\$ 73,022</u>

F. Long-Term Debt

The details of the bonds and notes as of June 30, 2008 are as follows:

Cimarron Municipal Schools

		<u>Original</u>		<u>Balance</u>	<u>Amount Due</u>
<u>General Obligations Bonds</u>	<u>Amount</u>	<u>Interest Rates</u>	<u>June 30, 2007</u>	<u>Within One Year</u>	<u></u>
Series 2006	\$ 1,750,000	4.25%	\$ 1,750,000	\$	-

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

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

F. Long-Term Debt (continued)

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

Moreno Valley Education Foundation

<u>Long-Term Notes Payable</u>	<u>Amount</u>	<u>Interest Rates</u>	<u>June 30, 2007</u>	<u>Within One Year</u>
Notes Payable	\$ 300,000	8.75%	\$ 247,156	\$ 37,749

Long-term Notes Payable – Construction loan taken out by Moreno Valley Education Foundation for the construction of the Moreno Valley High School campus. The construction loan converted to a 10-year variable interest rate loan on September 4, 2006 with monthly payments of \$3,400. In July 2008 the monthly principal payment changed to \$4,200 with a 5.50% interest rate.

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

Cimarron Municipal Schools:

<u>General Obligation Bonds</u>			
<u>Year Ending</u>			<u>Total</u>
<u>June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2008	\$ -	\$ 7,375	\$ 7,375
2009	600,000	61,625	661,625
2010	625,000	35,594	660,594
2011	<u>525,000</u>	<u>11,156</u>	<u>536,156</u>
Total	<u>\$ 1,750,000</u>	<u>\$ 115,750</u>	<u>\$ 1,865,750</u>

Moreno Valley Education Foundation:

<u>Long-term Notes Payable</u>			
<u>Year Ending</u>			<u>Total</u>
<u>June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2009	\$ 37,749	\$ 12,651	\$ 50,400
2010	39,878	10,522	50,400
2011	42,127	8,273	50,400
2012	44,504	5,896	50,400
2013	47,014	3,386	50,400
2014 - 2018	<u>35,884</u>	<u>2,185</u>	<u>38,069</u>
Total	<u>\$ 247,156</u>	<u>\$ 42,913</u>	<u>\$ 290,069</u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

F. Long-Term Debt (continued)

Changes in long term debt – During the year ended June 30, 2008 the following changes occurred in liabilities:

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Amount Due</u> <u>Within One Year</u>
Bonds payable	\$ 2,335,000	\$ -	\$ (585,000)	\$ 1,750,000	\$ -

	<u>Balance</u> <u>June 30, 2008</u>
Bonds payable	\$ 1,750,000
Unamortized:	
Bond premiums	<u>20,997</u>
Total non-current liabilities	<u>\$ 1,770,997</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
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

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 Cimarron Municipal School 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

**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

Notes to the Financial Statements
June 30, 2008

V. OTHER INFORMATION (continued)

C. Employee Retirement Plan (continued)

Funding Policy - Plan members are required to contribute 7.42% of their gross salary. Cimarron Municipal 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 Cimarron Municipal School District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. Cimarron Municipal School District's contributions to the ERB for the years ended June 30, 2008, 2007 and 2006 were \$348,374 \$315,289, and \$285,119 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%

D. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description – Cimarron Municipal School District No. 3 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.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Notes to the Financial Statements
June 30, 2008

V. OTHER INFORMATION (continued)

D. Post-Retirement Health Care Benefits (continued)

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.

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.

Cimarron Municipal School District No. 3's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$41,593, \$40,475 and \$39,336, respectively, which equal the required contributions for each year.

E. Budgetary Violations

The District exceeded its legal budget in individual funds as referenced in Finding 2008-2 on page 159. 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.

GENERAL FUNDS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND
Combining Balance Sheet
June 30, 2008

	General Funds			Total General <u>Fund</u>
	<u>Operational Fund</u>	<u>Transportation Fund</u>	<u>Instructional Materials Fund</u>	
<u>ASSETS</u>				
Pooled cash and investments	\$ 150,885	\$ 54,975	\$ 54,914	\$ 260,774
Receivables:				
Delinquent property taxes	12,451	-	-	12,451
Due from other governments	5,947	-	-	5,947
Due from other funds	53,867	-	-	53,867
Total assets	\$ 223,150	\$ 54,975	\$ 54,914	\$ 333,039
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 8,457	\$ -	\$ 11,243	\$ 19,700
Deferred revenue:				
Delinquent property taxes	6,666	-	-	6,666
Total liabilities	15,123	-	11,243	26,366
Fund balance:				
Unreserved and reported in:				
Undesignated	208,027	54,975	43,671	306,673
Total liabilities and fund balance	\$ 223,150	\$ 54,975	\$ 54,914	\$ 333,039

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	General Funds			Total General <u>Fund</u>
	<u>Operational Fund</u>	<u>Transportation Fund</u>	<u>Instructional Materials Fund</u>	
Revenues:				
Federal sources:				
Forest reserve	\$ 2,447	\$ -	\$ -	\$ 2,447
State sources:				
State equalization guarantee	4,555,397	-	-	4,555,397
Transportation	-	344,559	-	344,559
State instructional material	-	-	56,165	56,165
State grant	<u>17,254</u>	<u>-</u>	<u>6,028</u>	<u>23,282</u>
Total state revenues	<u>4,572,651</u>	<u>344,559</u>	<u>62,193</u>	<u>4,979,403</u>
Local sources:				
Grant	47,459	-	-	47,459
District school tax levy	151,517	-	-	151,517
Fees and activities	8,558	-	-	8,558
Earnings from investments	41,937	-	-	41,937
Miscellaneous	<u>297</u>	<u>-</u>	<u>-</u>	<u>297</u>
Total local revenues	<u>249,768</u>	<u>-</u>	<u>-</u>	<u>249,768</u>
Total revenue	<u>4,824,866</u>	<u>344,559</u>	<u>62,193</u>	<u>5,231,618</u>
Expenditures:				
Current:				
Instruction	2,940,311	-	74,878	3,015,189
Support Services - Students	553,446	-	-	553,446
Support Services - Instruction	83,799	-	1,471	85,270
Support Services - General Administration	190,371	-	-	190,371
Support Services - School Administration	175,935	-	-	175,935
Central Services	99,515	-	-	99,515
Operations & Maintenance of Plant	637,131	-	-	637,131
Student Transportation	<u>-</u>	<u>339,050</u>	<u>-</u>	<u>339,050</u>
Total expenditures	<u>4,680,508</u>	<u>339,050</u>	<u>76,349</u>	<u>5,095,907</u>
Excess of revenues over expenditures	144,358	5,509	(14,156)	135,711
Other financing uses:				
Transfers out	<u>(73,022)</u>	<u>-</u>	<u>-</u>	<u>(73,022)</u>
Net change in fund balance	71,336	5,509	(14,156)	62,689
Fund balance at beginning of the year	<u>136,691</u>	<u>49,466</u>	<u>57,827</u>	<u>243,984</u>
Fund balance at end of the year	<u>\$ 208,027</u>	<u>\$ 54,975</u>	<u>\$ 43,671</u>	<u>\$ 306,673</u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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		
Revenues:				
Federal sources:				
Forest reserve	\$ 2,403	\$ 2,403	\$ 2,447	\$ 44
State sources:				
State equalization guarantee	4,381,998	4,555,823	4,555,397	(426)
State grant	516,368	516,368	17,254	(499,114)
Total state revenues	<u>4,898,366</u>	<u>5,072,191</u>	<u>4,572,651</u>	<u>(499,540)</u>
Local sources:				
Grant	-	47,459	47,459	-
District school tax levy	145,658	145,658	149,401	3,743
Fees and activities	8,460	8,460	8,558	98
Earnings from investments	42,000	42,000	41,936	(64)
Miscellaneous	-	-	297	297
Total local revenues	<u>196,118</u>	<u>243,577</u>	<u>247,651</u>	<u>4,074</u>
Total revenues	<u>5,096,887</u>	<u>5,318,171</u>	<u>4,822,749</u>	<u>(495,422)</u>
Expenditures:				
Current:				
Instruction	2,985,704	3,157,027	2,943,527	213,500
Support Services - Students	782,796	782,833	563,712	219,121
Support Services - Instruction	85,195	85,911	83,799	2,112
Support Services - General Administration	210,042	232,848	193,217	39,631
Support Services - School Administration	244,128	244,128	175,935	68,193
Central Services	101,764	101,852	99,515	2,337
Operation & Maintenance of Plant	754,286	780,600	639,513	141,087
Total expenditures	<u>5,163,915</u>	<u>5,385,199</u>	<u>4,699,218</u>	<u>685,981</u>
Excess (deficiency) of revenues over expenditures	<u>(67,028)</u>	<u>(67,028)</u>	<u>123,531</u>	<u>190,559</u>
Other financing uses:				
Transfers out	-	-	(73,022)	(73,022)
Net change in fund balance	<u>(67,028)</u>	<u>(67,028)</u>	<u>50,509</u>	<u>117,537</u>
Beginning cash balance budgeted	<u>67,028</u>	<u>67,028</u>	<u>-</u>	<u>(67,028)</u>
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>136,691</u>	<u>136,691</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>187,200</u>	<u>\$ 187,200</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(10,768)	
Change in due from other governments			868	
Change in payables			18,710	
Change in deferred property taxes			12,017	
			<u>\$ 208,027</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 340,908	\$ 344,559	\$ 344,559	\$ -
Expenditures:				
Current:				
Student Transportation	340,908	344,559	339,050	5,509
Excess of revenues over expenditures	-	-	5,509	5,509
Fund balance at beginning of the year	-	-	49,466	49,466
Fund balance at end of the year	\$ -	\$ -	54,975	\$ 54,975
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			-	
			\$ 54,975	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State instructional material	\$ 37,131	\$ 94,022	\$ 56,165	\$ (37,857)
State grant	<u>3,271</u>	<u>3,271</u>	<u>6,028</u>	<u>2,757</u>
Total revenues	<u>40,402</u>	<u>97,293</u>	<u>62,193</u>	<u>(35,100)</u>
Expenditures:				
Current:				
Instruction	37,131	94,022	63,635	30,387
Support Services - Instruction	<u>3,271</u>	<u>3,271</u>	<u>1,471</u>	<u>1,800</u>
Total expenditures	<u>40,402</u>	<u>97,293</u>	<u>65,106</u>	<u>32,187</u>
Excess (deficiency) of revenues over expenditures	-	-	(2,913)	(2,913)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>57,827</u>	<u>57,827</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	54,914	<u>\$ 54,914</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(11,243)</u>	
			<u>\$ 43,671</u>	

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Special Revenue Funds			
	Food Service Fund	Athletics Fund	Title I Fund	Entitlement IDEA-B Fund
<u>ASSETS</u>				
Pooled cash and investments	\$ 91	\$ 1,237	\$ 31,339	\$ (15,583)
Receivables:				
Delinquent property taxes	-	-	-	-
Grant	-	-	-	15,583
Due from other governments	-	-	-	-
USDA commodities inventory	252	-	-	-
Food inventory	512	-	-	-
	\$ 855	\$ 1,237	\$ 31,339	\$ -
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	-	-	-	-
Due to other funds	23,367	-	-	-
Deferred revenue:				
Federal, state, and local grants	-	-	31,339	-
Delinquent property taxes	-	-	-	-
	23,367	-	31,339	-
Fund balance:				
Reserved:				
Retirement of long-term debt	-	-	-	-
Inventories	764	-	-	-
Unreserved and reported in:				
Special revenues funds	(23,276)	1,237	-	-
Capital projects funds	-	-	-	-
	(22,512)	1,237	-	-
	\$ 855	\$ 1,237	\$ 31,339	\$ -

