

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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COMPREHENSIVE FINANCIAL ANNUAL REPORT  
AND  
SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2007  
WITH  
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

 KEYSTONE ACCOUNTING, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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## INTRODUCTORY SECTION

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STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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Cuba Independent



School District No. 20



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

OFFICIAL ROSTER  
June 30, 2007

Board of Education

Marlene Waukazoo	Board President
Marty Vigil	Board Vice President
Samuel Smelser	Board Secretary
Marcellino Crespín	Board Member
Happy Martínez	Board Member

School Officials

Victor V. Velarde	Superintendent
Desari Herrera	Assistant Superintendent
Higinia Cordova	Business Manager

Cuba Independent



School District No. 20

**FINANCIAL SECTION**

**FISCAL YEAR 2007**

**JULY 1, 2006 THROUGH JUNE 30, 2007**

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# KEYSTONE ACCOUNTING, LLC

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## INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor  
And the Board of Education of  
Cuba Independent School District No. 20

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cuba Independent School District No. 20, as of and for the year ended June 30, 2007, which collectively comprise Cuba Independent School District No. 20's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Cuba Independent School District No. 20's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cuba Independent School District No. 20, as of June 30, 2007, and the respective changes in financial position thereof and the respective budgetary comparisons of the General Fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Cuba Independent School District No. 20, as of June 30, 2007, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital projects funds, debt service fund, and all nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 14, 2009, on our consideration of the Cuba Independent School District No. 20's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in assessing the results of our audit.

# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Fax (505) 566-1911

Hector H. Balderas, State Auditor  
And the Board of Education of  
Cuba Independent School District No. 20

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

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A- 133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Keystone Accounting, LLC*

September 14, 2009

## **BASIC FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

STATEMENT OF NET ASSETS  
June 30, 2007

	<u>Governmental Activities</u>
 <u>ASSETS</u>	
Cash and cash equivalents	\$ 3,781,974
Receivables:	
Delinquent property taxes receivable	5,945
Grant	660,766
Due from other governments	38,250
Deferred bond issuance costs	71,077
Food inventory	582
 Non-current:	
Non-depreciable assets	1,844,150
Depreciable capital assets, net	<u>12,812,357</u>
 Total assets	 <u>19,215,101</u>
 <u>LIABILITIES</u>	
Accounts payable	209,346
Accrued interest	42,224
Deferred grant revenue	672,110
Capital lease obligation	155,101
Compensated absences	42,745
Noncurrent liabilities:	
Due within one year	385,000
Due in more than one year	<u>3,277,000</u>
 Total liabilities	 <u>4,783,526</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	9,317,941
Restricted:	
Debt service	470,310
Capital projects	1,676,566
Unrestricted	<u>2,966,758</u>
 Total net assets	 <u>\$ 14,431,575</u>

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



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Primary government:					
Governmental activities:					
Instruction	\$ 5,154,617	\$ 29,168	\$ 2,392,092	\$ 85,166	\$ (2,648,191)
Support Services - Students	1,332,238	37,075	618,249	22,011	(654,903)
Support Services - Instruction	487,537	-	226,250	8,055	(253,232)
Support Services - General Administration	487,335	-	226,157	8,052	(253,126)
Support Services - School Administration	518,143	-	240,454	8,561	(269,128)
Central Services	347,228	-	161,137	-	(186,091)
Operations & Maintenance of Plant	774,782	-	359,551	-	(415,231)
Student Transportation	847,469	-	659,872	-	(187,597)
Food Services	481,709	33,248	375,931	-	(72,530)
Community Services	53,140	-	24,661	-	(28,479)
Bond interest paid	79,818	-	-	-	(79,818)
	<u>\$ 10,564,016</u>	<u>\$ 99,491</u>	<u>\$ 5,284,354</u>	<u>\$ 131,845</u>	<u>(5,048,326)</u>
			General revenues:		
			Property Taxes:		
			General purposes	17,676	
			Debt service	389,001	
			Capital projects	81,171	
			Grants and contributions not restricted	6,281,783	
			Unrestricted investment earnings	84,273	
			Total general revenues	<u>6,853,904</u>	
			Change in net assets	<u>1,805,578</u>	
			Net assets - beginning	11,109,305	
			Restatement	1,516,692	
			Net assets - as restated	<u>12,625,997</u>	
			Net assets - ending	<u>\$ 14,431,575</u>	

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2007

	<u>General Fund</u>	<u>Impact Aid Indian Education Fund</u>	<u>School Based Health Center Fund</u>	<u>Bond Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>						
Pooled cash and investments	\$ 950,851	\$ 254,808	\$ 232,309	\$ 1,826,141	\$ 517,865	\$ 3,781,974
Receivables:						
Delinquent property taxes	176	-	-	-	5,769	5,945
Grant	-	-	-	-	660,766	660,766
Due from other governments	1,381	-	-	-	36,869	38,250
Due from other funds	513,106	-	-	-	88,189	601,295
Food inventory	-	-	-	-	582	582
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>582</u>	<u>582</u>
 Total assets	 <u>\$ 1,465,514</u>	 <u>\$ 254,808</u>	 <u>\$ 232,309</u>	 <u>\$ 1,826,141</u>	 <u>\$ 1,310,040</u>	 <u>\$ 5,088,812</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>						
Liabilities:						
Accounts payable	\$ 53,801	\$ -	\$ 7,125	\$ 116,788	\$ 31,632	\$ 209,346
Due to other funds	30,856	51,189	196,224	-	323,026	601,295
Deferred revenue:						
Federal, state, and local grants	-	203,619	28,960	-	439,531	672,110
	<u>-</u>	<u>203,619</u>	<u>28,960</u>	<u>-</u>	<u>439,531</u>	<u>672,110</u>
 Total liabilities	 <u>84,657</u>	 <u>254,808</u>	 <u>232,309</u