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2007

	Special Revenue Funds				
	Discretionary IDEA-B Fund	Preschool IDEA-B Fund	Title VI Fund	Title II Math/Science Fund	Enhancing Education Fund
<u>ASSETS</u>					
Pooled cash and investments	\$ (4,385)	\$ (6,215)	\$ (2,371)	\$ 794	\$ (3,299)
Receivables:					
Delinquent property taxes	-	-	-	-	-
Grant	4,385	6,215	2,371	-	3,299
Due from other governments	-	-	-	-	-
USDA commodities inventory	-	-	-	-	-
Food inventory	-	-	-	-	-
	-	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ 794	\$ -
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue:					
Federal, state, and local grants	-	-	-	794	-
Delinquent property taxes	-	-	-	-	-
	-	-	-	794	-
Total liabilities	-	-	-	794	-
Fund balance:					
Reserved:					
Retirement of long-term debt	-	-	-	-	-
Inventories	-	-	-	-	-
Unreserved and reported in:					
Special revenues funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
	-	-	-	-	-
Total fund balance	-	-	-	-	-
Total liabilities and fund balance	\$ -	\$ -	\$ -	\$ 794	\$ -

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2007

	Special Revenue Funds			
	Title V Fund	Title II Teacher Quality Fund	Title IV Drug Free Schools Fund	Title XIX Medicaid Fund
<u>ASSETS</u>				
Pooled cash and investments	\$ (10,058)	\$ (14,742)	\$ -	\$ (9,130)
Receivables:				
Delinquent property taxes	-	-	-	-
Grant	10,058	14,990	-	9,130
Due from other governments	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
	-	-	-	-
Total assets	\$ -	\$ 248	\$ -	\$ -
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	-	248	-	-
Due to other funds	-	-	-	-
Deferred revenue:				
Federal, state, and local grants	-	-	-	-
Delinquent property taxes	-	-	-	-
	-	-	-	-
Total liabilities	-	248	-	-
Fund balance:				
Reserved:				
Retirement of long-term debt	-	-	-	-
Inventories	-	-	-	-
Unreserved and reported in:				
Special revenues funds	-	-	-	-
Capital projects funds	-	-	-	-
	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities and fund balance	\$ -	\$ 248	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2007

	Special Revenue Funds			
	Teacher Quality Enhancement Fund	Rural Education Achievement Program Fund	Intel Foundation Fund	Jordan Fundamental s Grant Fund
<u>ASSETS</u>				
Pooled cash and investments	\$ 12,728	\$ -	\$ -	\$ 14
Receivables:				
Delinquent property taxes	-	-	-	-
Grant	-	-	-	-
Due from other governments	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
	-	-	-	-
Total assets	\$ 12,728	\$ -	\$ -	\$ 14
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue:				
Federal, state, and local grants	12,728	-	-	14
Delinquent property taxes	-	-	-	-
	-	-	-	-
Total liabilities	12,728	-	-	14
Fund balance:				
Reserved:				
Retirement of long-term debt	-	-	-	-
Inventories	-	-	-	-
Unreserved and reported in:				
Special revenues funds	-	-	-	-
Capital projects funds	-	-	-	-
	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities and fund balance	\$ 12,728	\$ -	\$ -	\$ 14

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2007

	Special Revenue Funds			
	PNM Foundation <u>Fund</u>	Turner Foundation <u>Fund</u>	Microsoft Settlement <u>Fund</u>	A Plus for Energy <u>Fund</u>
<u>ASSETS</u>				
Pooled cash and investments	\$ 15	\$ 32,743	\$ (26,518)	\$ 4,555
Receivables:				
Delinquent property taxes	-	-	-	-
Grant	-	-	26,518	-
Due from other governments	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
	-	-	-	-
Total assets	\$ 15	\$ 32,743	\$ -	\$ 4,555
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	-	93	-	-
Due to other funds	-	-	-	-
Deferred revenue:				
Federal, state, and local grants	15	32,650	-	4,555
Delinquent property taxes	-	-	-	-
	-	-	-	-
Total liabilities	15	32,743	-	4,555
Fund balance:				
Reserved:				
Retirement of long-term debt	-	-	-	-
Inventories	-	-	-	-
Unreserved and reported in:				
Special revenues funds	-	-	-	-
Capital projects funds	-	-	-	-
	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities and fund balance	\$ 15	\$ 32,743	\$ -	\$ 4,555

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2007

	Special Revenue Funds			
	Technology for Education <u>Fund</u>	Incentives for School Improvement <u>Fund</u>	State School Improvement <u>Fund</u>	Libraries GO Bond <u>Fund</u>
<u>ASSETS</u>				
Pooled cash and investments	\$ 14,384	\$ 40,484	\$ 1,075	\$ (154)
Receivables:				
Delinquent property taxes	-	-	-	-
Grant	-	-	-	154
Due from other governments	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
	-	-	-	-
Total assets	\$ 14,384	\$ 40,484	\$ 1,075	\$ -
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue:				
Federal, state, and local grants	14,384	40,484	1,075	-
Delinquent property taxes	-	-	-	-
	-	-	-	-
Total liabilities	14,384	40,484	1,075	-
Fund balance:				
Reserved:				
Retirement of long-term debt	-	-	-	-
Inventories	-	-	-	-
Unreserved and reported in:				
Special revenues funds	-	-	-	-
Capital projects funds	-	-	-	-
	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities and fund balance	\$ 14,384	\$ 40,484	\$ 1,075	\$ -

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2007

	Special Revenue Funds			
	Tutoring & Student Enhance Fund	Beginning Teacher Mentoring Fund	Breakfast for Elementary Students Fund	Communities of Academic Partnership Fund
<u>ASSETS</u>				
Pooled cash and investments	\$ 5,996	\$ 3,716	\$ -	\$ -
Receivables:				
Delinquent property taxes	-	-	-	-
Grant	-	-	-	-
Due from other governments	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
	-	-	-	-
Total assets	\$ 5,996	\$ 3,716	\$ -	\$ -
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue:				
Federal, state, and local grants	5,996	3,716	-	-
Delinquent property taxes	-	-	-	-
	-	-	-	-
Total liabilities	5,996	3,716	-	-
Fund balance:				
Reserved:				
Retirement of long-term debt	-	-	-	-
Inventories	-	-	-	-
Unreserved and reported in:				
Special revenues funds	-	-	-	-
Capital projects funds	-	-	-	-
	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities and fund balance	\$ 5,996	\$ 3,716	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2007

	Special Revenue Funds			
	Schools on the Rise Fund	Outdoor Classroom Initiative Fund	NM Arts Fund	Center for Teaching Excellence Fund
<u>ASSETS</u>				
Pooled cash and investments	\$ -	\$ (903)	\$ 888	\$ 10,454
Receivables:				
Delinquent property taxes	-	-	-	-
Grant	-	903	-	-
Due from other governments	-	-	-	-
USDA commodities inventory	-	-	-	-
Food inventory	-	-	-	-
	-	-	-	-
Total assets	\$ -	\$ -	\$ 888	\$ 10,454
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue:				
Federal, state, and local grants	-	-	888	10,454
Delinquent property taxes	-	-	-	-
	-	-	-	-
Total liabilities	-	-	888	10,454
Fund balance:				
Reserved:				
Retirement of long-term debt	-	-	-	-
Inventories	-	-	-	-
Unreserved and reported in:				
Special revenues funds	-	-	-	-
Capital projects funds	-	-	-	-
	-	-	-	-
Total fund balance	-	-	-	-
Total liabilities and fund balance	\$ -	\$ -	\$ 888	\$ 10,454

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2007

	Special Revenue Funds				
	Gear Up Fund	BP America Production Fund	Taos RSLC Fund	McCune Foundation Fund	Total Nonmajor Special Revenue Funds
<u>ASSETS</u>					
Pooled cash and investments	\$ 1,643	\$ 1,538	\$ -	\$ (8,156)	\$ 62,180
Receivables:					
Delinquent property taxes	-	-	-	-	-
Grant	-	-	-	8,156	101,762
Due from other governments	-	-	-	-	-
USDA commodities inventory	-	-	-	-	252
Food inventory	-	-	-	-	512
	-	-	-	-	512
Total assets	\$ 1,643	\$ 1,538	\$ -	\$ -	\$ 164,706
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable	-	-	-	-	341
Due to other funds	-	-	-	-	23,367
Deferred revenue:					
Federal, state, and local grants	1,643	1,538	-	-	162,273
Delinquent property taxes	-	-	-	-	-
Total liabilities	1,643	1,538	-	-	185,981
Fund balance:					
Reserved:					
Retirement of long-term debt	-	-	-	-	-
Inventories	-	-	-	-	764
Unreserved and reported in:					
Special revenues funds	-	-	-	-	(22,039)
Capital projects funds	-	-	-	-	-
Total fund balance	-	-	-	-	(21,275)
Total liabilities and fund balance	\$ 1,643	\$ 1,538	\$ -	\$ -	\$ 164,706

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2007

	Debt Services Fund	Public School Capital Outlay - 20% Fund	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Pooled cash and investments	\$ 185,274	\$ 26,349	\$ 273,803
Receivables:			
Delinquent property taxes	81,154	-	81,154
Grant		-	101,762
Due from other governments	78	-	78
USDA commodities inventory	-	-	252
Food inventory	-	-	512
	<hr/>	<hr/>	<hr/>
Total assets	\$ 266,506	\$ 26,349	\$ 457,561
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	-	-	341
Due to other funds	-	-	23,367
Deferred revenue:			
Federal, state, and local grants	-	-	162,273
Delinquent property taxes	81,094	-	81,094
	<hr/>	<hr/>	<hr/>
Total liabilities	81,094	-	267,075
	<hr/>	<hr/>	<hr/>
Fund balance:			
Reserved:			
Retirement of long-term debt	185,412	-	185,412
Inventories	-	-	764
Unreserved and reported in:			
Special revenues funds	-	-	(22,039)
Capital projects funds	-	26,349	26,349
	<hr/>	<hr/>	<hr/>
Total fund balance	185,412	26,349	190,486
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	\$ 266,506	\$ 26,349	\$ 457,561
	<hr/>	<hr/>	<hr/>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

	Special Revenue Funds						
	Food Service Fund	Athletics Fund	Title I Fund	Entitlement IDEA-B Fund	Discretionary IDEA-B Fund	Preschool IDEA-B Fund	Title VI Fund
Revenues:							
Federal sources:							
Federal flowthrough grants	\$ -	\$ -	\$ 101,724	\$ 88,055	\$ 15,275	\$ 12,673	\$ -
Federal direct grants	-	-	-	-	-	-	-
Food and milk reimbursements	107,263	-	-	-	-	-	-
USDA Commodities	5,990	-	-	-	-	-	-
	<u>113,253</u>	<u>-</u>	<u>101,724</u>	<u>88,055</u>	<u>15,275</u>	<u>12,673</u>	<u>-</u>
Total federal revenues							
State sources:							
State grant	1,674	-	-	-	-	-	-
	<u>1,674</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Local sources:							
Grant	-	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-	-
Fees and activities	63,469	13,374	-	-	-	-	-
Earnings from investments	618	155	-	-	-	-	-
	<u>64,087</u>	<u>13,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total local revenues							
Total revenue	<u>179,014</u>	<u>13,529</u>	<u>101,724</u>	<u>88,055</u>	<u>15,275</u>	<u>12,673</u>	<u>-</u>
Expenditures:							
Current:							
Instruction	-	12,444	101,724	71,397	15,275	12,673	-
Support Services - Students	-	-	-	16,633	-	-	-
Support Services - Instruction	-	-	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-	-	-
Support Services - School Administration	-	-	-	25	-	-	-
Food Services	184,691	-	-	-	-	-	-
	<u>184,691</u>	<u>12,444</u>	<u>101,724</u>	<u>88,055</u>	<u>15,275</u>	<u>12,673</u>	<u>-</u>
Total expenditures							
Excess (deficiency) of revenues over expenditures	(5,677)	1,085	-	-	-	-	-
Other financing sources:							
Transfers in	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(5,677)	1,085	-	-	-	-	-
Fund balance (deficit) at beginning of the year	(16,835)	152	-	-	-	-	-
Fund balance (deficit) at end of the year	<u>\$ (22,512)</u>	<u>\$ 1,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2007

	Special Revenue Funds					
	Title II Math/Science Fund	Enhancing Education Fund	Title V Fund	Title II Teacher Quality Fund	Title IV Drug Free Schools Fund	Title XIX Medicaid Fund
Revenues:						
Federal sources:						
Federal flowthrough grants	\$ -	\$ -	\$ 4,260	\$ 18,547	\$ 55	\$ -
Federal direct grants	-	-	-	-	-	11,829
Food and milk reimbursements	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Total federal revenues	-	-	4,260	18,547	55	11,829
State sources:						
State grant	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Local sources:						
Grant	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Total local revenues	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Total revenue	-	-	4,260	18,547	55	11,829
	-----	-----	-----	-----	-----	-----
Expenditures:						
Current:						
Instruction	-	-	4,260	18,547	55	-
Support Services - Students	-	-	-	-	-	11,829
Support Services - Instruction	-	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-	-
Support Services - School Administration	-	-	-	-	-	-
Food Services	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Total expenditures	-	-	4,260	18,547	55	11,829
	-----	-----	-----	-----	-----	-----
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Other uses:						
Transfers in	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Net change in fund balance	-	-	-	-	-	-
Fund balance (deficit) as previously reported	-	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-----	-----	-----	-----	-----	-----

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2007

	Special Revenue Funds				
	Teacher Quality Enhancement Fund	Rural Education Achievement Program Fund	Intel Foundation Fund	Jordan Fundamental s Grant Fund	PNM Foundation Fund
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	23,401	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
	-----	-----	-----	-----	-----
Total federal revenues	-	23,401	-	-	-
	-----	-----	-----	-----	-----
State sources:					
State grant	-	-	-	-	-
	-----	-----	-----	-----	-----
Local sources:					
Grant	-	-	209	7	14
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
	-----	-----	-----	-----	-----
Total local revenues	-	-	209	7	14
	-----	-----	-----	-----	-----
Total revenue	-	23,401	209	7	14
	-----	-----	-----	-----	-----
Expenditures:					
Current:					
Instruction	-	-	209	7	14
Support Services - Students	-	2,707	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	-	20,694	-	-	-
Food Services	-	-	-	-	-
	-----	-----	-----	-----	-----
Total expenditures	-	23,401	209	7	14
	-----	-----	-----	-----	-----
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other uses:					
Transfers in	-	-	-	-	-
	-----	-----	-----	-----	-----
Net change in fund balance	-	-	-	-	-
Fund balance (deficit) as previously reported	-	-	-	-	-
	-----	-----	-----	-----	-----
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -
	-----	-----	-----	-----	-----

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2007

	Special Revenue Funds				
	Turner Foundation Fund	Microsoft Settlement Fund	A Plus for Energy Fund	Technology for Education Fund	Incentives for School Improvement Fund
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
	-----	-----	-----	-----	-----
Total federal revenues	-	-	-	-	-
State sources:					
State grant	-	-	-	1,541	-
	-----	-----	-----	-----	-----
Local sources:					
Grant	11,699	13,256	5,446	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	5	31	13	-
	-----	-----	-----	-----	-----
Total local revenues	11,699	13,261	5,477	13	-
	-----	-----	-----	-----	-----
Total revenue	11,699	13,261	5,477	1,554	-
	-----	-----	-----	-----	-----
Expenditures:					
Current:					
Instruction	10,151	13,261	5,477	-	-
Support Services - Students	1,548	-	-	1,554	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	-	-	-	-	-
Food Services	-	-	-	-	-
	-----	-----	-----	-----	-----
Total expenditures	11,699	13,261	5,477	1,554	-
	-----	-----	-----	-----	-----
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other uses:					
Transfers in	-	-	-	-	-
	-----	-----	-----	-----	-----
Net change in fund balance	-	-	-	-	-
Fund balance (deficit) as previously reported	-	-	-	-	-
	-----	-----	-----	-----	-----
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -
	-----	-----	-----	-----	-----

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2007

	Special Revenue Funds				
	State School Improvement Fund	Libraries GO Bond Fund	Tutoring & Student Enhance Fund	Beginning Teacher Mentoring Fund	Breakfast for Elementary Students Fund
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
	-----	-----	-----	-----	-----
Total federal revenues	-	-	-	-	-
	-----	-----	-----	-----	-----
State sources:					
State grant	-	448	-	-	2,268
	-----	-----	-----	-----	-----
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
	-----	-----	-----	-----	-----
Total local revenues	-	-	-	-	-
	-----	-----	-----	-----	-----
Total revenue	-	448	-	-	2,268
	-----	-----	-----	-----	-----
Expenditures:					
Current:					
Instruction	-	-	-	-	-
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	448	-	-	-
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	-	-	-	-	-
Food Services	-	-	-	-	2,268
	-----	-----	-----	-----	-----
Total expenditures	-	448	-	-	2,268
	-----	-----	-----	-----	-----
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other uses:					
Transfers in	-	-	-	-	-
	-----	-----	-----	-----	-----
Net change in fund balance	-	-	-	-	-
Fund balance (deficit) as previously reported	-	-	-	-	-
	-----	-----	-----	-----	-----
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -
	-----	-----	-----	-----	-----

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2007

	Special Revenue Funds				
	Communities of Academic Partnership Fund	Schools on the Rise Fund	Outdoor Classroom Initiative Fund	NM Arts Fund	Center for Teaching Excellence Fund
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
Total federal revenues	-	-	-	-	-
State sources:					
State grant	-	-	11,812	-	-
Total local revenues	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total local revenues	-	-	-	-	-
Total revenue	-	-	11,812	-	-
Expenditures:					
Current:					
Instruction	-	-	11,812	-	-
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	-	-	-	-	-
Food Services	-	-	-	-	-
Total expenditures	-	-	11,812	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other uses:					
Transfers in	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance (deficit) as previously reported	-	-	-	-	-
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2007

	Special Revenue Funds				
	Gear Up Fund	BP America Production Fund	Taos RSLC Fund	McCune Foundation Fund	Total Nonmajor Special Revenue Funds
Revenues:					
Federal sources:					
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ 240,589
Federal direct grants	-	-	-	-	35,230
Food and milk reimbursements	-	-	-	-	107,263
USDA Commodities	-	-	-	-	5,990
	-	-	-	-	389,072
Total federal revenues					
State sources:					
State grant	-	-	-	-	17,743
	-	-	-	-	17,743
Local sources:					
Grant	-	-	32	-	30,663
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	76,843
Earnings from investments	-	-	-	-	822
	-	-	32	-	108,328
Total local revenues					
Total revenue	-	-	32	-	515,143
Expenditures:					
Current:					
Instruction	-	-	32	-	277,338
Support Services - Students	-	-	-	-	34,271
Support Services - Instruction	-	-	-	-	448
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	-	-	-	-	20,719
Food Services	-	-	-	-	186,959
	-	-	32	-	519,735
Total expenditures					
Excess (deficiency) of revenues over expenditures	-	-	-	-	(4,592)
Other uses:					
Transfers in	-	-	-	-	-
	-	-	-	-	-
Net change in fund balance					
Fund balance (deficit) as previously reported	-	-	-	-	(16,683)
	-	-	-	-	(16,683)
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -	\$ (21,275)

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2007

	Debt Services Fund	Public School Capital Outlay - 20% Fund	Total Nonmajor Governmental Funds
Revenues:			
Federal sources:			
Federal flowthrough grants	\$ -	\$ -	\$ 240,589
Federal direct grants	-	-	35,230
Food and milk reimbursements	-	-	107,263
USDA Commodities	-	-	5,990
	<u>-</u>	<u>-</u>	<u>389,072</u>
Total federal revenues	<u>-</u>	<u>-</u>	<u>389,072</u>
State sources:			
State grant	-	-	17,743
	<u>-</u>	<u>-</u>	<u>17,743</u>
Local sources:			
Grant	-	-	30,663
District school tax levy	12,279	-	12,279
Fees and activities	-	-	76,843
Earnings from investments	675	-	1,497
	<u>12,954</u>	<u>-</u>	<u>121,282</u>
Total local revenues	<u>12,954</u>	<u>-</u>	<u>121,282</u>
Total revenue	<u>12,954</u>	<u>-</u>	<u>528,097</u>
Expenditures:			
Current:			
Instruction	-	-	277,338
Support Services - Students	-	-	34,271
Support Services - Instruction	-	-	448
Support Services - General Administration	132	-	132
Support Services - School Administration	-	-	20,719
Food Services	-	-	186,959
	<u>132</u>	<u>-</u>	<u>519,867</u>
Total expenditures	<u>132</u>	<u>-</u>	<u>519,867</u>
Excess (deficiency) of revenues over expenditures	12,822	-	8,230
Other uses:			
Transfers in	73,022	-	73,022
	<u>73,022</u>	<u>-</u>	<u>73,022</u>
Net change in fund balance	85,844	-	81,252
Fund balance (deficit) as previously reported	99,568	26,349	109,234
	<u>99,568</u>	<u>26,349</u>	<u>109,234</u>
Fund balance (deficit) at end of the year	\$ 185,412	\$ 26,349	\$ 190,486
	<u>\$ 185,412</u>	<u>\$ 26,349</u>	<u>\$ 190,486</u>

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BUDGETARY PRESENTATION

NONMAJOR SPECIAL REVENUE FUNDS

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 2-12, 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.

ENTITLEMENT/DISCRETIONARY IDEA-B

The Entitlement/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.

PRESCHOOL IDEA-B

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

TITLE VI

The Title VI project provides funds for the acquisition of audio-visual and computer materials use for the instruction of students in the School District. This project is funded by the Federal government through the State of New Mexico Department of Education, under the Elementary and Secondary Education Act of 1965, as amended, Title I, Chapter 2, Part A; Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvements Amendments of 1988, Public Law 100-297, 20 U.S.C. 2911-2952, 2971-2976.

TITLE II MATH/SCIENCE

The Title II math, science and core academic areas project provides funds to carry out a math skills control system for grades kindergarten through eighth. The project is funded by the Federal Government through the State of New Mexico Department of Education, under the Elementary and Secondary Education Act of 1965, Title II, Part A, Public Law 100-297, as amended, Public Law 101-589.

NONMAJOR SPECIAL REVENUE FUNDS (continued)

ENHANCING EDUCATION

The technology fund provides financing to purchase computers and software for a District-wide student information system and software licensing for computer labs within the District. The program is funded through the Office of Technology for the State of New Mexico. Authorized by the IASA Improving America School Act PL 103-382.

TITLE V

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.

TITLE II TEACHER QUALITY

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 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.

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, 103-112, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

TEACHER QUALITY ENHANCEMENT

To improve student achievement; improve the quality of the current and future teaching force by improving the preparation of prospective teachers and enhancing professional development activities; hold institutions of higher education accountable for preparing teachers who have the necessary teaching skills and are highly competent in the academic content areas in which the teachers plan to teach, such as mathematics, science, English, foreign language, history, economics, art, civics, Government, and geography, including training in the effective uses of technology in the classroom; and recruit highly qualified individuals, including individuals from other occupations, into the teaching force. Authorization granted under Higher Education Act of 1965, Title II, Part A, Public Law 105-244.

NONMAJOR SPECIAL REVENUE FUNDS (continued)

RURAL EDUCATION ACHIEVEMENT

To account for funds received under the Small Rural School Achievement Program to enhance education.

INTEL FOUNDATION

To assist schools in education by reducing the student to teacher ratio.

JORDAN FUNDAMENTALS GRANT

To help students in learning through the application and design.

PNM FOUNDATION

Classroom innovation grant for the purpose of "Books 'N More." Authority for creation is a grant from PNM.

TURNER FOUNDATION

To enhance the curriculum by utilizing nontraditional teaching methods (real life learning).

MICROSOFT SETTLEMENT

For qualifying schools to purchase computer hardware, software and professional development services.

A PLUS FOR ENERGY

To assist high school lab based science courses in the study of energy resources.

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.

INCENTIVE FOR SCHOOL IMPROVEMENTS

These funds are used for school improvements, from lighting to encyclopedias. Funding is provided by the State of New Mexico. The creation of the fund is authorized by NMSA 1978 22-13A-5.

STATE SCHOOL IMPROVEMENT

State grant used to enhance the quality of education.

NONMAJOR SPECIAL REVENUE FUNDS (continued)

LIBRARIES GO BOND

Funding made available to update and expand library collections.

TUTORING & STUDENT ENHANCEMENT

To assist in the success rate of students by providing after-school tutoring.

BEGINNING TEACHER MENTORING

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.

BREAKFAST FOR ELEMENTARY STUDENTS

To provide elementary students with the nutrition necessary to facilitate learning.

COMMUNITIES OF ACADEMIC PARTNERSHIP

To improve academic achievement of students.

SCHOOLS ON THE RISE

To provide schools with addition funds for education materials.

OUTDOOR CLASSROOM INITIATIVE

To provide curriculum-based or service-learning outdoor educational programming, transportation of students to outdoor education sites, and teacher professional development.

NM ARTS

To account for the grants reserved from the NM Arts.

CENTER FOR TEACHING EXCELLENCE

To promote collaboration between public school teachers and university faculty.

GEAR UP

To encourage eligible entities to provide supportive services to elementary and middle schools, and secondary school students who are at risk of dropping out of school; and information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents. Authorization granted through Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, 20 U.S.C. 1070a-21-1070a-28.

CS FOUNDATION

To assist the school in providing educational services.

NONMAJOR SPECIAL REVENUE FUNDS (continued)

TAOS RSLC

To purchase supplies to provide additional learning opportunities.

MCCUNE FOUNDATION

A local grant provided by the McCune Foundation to teach communication, self-esteem and problem solving skills.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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>(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:				
Food and milk reimbursements	\$ 161,000	\$ 161,000	\$ 107,263	\$ (53,737)
USDA Commodities	<u> -</u>	<u> 5,990</u>	<u> 5,990</u>	<u> -</u>
Total federal revenues	<u>161,000</u>	<u>166,990</u>	<u>113,253</u>	<u>(53,737)</u>
State sources:				
State grant	<u> 1,000</u>	<u> 1,000</u>	<u> 1,674</u>	<u> 674</u>
Local sources:				
Fees and activities	33,500	33,500	63,469	29,969
Earnings from investments	<u> 750</u>	<u> 750</u>	<u> 619</u>	<u> (131)</u>
Total local revenues	<u>34,250</u>	<u>34,250</u>	<u>64,088</u>	<u>29,838</u>
Total revenues	196,250	202,240	179,015	(23,225)
Expenditures:				
Current:				
Food Services Operations	<u>197,789</u>	<u>203,779</u>	<u>201,668</u>	<u>2,111</u>
Excess (deficiency) of revenues over expenditures	(1,539)	(1,539)	(22,653)	(21,114)
Beginning cash balance budgeted	1,539	1,539	-	(1,539)
Fund balance (deficit) at beginning of the year	<u> -</u>	<u> -</u>	<u> (16,835)</u>	<u> (16,835)</u>
Fund balance at end of the year	<u><u> -</u></u>	<u><u> -</u></u>	<u> (39,488)</u>	<u><u> (39,488)</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(762)	
Change in payables			<u>17,738</u>	
			<u><u> (22,512)</u></u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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>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:				
Fees and activities	\$ 16,000	\$ 16,000	\$ 13,374	\$ (2,626)
Earnings from investments	<u>50</u>	<u>50</u>	<u>155</u>	<u>105</u>
Total revenues	16,050	16,050	13,529	(2,521)
Expenditures:				
Current:				
Instruction	<u>16,050</u>	<u>16,050</u>	<u>12,444</u>	<u>3,606</u>
Excess of revenues over expenditures	-	-	1,085	1,085
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>152</u>	<u>152</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,237	<u>\$ 1,237</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>-</u>	
			<u>\$ 1,237</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 80,105	\$ 94,952	\$ 125,733	\$ 30,781
 Expenditures:				
Current:				
Instruction	<u>93,105</u>	<u>107,952</u>	<u>101,724</u>	<u>6,228</u>
Excess (deficiency) of revenues over expenditures	(13,000)	(13,000)	24,009	37,009
Beginning cash balance budgeted	13,000	13,000	-	(13,000)
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>	24,009	<u>\$ 24,009</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(24,009)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 134,127	\$ 130,244	\$ 70,865	\$ (59,379)
Expenditures:				
Current:				
Instruction	82,728	82,728	71,397	11,331
Support Services - Students	16,777	16,777	16,632	145
Support Services - School Administration	<u>34,622</u>	<u>30,739</u>	<u>25</u>	<u>30,714</u>
Total expenditures	<u>134,127</u>	<u>130,244</u>	<u>88,054</u>	<u>42,190</u>
Excess (deficiency) of revenues over expenditures	-	-	(17,189)	(17,189)
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>	(17,189)	<u>\$ (17,189)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			15,583	
Change in deferred revenue			<u>1,606</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 17,250	\$ 17,250	\$ 9,107	\$ (8,143)
Expenditures:				
Current:				
Instruction	<u>17,250</u>	<u>17,250</u>	<u>15,275</u>	<u>1,975</u>
Excess (deficiency) of revenues over expenditures	-	-	(6,168)	(6,168)
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>	(6,168)	<u>\$ (6,168)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			4,385	
Change in deferred revenue			<u>1,783</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

PRESCHOOL 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>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 12,767	\$ 12,754	\$ 10,505	\$ (2,249)
Expenditures:				
Current:				
Instruction	<u>12,767</u>	<u>12,754</u>	<u>12,673</u>	<u>81</u>
Excess (deficiency) of revenues over expenditures	-	-	(2,168)	(2,168)
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>	(2,168)	<u>\$ (2,168)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>2,168</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ENHANCING 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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 968	\$ 968
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	968	968
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	968	<u>\$ 968</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(968)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE V 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	\$ 4,146	\$ 4,360	\$ 5,404	\$ 1,044
Expenditures:				
Current:				
Instruction	<u>4,146</u>	<u>4,360</u>	<u>4,260</u>	<u>100</u>
Excess of revenues over expenditures	-	-	1,144	1,144
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>	1,144	<u>\$ 1,144</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(1,144)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE II TEACHER QUALITY 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	\$ 22,511	\$ 25,907	\$ 23,191	\$ (2,716)
Expenditures:				
Current:				
Instruction	<u>22,511</u>	<u>25,907</u>	<u>18,298</u>	<u>7,609</u>
Excess of revenues over expenditures	-	-	4,893	4,893
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>	4,893	<u>\$ 4,893</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(4,645)	
Change in payables			<u>(248)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE IV 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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ 2,338	\$ 2,312	\$ 911	\$ (1,401)
 Expenditures:				
Current:				
Instruction	2,338	2,312	55	2,257
Excess of revenues over expenditures	-	-	856	856
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	856	\$ 856
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(856)	
			\$ -	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal direct grant	\$ 10,459	\$ 22,325	\$ 11,829	\$ (10,496)
Expenditures:				
Current:				
Instruction	-	3,099	-	3,099
Support Services - Students	<u>10,459</u>	<u>19,226</u>	<u>11,829</u>	<u>7,397</u>
Total expenditures	<u>10,459</u>	<u>22,325</u>	<u>11,829</u>	<u>10,496</u>
Excess of revenues over expenditures	-	-	-	-
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>-</u>	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>-</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

RURAL EDUCATION ACHIEVEMENT PROGRAM 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 direct grant	\$ -	\$ 29,289	\$ 26,731	\$ (2,558)
Expenditures:				
Current:				
Support Services - Students	-	2,707	2,707	-
Support Services - School Administration	-	26,582	20,693	5,889
Total expenditures	-	29,289	23,400	5,889
Excess of revenues over expenditures	-	-	3,331	3,331
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,331	<u>\$ 3,331</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(3,331)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

INTEL 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> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ 209	\$ -	\$ (209)
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>209</u>	<u>209</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	(209)	(209)
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>	(209)	<u>\$ (209)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>209</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

JORDAN FUNDAMENTALS GRANT SPECIAL REVENUE 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)
Revenues:				
Local sources:				
Grant	\$ -	\$ 7	\$ -	\$ (7)
 Expenditures:				
Current:				
Instruction	-	7	7	-
Excess (deficiency) of revenues over expenditures	-	-	(7)	(7)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(7)	<u>\$ (7)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			7	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

PNM 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> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ 14	\$ -	\$ (14)
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>14</u>	<u>14</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	(14)	(14)
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>	(14)	<u>\$ (14)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>14</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TURNER 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> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ 25,706	\$ 15,049	\$ (10,657)
Expenditures:				
Current:				
Instruction	-	24,000	10,151	13,849
Support Services - Students	-	1,706	1,455	251
Total expenditures	-	25,706	11,606	14,100
Excess of revenues over expenditures	-	-	3,443	3,443
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,443	<u>\$ 3,443</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			(93)	
Change in deferred revenue			<u>(3,350)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

MICROSOFT SETTLEMENT 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:				
Grant	\$ -	\$ 14,700	\$ -	\$ (14,700)
Earnings from investments	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
Total revenues	-	14,700	5	(14,695)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>14,700</u>	<u>13,261</u>	<u>1,439</u>
Excess (deficiency) of revenues over expenditures	-	-	(13,256)	(13,256)
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>	(13,256)	<u>\$ (13,256)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>13,256</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

A PLUS FOR ENERGY 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:				
Local sources:				
Grant	\$ -	\$ 10,000	\$ 10,000	\$ -
Earnings from investments	<u>-</u>	<u>-</u>	<u>31</u>	<u>31</u>
Total revenues	-	10,000	10,031	31
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>10,000</u>	<u>5,476</u>	<u>4,524</u>
Excess of revenues over expenditures	-	-	4,555	4,555
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>	4,555	<u>\$ 4,555</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(4,555)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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> <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	\$ -	\$ 17,348	\$ 19,293	\$ 1,945
Local sources:				
Earnings from investments	-	-	13	13
Total revenues	-	17,348	19,306	1,958
Expenditures:				
Current:				
Instruction	-	8,701	-	8,701
Support Services - Students	-	8,647	1,553	7,094
Total expenditures	-	17,348	1,553	15,795
Excess of revenues over expenditures	-	-	17,753	17,753
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	17,753	\$ 17,753
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(3,368)	
Change in deferred revenue			(14,385)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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>	<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	\$ -	\$ 4,535	\$ 17,053	\$ 12,518
Local sources:				
Earnings from investments	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
Total revenues	-	4,535	17,056	12,521
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>4,535</u>	<u>-</u>	<u>4,535</u>
Excess of revenues over expenditures	-	-	17,056	17,056
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>	17,056	<u>\$ 17,056</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(17,056)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

LIBRARIES GO BOND 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	\$ -	\$ 470	\$ 8,570	\$ 8,100
 Expenditures:				
Current:				
Support Services - Instruction	<u>-</u>	<u>470</u>	<u>449</u>	<u>21</u>
Excess of revenues over expenditures	-	-	8,121	8,121
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>	8,121	<u>\$ 8,121</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(8,121)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 3,716	\$ 3,716
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	3,716	3,716
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,716	<u>\$ 3,716</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(3,716)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE 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)
Revenues:				
State sources:				
State grant	\$ 2,268	\$ 2,268	\$ 2,268	\$ -
Expenditures:				
Current:				
Food Services Operations	2,268	2,268	2,268	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			-	
			\$ -	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

COMMUNITIES OF ACADEMIC PARTNERSHIP 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	\$ -	\$ -	\$ 2,500	\$ 2,500
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	2,500	2,500
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,500	<u>\$ 2,500</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(2,500)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHOOLS ON THE RISE SPECIAL REVENUE 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)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 1,000	\$ 1,000
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	1,000	1,000
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,000	<u>\$ 1,000</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			-1000	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

OUTDOOR CLASSROOM 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	\$ -	\$ 13,409	\$ 10,909	\$ (2,500)
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>13,409</u>	<u>11,812</u>	<u>1,597</u>
Excess (deficiency) 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
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NM ARTS 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	\$ -	\$ 887	\$ 2,781	\$ 1,894
Expenditures:				
Current:				
Support Services - Instruction	<u>-</u>	<u>887</u>	<u>-</u>	<u>887</u>
Excess of revenues over expenditures	-	-	2,781	2,781
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>	2,781	<u>\$ 2,781</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(1,893)	
Change in deferred revenue			<u>(888)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

BP AMERICA PRODUCTION 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:				
Grant	\$ -	\$ 1,767	\$ 3,660	\$ 1,893
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>1,767</u>	<u>55</u>	<u>1,712</u>
Excess of revenues over expenditures	-	-	3,605	3,605
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>	3,605	<u>\$ 3,605</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(2,122)	
Change in payables			55	
Change in deferred revenue			<u>(1,538)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TAOS RSLC 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:				
Grant	\$ -	\$ 32	\$ -	\$ (32)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>32</u>	<u>32</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	(32)	(32)
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>	(32)	<u>\$ (32)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>32</u>	
			<u>\$ -</u>	

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DEBT SERVICE FUNDS

DEBT SERVICE FUND

Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with general obligation bonds.

EDUCATION TECHNOLOGY DEBT SERVICE FUND

Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with the Education Technology bond issues.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

DEBT SERVICES 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:				
District school tax levy	\$ -	\$ 125	\$ 13,231	\$ 13,106
Earnings from investments	<u>-</u>	<u>-</u>	<u>675</u>	<u>675</u>
Total revenues	<u>-</u>	<u>125</u>	<u>13,906</u>	<u>13,781</u>
Expenditures:				
Current:				
Support Services - General Administration	<u>-</u>	<u>125</u>	<u>132</u>	<u>(7)</u>
Excess of revenues over expenditures	-	-	13,774	13,774
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>73,022</u>	<u>73,022</u>
Net change in fund balance	-	-	86,796	86,796
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>99,568</u>	<u>99,568</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	186,364	<u>\$ 186,364</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(2,381)	
Change in due from other governments			(445)	
Change in deferred property taxes			<u>1,874</u>	
			<u>\$ 185,412</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

EDUCATION TECHNOLOGY BONDS 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>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 712,650	\$ 712,650	\$ 510,880	\$ (201,770)
Expenditures:				
Current:				
Support Services - General Administration	7,127	7,127	3,957	3,170
Debt service:				
Principal retirement	585,000	585,000	585,000	-
Bond interest paid	127,650	127,650	127,650	-
Total debt service	712,650	712,650	712,650	-
Non-operating reserves	66,718	66,718	-	66,718
Total expenditures	786,495	786,495	716,607	69,888
Excess (deficiency) of revenues over expenditures	(73,845)	(73,845)	(205,727)	(131,882)
Fund balance at beginning of the year	-	-	27,952	27,952
Fund balance at end of the year	\$ (73,845)	\$ (73,845)	(177,775)	\$ (103,930)
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(2,738,537)	
Change in due from other governments			(3,824)	
Change in deferred property taxes			2,736,060	
			<u>\$ (184,076)</u>	

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CAPITAL PROJECTS FUNDS

CAPITAL IMPROVEMENTS HB – 33

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 5 mill property tax levy and interest earned on investments, under House Bill 33.

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.

ED TECHNOLOGY EQUIPMENT ACT

This fund is used to account for the revenues and expenditures associated with Education Technology Bonds in the purchasing of equipment used in the educational process.

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
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CAPITAL IMPROVEMENTS HB-33 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>		
Revenues:				
Local sources:				
District school tax levy	\$ 1,178,888	\$ 1,178,888	\$ 979,835	\$ (199,053)
Earnings from investments	<u>12,000</u>	<u>12,000</u>	<u>40,435</u>	<u>28,435</u>
Total revenues	<u>1,190,888</u>	<u>1,190,888</u>	<u>1,020,270</u>	<u>(170,618)</u>
Expenditures:				
Current:				
Support Services - General Administration	11,789	11,789	7,197	4,592
Operation & Maintenance of Plant	<u>632,036</u>	<u>632,036</u>	<u>-</u>	<u>632,036</u>
Total current expenses	643,825	643,825	7,197	636,628
Capital outlay:				
Equipment	<u>979,099</u>	<u>979,099</u>	<u>87,891</u>	<u>891,208</u>
Total expenditures	<u>1,622,924</u>	<u>1,622,924</u>	<u>95,088</u>	<u>1,527,836</u>
Excess (deficiency) of revenues over expenditures	(432,036)	(432,036)	925,182	1,357,218
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>878,948</u>	<u>878,948</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,804,130	<u>\$ 1,804,130</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			27,482	
Change in property tax receivable			1,377	
Change in deferred property taxes			<u>(24,092)</u>	
			<u>\$ 1,808,897</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 785,925	\$ 785,925	\$ 802,291	\$ 16,366
Earnings from investments	10,000	10,000	9,862	(138)
Miscellaneous	-	3,959	-	(3,959)
	<u>795,925</u>	<u>799,884</u>	<u>812,153</u>	<u>12,269</u>
Total revenues				
Expenditures:				
Current:				
Support Services - School Administration	7,860	7,860	6,288	1,572
Student Transportation	295,000	362,891	230,188	132,703
	<u>302,860</u>	<u>370,751</u>	<u>236,476</u>	<u>134,275</u>
Total current expenses				
Capital outlay:				
Equipment	175,000	203,745	91,943	111,802
Construction in progress	1,397,847	1,305,170	8,866	1,296,304
	<u>1,572,847</u>	<u>1,508,915</u>	<u>100,809</u>	<u>1,408,106</u>
Total capital outlay				
Total expenditures				
	<u>1,875,707</u>	<u>1,879,666</u>	<u>337,285</u>	<u>1,542,381</u>
Excess (deficiency) of revenues over expenditures	(1,079,782)	(1,079,782)	474,868	1,554,650
Beginning cash balance budgeted	1,079,782	1,079,782	-	(1,079,782)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,236,855</u>	<u>1,236,855</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,711,723</u>	<u>\$ 1,711,723</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			(984)	
Change in property tax receivable			8,765	
Change in due from other governments			2,105	
Change in payables			730	
Change in deferred property taxes			(5,791)	
			<u>1,716,548</u>	
			<u>\$ 1,716,548</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ED TECHNOLOGY EQUIPMENT ACT 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>		
Revenues:				
Local sources:				
Earnings from investments	\$ 20,000	\$ 20,000	\$ 37,906	\$ 17,906
Expenditures:				
Current:				
Operation & Maintenance of Plant	843,131	843,131	232,444	610,687
Capital outlay:				
Equipment	<u>270,000</u>	<u>270,000</u>	<u>149,775</u>	<u>120,225</u>
Total expenditures	<u>1,113,131</u>	<u>1,113,131</u>	<u>382,219</u>	<u>730,912</u>
Excess (deficiency) of revenues over expenditures	(1,093,131)	(1,093,131)	(344,313)	748,818
Beginning cash balance budgeted	1,093,131	1,093,131	-	(1,093,131)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,115,484</u>	<u>1,115,484</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	771,171	<u>\$ 771,171</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(2,062)</u>	
			<u>\$ 769,109</u>	

COMPONENT UNIT
MORENO VALLEY HIGH SCHOOL

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY HIGH SCHOOL
 GOVERNMENTAL FUNDS
 Combining Balance Sheet
 June 30, 2008

	General Fund	Entitlement IDEA-B Fund	Libraries GO Bond Fund	Beginning Teacher Mentoring Fund	Gear Up Fund	Public School Capital Outlay Fund	Ed Technology Equipment Act Fund	Total Governmental Funds
ASSETS								
Pooled cash and investments	\$ 197,165	\$ 12,195	\$ 350	\$ -	\$ 1,391	\$ -	\$ 1,520	\$ 212,621
Receivables:								
Other receivables	-	-	-	-	-	-	-	-
Total assets	\$ 197,165	\$ 12,195	\$ 350	\$ -	\$ 1,391	\$ -	\$ 1,520	\$ 212,621
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	557	-	-	-	-	-	-	557
Accrued salaries	17,625	-	-	-	-	-	-	17,625
Deferred revenue:								
Federal, state, and local grants	-	12,195	350	-	1,391	-	-	13,936
Total liabilities	18,182	12,195	350	-	1,391	-	-	32,118
Fund balance:								
Unreserved reported in:								
General fund	178,983	-	-	-	-	-	-	178,983
Capital projects funds	-	-	-	-	-	-	1,520	1,520
Total fund balance	178,983	-	-	-	-	-	1,520	180,503
Total liabilities and fund balance	\$ 197,165	\$ 12,195	\$ 350	\$ -	\$ 1,391	\$ -	\$ 1,520	\$ 212,621

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY HIGH SCHOOL
 GOVERNMENTAL FUNDS
 Combining Schedule of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2008

	General <u>Fund</u>	Entitlement IDEA-B <u>Fund</u>	Libraries GO Bond <u>Fund</u>	Beginning Teacher Mentoring <u>Fund</u>	Gear Up <u>Fund</u>	Public School Capital Outlay <u>Fund</u>	Ed Technology Equipment Act <u>Fund</u>	Total Governmental <u>Funds</u>
Revenues:								
Federal sources:								
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources:								
State equalization guarantee	845,469	-	-	-	-	-	-	845,469
State instructional material	7,558	-	-	-	-	-	-	7,558
State grant	-	-	-	-	-	66,114	-	66,114
Total state revenues	<u>853,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,114</u>	<u>-</u>	<u>919,141</u>
Local sources:								
Grant	-	-	-	-	-	-	-	-
Fees and activities	2,864	-	-	-	-	-	-	2,864
Total local revenues	<u>2,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,864</u>
Total revenue	<u>855,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,114</u>	<u>-</u>	<u>922,005</u>
Expenditures:								
Current:								
Instruction	511,388	-	-	-	-	-	-	511,388
Support Services - Students	2,329	-	-	-	-	-	-	2,329
Support Services - Instruction	5,858	-	-	-	-	-	-	5,858
Support Services - General Administration	52,681	-	-	-	-	-	-	52,681
Support Services - School Administration	115,989	-	-	-	-	-	-	115,989
Central Services	41,887	-	-	-	-	-	-	41,887
Operations & Maintenance of Plant	59,615	-	-	-	-	53,900	7,124	120,639
Total expenditures	<u>789,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,900</u>	<u>7,124</u>	<u>850,771</u>
Excess of revenues over expenditures	66,144	-	-	-	-	12,214	(7,124)	71,234
Fund balance (deficit) at beginning of the year	112,839	-	-	-	-	(12,214)	8,644	109,269
Fund balance at end of the year	<u>\$ 178,983</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,520</u>	<u>\$ 180,503</u>

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY HIGH SCHOOL
 GENERAL 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:				
State sources:				
State equalization guarantee	802,042	845,470	845,469	(1)
State instructional material	7,139	7,139	7,558	419
State grant	629	629	-	(629)
Total state revenues	809,810	853,238	853,027	(211)
Local sources:				
Fees and activities	1,200	1,200	2,864	1,664
Earnings from investments	75	75	-	(75)
Miscellaneous	500	500	-	(500)
Total local revenues	1,775	1,775	2,864	1,089
Total revenues	\$ 811,585	\$ 855,013	\$ 855,891	\$ 878
 (continued)				
Expenditures:				
Current:				
Instruction	\$ 533,858	\$ 594,689	\$ 526,319	\$ 68,370
Support Services - Students	11,500	11,500	2,329	9,171
Support Services - Instruction	9,129	9,129	5,858	3,271
Support Services - General Administration	47,570	47,570	52,837	(5,267)
Support Services - School Administration	137,925	137,925	117,066	20,859
Central Services	46,653	46,653	41,887	4,766
Operation & Maintenance of Plant	107,568	107,568	59,616	47,952
Total expenditures	894,203	955,034	805,912	149,122
Excess (deficiency) of revenues over expenditures	(82,618)	(100,021)	49,979	150,000
Beginning cash balance budgeted	82,618	100,021	-	(100,021)
Fund balance at beginning of the year	-	-	112,839	112,839
Fund balance at end of the year	\$ -	\$ -	162,818	\$ 162,818
 RECONCILIATION TO GAAP BASIS:				
Change in payables			16,165	
			\$ 178,983	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
COMPONENT UNIT

MORENO VALLEY HIGH SCHOOL
AGENCY FUNDS
Schedule of Fiduciary Assets and Liabilities
June 30, 2008

ASSETS

Pooled cash and investments	\$ <u>12,014</u>
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LIABILITIES

Deposits held for others	\$ <u>12,014</u>
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STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY HIGH SCHOOL
 GENERAL FUND
 Combining Balance Sheet
 June 30, 2008

	General Funds		
	Operational Fund	Instructional Materials Fund	Total General Fund
<u>ASSETS</u>			
Pooled cash and investments	\$ 195,174	\$ 1,991	\$ 197,165
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$ 557	\$ -	\$ 557
Accrued salaries	17,625	-	17,625
Total liabilities	18,182	-	18,182
Fund balance:			
Unreserved and reported in:			
Undesignated	176,992	1,991	178,983
Total liabilities and fund balance	\$ 195,174	\$ 1,991	\$ 197,165

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY HIGH SCHOOL

GENERAL FUND

Schedule of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2008

	General Funds		Total General <u>Fund</u>
	Operational <u>Fund</u>	Instructional Materials <u>Fund</u>	
Revenues:			
State sources:			
State equalization guarantee	845,469	-	845,469
State instructional material	-	7,558	7,558
	845,469	7,558	853,027
Total state revenues	845,469	7,558	853,027
Local sources:			
Fees and activities	2,864	-	2,864
	2,864	-	2,864
Total revenue	848,333	7,558	855,891
Expenditures:			
Current:			
Instruction	488,527	22,861	511,388
Support Services - Students	2,329	-	2,329
Support Services - Instruction	5,750	108	5,858
Support Services - General Administration	52,681	-	52,681
Support Services - School Administration	115,989	-	115,989
Central Services	41,887	-	41,887
Operations & Maintenance of Plant	59,615	-	59,615
	766,778	22,969	789,747
Total expenditures	766,778	22,969	789,747
Excess of revenues over expenditures	81,555	(15,411)	66,144
Fund balance at beginning of the year	95,437	17,402	112,839
	95,437	17,402	112,839
Fund balance at end of the year	\$ 176,992	\$ 1,991	\$ 178,983

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY HIGH SCHOOL
 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		
Revenues:				
State sources:				
State equalization guarantee	\$ 802,042	\$ 845,470	\$ 845,469	\$ (1)
Local sources:				
Fees and activities	1,200	1,200	2,864	1,664
Earnings from investments	75	75	-	(75)
Miscellaneous	500	500	-	(500)
Total local revenues	1,775	1,775	2,864	1,089
Total revenues	803,817	847,245	848,333	1,088
Expenditures:				
Current:				
Instruction	526,719	570,147	503,458	66,689
Support Services - Students	11,500	11,500	2,329	9,171
Support Services - Instruction	8,500	8,500	5,750	2,750
Support Services - General Administration	47,570	47,570	52,837	(5,267)
Support Services - School Administration	137,925	137,925	117,066	20,859
Central Services	46,653	46,653	41,887	4,766
Operation & Maintenance of Plant	107,568	107,568	59,616	47,952
Total expenditures	886,435	929,863	782,943	146,920
Excess (deficiency) of revenues over expenditures	(82,618)	(82,618)	65,390	148,008
Beginning cash balance budgeted	82,618	82,618	-	(82,618)
Fund balance at beginning of the year	-	-	95,437	95,437
Fund balance at end of the year	\$ -	\$ -	160,827	\$ 160,827
RECONCILIATION TO GAAP BASIS:				
Change in payables			16,165	
			\$ 176,992	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY HIGH SCHOOL
 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	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State instructional material	\$ 7,139	\$ 7,139	\$ 7,558	\$ 419
State grant	629	629	-	(629)
Total revenues	7,768	7,768	7,558	(210)
 Expenditures:				
Current:				
Instruction	7,139	24,542	22,861	1,681
Support Services - Instruction	629	629	108	521
Total expenditures	7,768	25,171	22,969	2,202
Excess (deficiency) of revenues over expenditures	-	(17,403)	(15,411)	1,992
Beginning cash balance budgeted	-	17,403	-	(17,403)
Fund balance at beginning of the year	-	-	17,402	17,402
Fund balance at end of the year	\$ -	\$ -	1,991	\$ 1,991
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			-	
			\$ 1,991	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY HIGH SCHOOL
 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>
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 2,384	\$ 2,384
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	2,384	2,384
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,384	<u>\$ 2,384</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(2,384)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY HIGH SCHOOL
 LIBRARIES GO BOND 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:				
State sources:				
State grant	\$ -	\$ -	\$ 350	\$ 350
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	350	350
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	350	<u>\$ 350</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(350)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY HIGH SCHOOL
 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>
Revenues:				
State sources:				
State grant	\$ -	\$ 2,787	\$ -	\$ (2,787)
 Expenditures:				
Current:				
Instruction	-	2,787	-	2,787
 Excess of revenues over expenditures	-	-	-	-
 Fund balance at beginning of the year	-	-	-	-
 Fund balance at end of the year	\$ -	\$ -	-	\$ -
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			-	
			\$ -	

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY HIGH SCHOOL
 PUBLIC SCHOOL CAPITAL OUTLAY 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)
Revenues:				
State sources:				
State grant	\$ -	\$ 53,900	\$ 66,114	\$ 12,214
Expenditures:				
Current:				
Operation & Maintenance of Plant	-	53,900	53,900	-
Excess of revenues over expenditures	-	-	12,214	12,214
Fund balance (deficit) at beginning of the year	-	-	(12,214)	(12,214)
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
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY HIGH SCHOOL
 ED TECHNOLOGY EQUIPMENT ACT 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 Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 8,645	\$ -	\$ (8,645)
 Expenditures:				
Current:				
Operation & Maintenance of Plant	-	8,645	7,124	1,521
 Excess (deficiency) of revenues over expenditures	-	-	(7,124)	(7,124)
 Fund balance at beginning of the year	-	-	8,644	8,644
 Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,520	<u>\$ 1,520</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			-	
			<u>\$ 1,520</u>	

**MORENO VALLEY HIGH SCHOOL
COMPONENT UNIT**

MORENO VALLEY EDUCATION FOUNDATION

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY EDUCATION FOUNDATION
 GOVERNMENTAL FUNDS

Balance Sheet
 June 30, 2008

	<u>General Fund</u>	<u>Pep Grant Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Pooled cash and investments	\$ 48,993	\$ -	\$ 48,993
Receivables:			
Restricted cash for notes payable	<u>27,504</u>	<u>-</u>	<u>27,504</u>
 Total assets	 <u>\$ 76,497</u>	 <u>\$ -</u>	 <u>\$ 76,497</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Notes payable	<u>\$ 247,156</u>	<u>\$ -</u>	<u>\$ 247,156</u>
Fund balance:			
Reserved:			
Retirement of long-term debt	(247,156)	-	(247,156)
Unreserved reported in:			
General fund	<u>76,497</u>	<u>-</u>	<u>76,497</u>
 Total fund balance	 <u>(170,659)</u>	 <u>-</u>	 <u>(170,659)</u>
 Total liabilities and fund balance	 <u>\$ 76,497</u>	 <u>\$ -</u>	 <u>\$ 76,497</u>

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY EDUCATION FOUNDATION
 GOVERNMENTAL FUNDS

Schedule of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2008

	<u>General Fund</u>	<u>Pep Grant Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Federal sources:			
Federal direct grants	\$ -	\$ 9,021	\$ 9,021
Local sources:			
Miscellaneous	<u>72,979</u>	<u>-</u>	<u>72,979</u>
Total revenue	<u>72,979</u>	<u>9,021</u>	<u>82,000</u>
Expenditures:			
Current:			
Support Services - Instruction	1,409	8,431	9,840
Support Services - General Administration	19,213	-	19,213
Support Services - School Administration	3,984	590	4,574
Operations & Maintenance of Plant	2,676	-	2,676
Capital outlay	23,317	-	23,317
Debt service:			
Interest paid	<u>20,707</u>	<u>-</u>	<u>20,707</u>
Total expenditures	<u>71,306</u>	<u>9,021</u>	<u>80,327</u>
Excess of revenues over expenditures	<u>1,673</u>	<u>-</u>	<u>1,673</u>
Net change in fund balance	<u>1,673</u>	<u>-</u>	<u>1,673</u>
Fund balance (deficit) at beginning of the year	(172,332)	-	(172,332)
Fund balance (deficit) at end of the year	<u>\$ (170,659)</u>	<u>\$ -</u>	<u>\$ (170,659)</u>

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**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

SCHEDULE OF CAPITAL ASSETS - BY SOURCE

June 30, 2008

Capital assets:	
Land and improvements	\$ 1,186,299
Buildings and improvements	15,406,977
Equipment (software)	2,986,173
Construction in progress	<u>-</u>
Total Capital assets	<u>\$ 19,579,449</u>
Investment in Capital assets from:	
General Fund	\$ 13,001,730
Capital projects funds:	
Bond Building Fund	3,000,000
HB-33 Capital Improvements	209,084
SB-9 Capital Improvements	778,238
Education Technology Equipment Act	2,139,134
Capital Outlay 20%	13,630
State Grants Capital Outlay	<u>437,633</u>
Total investment in Capital assets	<u>\$ 19,579,449</u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

Activity		Balance			Balance	
Fund	ASSETS	June 30, 2007		Receipts	Disbursements	June 30, 2008
000	Activities	\$ 1,719	\$	44	\$	927
400	Annual Yearbook	6,759		5,030		6,063
401	Administration	2,688		289		2,890
402	High School Art	42		219		261
403	Booster Club	4,196		5,711		8,675
405	Juan Martinez Scholarship	9,075		10,525		1,000
406	CHS Cheerleaders	-		3,809		2,070
407	High School Photography	8		678		683
408	Elementary MOP	6,453		1,533		2,439
409	Elementary Yearbook	442		1,649		1,445
410	Elementary Principal	2,113		4,233		4,898
411	Elementary Art	169		5		111
412	PeeWee Basketball	2,578		2,333		1,201
413	Elementary Athletics	31		5		25
414	Elementary Reading	305		18		-
416	Class of 2009	806		11,854		9,692
417	Class of 2010	349		568		240
418	Class of 2007	859		34		891
419	Class of 2011	-		1,086		200
420	Class of 2008	173		5,455		5,520
426	ENEMS Principal	14,041		11,636		18,540
427	MS Admin	-		265		265
428	MS Barn Fund	-		10,238		4,149
429	Universal Classroom	593		28		-
430	MS Art	40		208		-
431	MS Yearbook	1,572		3,727		2,841
434	MS Student Council	77		340		252
436	Foreign Language Club	258		15		-
437	Spanish Club	99		8		-
438	MS Spanish Club	130		8		-
440	HS Principal	2,171		3,406		4,815
442	HS Student Council	41		1,202		1,216
446	Band-Music	3,067		14,418		12,498
448	News 101	2		2		-
449	HS Exploratory	514		22		225
450	HS National Honor Society	\$ 684	\$	444	\$	688
						\$ 440

(continued)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

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

Activity		Balance				Balance
Fund	ASSETS	<u>June 30, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2008</u>
451	Ram's Horn	\$ 3,415	\$ 848	\$ 373		\$ 3,890
452	RHOR	530	106	-		636
454	HS Shop	201	12	7		206
455	HS Laser Shop/Business	1,312	2,836	2,748		1,400
457	TSA-2	138	8	-		146
458	Elementary VIPs	2,697	3,999	2,875		3,821
460	Zane Scholarship	255	17	-		272
461	Schnieder	10,972	548	-		11,520
470	MS FCA	943	179	144		978
474	HS Drama	188	46	89		145
476	HS FCA	86	463	184		365
478	HS Childrens' Theatre	613	217	207		623
479	HS Graphic Art	2,227	1,352	1,354		2,225
481	CHS Creations	-	46	-		46
485	ENMS Beta Club	353	21	-		374
487	WERC Environmental Design	<u>825</u>	<u>27</u>	<u>372</u>		<u>480</u>
	Pooled cash and investments	<u>\$ 86,809</u>	<u>\$ 111,770</u>	<u>\$ 103,073</u>		<u>\$ 95,506</u>
	LIABILITIES					
	<u>Deposits held for others</u>	<u>\$ 86,809</u>	<u>\$ 111,770</u>	<u>\$ 103,073</u>		<u>\$ 95,506</u>

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNIT

MORENO VALLEY HIGH SCHOOL
 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>
000	Drama	\$ 166	\$ -	\$ -	\$ 166
001	UAV	219	-	16	203
002	Booster Club	933	616	292	1,257
003	BPA	99	5,227	5,318	8
004	Fundraisers	5	623	146	482
005	Recycling/Green	26	130	145	11
006	Variety Show	671	100	150	621
007	Yearbook	139	3,030	1,695	1,474
008	Ski/Snowboard	210	75	-	285
009	Class of 2007	12	85	97	-
010	Choir	2	-	2	-
011	Art	175	-	-	175
012	Math	39	-	-	39
013	BUEF	-	17,713	11,120	6,593
014	Class of 2008	-	3,506	3,506	-
015	PE	-	900	400	500
016	Class of 2009	-	200	-	200
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Pooled cash and investments	<u>\$ 2,696</u>	<u>\$ 32,205</u>	<u>\$ 22,887</u>	<u>\$ 12,014</u>
	 LIABILITIES				
	 <u>Deposits held for others</u>	<u>\$ 2,696</u>	<u>\$ 32,205</u>	<u>\$ 22,887</u>	<u>\$ 12,014</u>

**STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3**

**SCHEDULE OF PLEDGED COLLATERAL
June 30, 2008**

	<u>International Bank</u>
Cash on deposit at June 30, 2008	\$ 4,794,277
Less FDIC coverage	<u>200,000</u>
Uninsured funds	<u>\$ 4,594,277</u>
50% collateral requirement	\$ 2,297,139
Pledged collateral	<u>2,366,924</u>
Excess of pledged collateral	<u>\$ 69,785</u>

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

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
International Bank:			
FFCB	7/17/2008	31331RXL4	\$ 75,103
FHLB	11/13/2009	3133XUGP4	50,685
FHLB	8/16/2010	3133XCSY0	102,683
FHLB	8/16/2010	3133XCSY0	25,642
FHLB	9/17/2010	3133X4LX7	378,560
FHLB	9/9/2011	3133XF5T5	353,025
FHLB	12/14/2012	3133XUTB7	646,571
FHLB	12/12/2013	3133LTMU1	683,369
FHLB	6/13/2014	3133XKTV7	<u>51,286</u>
			<u>\$ 2,366,924</u>

The above securities are held at Federal Reserve Bank in Denver, CO

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNITS

SCHEDULE OF PLEDGED COLLATERAL
 June 30, 2008

Moreno Valley High School

	<u>Bank of America</u>	<u>International Bank</u>
Cash on deposit at June 30, 2008	\$ 12,137	\$ 232,778
Less FDIC coverage	<u>12,137</u>	<u>100,000</u>
Uninsured funds	<u>\$ -</u>	<u>\$ 132,778</u>
50% collateral requirement	\$ -	\$ 66,389
Pledged collateral	<u>-</u>	<u>100,559</u>
Excess of pledged collateral	<u>\$ -</u>	<u>\$ 34,170</u>

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

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
International Bank:			
FHLB	10/14/2008	3133 XDJG7	<u>\$ 100,559</u>

The above securities are held at Federal Reserve Bank in Denver, CO

Moreno Valley Education Foundation

	<u>International Bank</u>
Cash on deposit at	\$ 76,585
Less FDIC coverage	<u>76,585</u>
Uninsured funds	<u><u>\$ -</u></u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CASH RECONCILIATION
June 30, 2008

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 57,855	\$ 4,807,261	\$ (4,699,219)	\$ (41,012)	\$ 124,885	\$ 26,000	\$ 150,885
Transportation	49,466	344,559	(339,050)	-	54,975	-	54,975
Instructional Materials	57,827	62,193	(65,106)	-	54,914	-	54,914
Food Services	22,742	173,025	(195,676)	-	91	-	91
Athletics	152	13,529	(12,444)	-	1,237	-	1,237
Federal Flowthrough Funds	(30,862)	246,684	(240,340)	25,998	1,480	(26,000)	(24,520)
Federal Direct Funds	267	38,561	(35,230)	-	3,598	-	3,598
Local Grants	16,297	25,086	(30,574)	-	10,809	-	10,809
State Flowthrough Funds	15,355	65,325	(16,082)	-	64,598	-	64,598
State Direct Funds	10,204	2,781	-	-	12,985	-	12,985
Local/State	(10,190)	3,659	(87)	-	(6,618)	-	(6,618)
HB-33 Capital Outlay	623,458	1,020,270	(95,088)	186,714	1,735,354	-	1,735,354
Capital Improvement SB - 9	1,192,027	812,154	(337,286)	(123,040)	1,543,855	123,040	1,666,895
Ed Technology Equipment Act	1,115,882	37,906	(382,512)	294	771,570	-	771,570
PSCO - 20%	26,349	-	-	-	26,349	-	26,349
Debt Service	98,478	13,907	(132)	73,021	185,274	-	185,274
Education Technology Bonds	249,815	510,880	(716,607)	(229,235)	(185,147)	-	(185,147)
Agency Funds	-	-	-	-	-	95,506	95,506
Total	\$ 3,495,122	\$ 8,177,780	\$ (7,165,433)	\$ (107,260)	\$ 4,400,209	\$ 218,546	\$ 4,618,755

Account Name	Account Type	Bank Name	Bank Amount	Adjustments to report:	
Operational	Checking	International Bank	\$ 72,675	Restatement of cash:	
Cafeteria	Checking	International Bank	13,972	Unassigned loans	\$ 26,000
Athletics	Checking	International Bank	1,377	Unassigned loans	(26,000)
Activities	Checking	International Bank	85,283	Certificates of deposit	123,040
Activities	CD	International Bank	11,520		1,370
Federal funds	Checking	International Bank	14,560	Agency funds	95,506
State and local	Checking	International Bank	82,629	Total adjustment to the report	<u>\$ 219,916</u>
HB-33	Checking	International Bank	1,735,354	Adjustments to cash:	
SB-9	Checking	International Bank	1,555,933	Bank Balance	\$ 4,794,277
SB-9	CD	International Bank	129,353	Reconciling items	(175,522)
Ed Tech	Checking	International Bank	776,133	Total adjustment to cash	<u>\$ 4,618,755</u>
Debt service	Checking	International Bank	251,626		
Special investments	Checking	International Bank	63,862		
Payroll clearing	Checking	International Bank	-		
Total			<u>\$ 4,794,277</u>		

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 COMPONENT UNITS

SCHEDULE OF DEPOSIT ACCOUNTS
 June 30, 2008

Moreno Valley High School

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	<u>Outstanding Deposits</u>	<u>Outstanding Checks</u>	<u>Reconciled Balance</u>
Operational	Checking	International Bank	\$ 220,641	\$ -	\$ (8,120)	\$ 212,521
Activities	Checking	Bank of America	12,137	-	(123)	12,014
Total			<u>\$ 232,778</u>	<u>\$ -</u>	<u>\$ (8,243)</u>	\$ 224,535
Less activities cash						(12,014)
Cash on hand						100
Balance per financial statement						<u>\$ 212,621</u>

Moreno Valley Education Foundation

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	<u>Outstanding Deposits</u>	<u>Outstanding Checks</u>	<u>Reconciled Balance</u>
Operational	Checking	International Bank	\$ 49,081	\$ -	\$ (88)	\$ 48,993
Operational	CD	International Bank	27,504	-	-	27,504
Total			<u>\$ 76,585</u>	<u>\$ -</u>	<u>\$ (88)</u>	<u>\$ 76,497</u>

**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

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

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
Cimarron Municipal School District No. 3

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, 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 Cimarron Municipal School District No. 3 as of and for the year ended June 30, 2008, and have issued our report thereon dated October 14, 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 Cimarron Municipal School District No. 3'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 Cimarron Municipal School District No. 3's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Cimarron Municipal School District No. 3'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 Cimarron Municipal School District No. 3's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting. Findings 2008 - 1 and 2008 - 2, C2008 - 1 through C2008 - 4, and F2008 - 1 through F2008 - 2.

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4801 N Butler, Ste. 8101
Farmington, NM 87401

keystone@keystoneacct.com

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

Hector H. Balderas, State Auditor
and the Board of Education
Cimarron Municipal School District No. 3

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 Cimarron Municipal School District No. 3's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items findings 2008 – 2, and C2008 – 2, to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cimarron Municipal School District No. 3'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 C2008 – 2.

Cimarron Municipal School District No. 3's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Cimarron Municipal School District No. 3's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within Cimarron Municipal School District No. 3, the audit committee, the State Auditor, the New Mexico Legislature, 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

October 14, 2008

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2008

A. PRIOR YEAR AUDIT FINDINGS

2007 – 1 AUDIT REPORT INFORMATION DISCLOSED TO THE PUBLIC BEFORE STATE
 AUDITOR RELEASE

Condition: The District discussed in an open meeting the audit report prior to official public release, and the newspaper reported that the information.

Current Status: Resolved – not repeated in the current year.

2007 – 2 LATE AUDIT REPORT

Condition: The June 30, 2008 audit report was not submitted to the New Mexico State Auditor's Office by the due date of November 15, 2008. The Audit was submitted to the New Mexico State Auditor's Office on September 29, 2008.

Current Status: Resolved – not repeated in the current year.

2007 – 3 LATE FILING OF FEDERAL CLEARING HOUSE REPORTING

Condition: The June 30, 2008 audit report and data collection form were sent to the Federal Clearing House after the due date of either 30 days after the date of the audit report or nine months after the year end.

Current Status: Resolved – not repeated in the current year.

2007 – 4 FILING INACCURATE REPORT WITH THE NEW MEXICO DEPARTMENT OF
 EDUCATION

Condition: The required annual report to be submitted to the New Mexico Public Education Department was filed with inaccurate cash reconciling information.

Current Status: Resolved – not repeated in the current year.

2007 – 5 RECONCILIATIONS WERE COMPLETED INCORRECTLY

Condition: Reconciliations for bank accounts were incorrectly completed.

Current Status: Resolved – not repeated in the current year.

STATE OF NEW MEXICO
 CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
 SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
 Year Ended June 30, 2008

A. PRIOR YEAR AUDIT FINDINGS (continued)

CIMARRON MUNICIPAL SCHOOLS (continued)

2007 – 6 DEFICIT CASH BALANCES EXISTED AT YEAR END

Condition: At fiscal year end, there were cash deficit balances in the federally funded special revenue funds, which caused the federal special revenue bank account to have a deficit balance of \$30,956. There was not enough positive cash account balances within the federal funds to cover all the deficit cash account balances resulting in the deficit bank account balance. The federal funds that contributed to the overdrawn bank balance are as follows:

Idea - B Preschool	\$ 4,046
Title VI	2,371
Enhancing Education	4,266
Title VI	11,202
Title II	19,635
Title IV Drug Free Schools	656
Title XIX Medicaid	9,130
Rural Education Achievement	<u>3,331</u>
	<u>\$ 54,637</u>

Current Status: Resolved – not repeated in the current year.

2007 – 7 MISSING INFORMARION FROM THE EMPLOYEE FILES

Condition: One of 25 employee files selected for testing had an incomplete I-9 form. A background check was missing from one of 25 employee files selected.

Current Status: Resolved – not repeated in the current year.

2007 – 8 PREPARATION OF FINANCIAL STATEMENTS

Condition: The financial statements were prepared by the auditor.

Current Status: Not Resolved – Repeated in the current year as Finding 2008 – 1.

2007 – 9 DISBURSEMENTS MADE WITHOUT PURCHASE ORDER

Condition: Nine out of the twenty-five disbursements tested had purchases made prior to the date of purchase orders being completed. Purchase orders are used to control cash and to authorize the purchase.

Current Status: Resolved – not repeated in the current year.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2008

A. PRIOR YEAR AUDIT FINDINGS (continued)

MORENO VALLEY HIGH SCHOOL

C2007 – 1 UNAUTHORIZED TRANSFER OF CASH

Condition: The charter school transferred \$20,000 to the Moreno Valley Education Foundation for the purchase of a climbing wall that is recorded as an asset on the foundation's books. There was not any authorization from the New Mexico Public Education Department for the transfer.

Current Status: Resolved – not repeated in the current year.

C2007 – 2 DISBURSEMENTS TESTED WERE MISSING ADEQUATE DOCUMENTATION

Condition: Three disbursements from the activity account out of the twenty-five disbursements tested over all did not have adequate documentation to explain the need for the disbursement.

Current Status: Resolved – not repeated in the current year.

C2007 – 3 IMPROPER GOVERNMENTAL ACCOUNTING

Condition: The charter school is not using proper fund accounting to record expenditures.

Current Status: Not Resolved – Repeated in the current year as Finding C2008 – 1.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2008

A. PRIOR YEAR AUDIT FINDINGS (continued)

MORENO VALLEY EDUCATION FOUNDATION

F2007 – 1 LATE FILING OF AUDIT REPORT

Condition: The June 30, 2008 audit report was not submitted to the New Mexico State Auditor's Office by the due date of November 15, 2008. The Audit was submitted to the New Mexico State Auditor's Office on September 29, 2008.

Current Status: Resolved – not repeated in the current year.

F2007 – 2 DISBURSEMENTS TESTED WERE MISSING ADEQUATE DOCUMENTATION.

Condition: Five disbursements out of the twenty-five disbursements tested over all did not have adequate documentation to explain the need for the disbursement.

Current Status: Not Resolved – Repeated in the current year as Finding F2008 – 1.

F2007 – 3 UNTIMELY DEPOSITS

Condition:: Revenue collected was not deposited within one banking day.

Current Status: Not Resolved – Repeated in the current year as Finding F2008 – 2.

F2007 – 4 IMPROPER FUND ACCOUNTING.

Condition: The foundation is not using proper fund accounting to record expenditures.

Current Status: Resolved – not repeated in the current year.

F2007 – 5 RECEIPTS FOR CASH RECEIVED

Condition: The foundation received donated cash and does not issue receipts to help with the control of the cash.

Current Status: Resolved – not repeated in the current year.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

CIMARRON MUNICIPAL SCHOOLS

2008 – 1 PREPARATION OF FINANCIAL STATEMENTS

Condition: The financial statements were prepared by the auditor. Unresolved from prior year Finding 2007 – 8.

Criteria: As per SAS 112, 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 of condition: 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 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
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

CIMARRON MUNICIPAL SCHOOLS (continued)

2008 – 2 LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

Condition: There were unfavorable variances between actual and budgeted line item expenditures. The following funds had unfavorable variances between budgeted amounts at fiscal yearend:

Debt Service	Support Services - General Administration	\$	7
--------------	-------------------------------------------	----	---

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.

Effect of Condition: Violation of NMSA 1978 Section 22-8-11 B, over spending of public monies. Improper monitoring could lead to expenditures being paid in excess of total budgeted amounts.

Cause: Improper monitoring of line item expenditures by comparing budgeted amounts and actual amounts spent allowed unfavorable (negative) variances, overspending of line item budgets, to occur.

Recommendation: Management should implement immediate steps to provide adequate financial reports to allow for proper and timely monitoring of line item expenditures. Budget adjustment requests should be approved by the Board of Education and State Department of Education (when required) to receive approval to make necessary changes to the records prior to being presented for audit.

Management Response: Budget adjustment requests will be done in a more timely manner at the beginning of the fiscal year to cover amounts.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY HIGH SCHOOL

C2008 – 1 IMPROPER GOVERNMENTAL ACCOUNTING

Condition: The charter school is not using proper fund accounting to record expenditures. Unresolved from prior year Finding C2007-3.

Criteria: The charter school must keep fund accounting, the expenses for special revenue funds should be spent out of the special revenue funds as explained in Codification of GASB 1300.105.

Effect of the Condition: Allocation of the expenses could allow for double dipping and presents an opportunity for fraud to occur. The monthly or quarterly reporting to the New Mexico Public Education Department would be in error due to special revenue expenditures being reported in the general fund. If the reimbursement was not received in the same year as the expenditures, the expenditures would be closed to the general fund's fund balance. As a consequence, reimbursements received for expenditures in the prior year will have to be refunded because there will be no expenditures to offset the revenue.

Cause: Instead of temporarily transferring cash from the general fund to the special revenue funds to cover expenditures until reimbursements are received, the charter school records expenditures in the general fund. Those expenditures are then transferred to the special revenue fund that is deemed appropriate.

Recommendation: The charter school needs to record expenditures in the fund for which those expenditures were originally intended. Authorization from the New Mexico Public Education Department should be obtained to temporarily loan cash from the general fund to the special revenue funds in order to cover cash deficits.

Management's Response: Moreno Valley High School will institute practices which will facilitate the correct procedure be followed for proper fund accounting in recording expenditures.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY HIGH SCHOOL (continued)

C2008 – 2 LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

Condition: There were unfavorable variances between actual and budgeted line item expenditures. The following funds had unfavorable variances between budgeted amounts at fiscal yearend:

Operating Fund	Support Services - General Administration	\$	5,267
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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.

Effect of Condition: Violation of NMSA 1978 Section 22-8-11 B, over spending of public monies. Improper monitoring could lead to expenditures being paid in excess of total budgeted amounts.

Cause: Improper monitoring of line item expenditures by comparing budgeted amounts and actual amounts spent allowed unfavorable (negative) variances, overspending of line item budgets, to occur.

Recommendation: Management should implement immediate steps to provide adequate financial reports to allow for proper and timely monitoring of line item expenditures. Budget adjustment requests should be approved by the Board of Education and State Department of Education (when required) to receive approval to make necessary changes to the records prior to being presented for audit.

Management Response: Moreno Valley High School will take immediate steps to allow for proper and timely monitoring of line item expenditures.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY HIGH SCHOOL (continued)

C2008 – 3 DISBURSEMENTS MADE WITHOUT AUTHORIZATION

Condition: Purchases were made prior to authorization being given for the purchases with approval of a purchase order. Purchase orders are used to control cash, budget, and to authorize the purchase.

Criteria: As per policy and procedures, authorization for a purchase is acquired through the completion of a purchase order, which is signed by a person given authority over purchase control.

Effect of the Condition: Any purchases made without prior authorization have the potential to cause cash deficits and/or over expenditure of budgets in the funds from which they are made.

Cause: Personnel make purchases that are perceived by the individual to be urgent and decide to forego the proper procedure for purchasing, thereby weakening the controls over cash and budgets.

Recommendation: The importance of adequate planning and having cash and budgetary controls needs to be made clear to all personnel that will be making purchases for the school.

Management's Response: Moreno Valley High School will take steps to make certain that all expenditures receive prior authorization and approval with a purchase order.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY HIGH SCHOOL (continued)

C2008 – 4 TRAVEL REQUEST APPROVED BY REQUESTEE

Condition: Travel authorization was approved by the individual that was requesting the Purchases were made prior to authorization being given for the purchases with approval of a purchase order. Purchase orders are used to control cash, budget, and to authorize the purchase.

Criteria: As per policy and procedures, authorization for a purchase is acquired through the completion of a purchase order, which is signed by a person given authority over purchase control.

Effect of the Condition: Any purchases made without prior authorization have the potential to cause cash deficits and/or over expenditure of budgets in the funds from which they are made.

Cause: Personnel make purchases that are perceived by the individual to be urgent and decide to forego the proper procedure for purchasing, thereby weakening the controls over cash and budgets.

Recommendation: The importance of adequate planning and having cash and budgetary controls needs to be made clear to all personnel that will be making purchases for the school.

Management's Response: Moreno Valley High School will make certain to institute measures whereby the approval for expenditures for travel comes from an individual other than the requestee.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY EDUCATION FOUNDATION

F2008 – 1 DISBURSEMENTS TESTED WERE MISSING ADEQUATE DOCUMENTATION.

Condition: Four disbursements out of the twenty-five disbursements tested over all did not have adequate documentation to explain the need for the disbursement. Unresolved from prior year Finding F2007 – 2.

Criteria: All transactions should be supported by adequate documentation that justifies the transaction's occurrence.

Effect of the Condition: Allowing disbursements to occur without adequate documentation presents an opportunity for fraud to occur.

Cause: The foundation is not maintaining adequate controls over disbursements.

Recommendation: The foundation needs to improve controls over transactions to insure that transactions are not recorded unless sufficient documentation is available to support the transaction.

Management's Response: The foundation elected a new treasurer in the fall of 2007 that underwent training in January 2008. Improvements will continue to be made on controls over transactions to ensure that recorded transactions have sufficient documentation in support of the transaction.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

MORENO VALLEY EDUCATION FOUNDATION (continued)

F2008 – 2 UNTIMELY DEPOSITS

Condition: Revenue collected was not deposited within one banking day. Unresolved from prior year Finding F2007 – 3.

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 foundation is in violation of NMAC 6.20.2.14(c). Cash retained by board members for extended periods of time are susceptible to misuse or fraud.

Cause: Deposits at times were taking over a month to be deposited in the bank.

Recommendation: Receipts should be deposited within one banking day.

Management's Response: The foundation elected a new treasurer in the fall of 2007 that underwent training in January 2008. Improvements will continue to be made and deposits will be made in a timely manner in accordance with NMAC 6.20.2.14(c) which states that money received and receipted shall be deposited in the bank within 24 hours or one banking day.

REQUIRED DISCLOSURE

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

REQUIRED DISCLOSURES
Year Ended June 30, 2008

REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held October 14, 2008, during which the audit findings were discussed. The exit conference was attended by the following individuals:

CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Donna Archuleta	President
Mark Anderson	Secretary
James Gallegos	Superintendent
Lita Sanchez	Business Manager

MORENO VALLEY HIGH SCHOOL

Mark Stewart	Vice-President
William Bishop	Secretary
Jacque Boyd	Director

MORENO VALLEY EDUCATION FOUNDATION

Jodi Koszarek	Treasurer
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KEYSTONE ACCOUNTING, LLC

Terry Ogle, CPA	Partner
William W. King	Senior Auditor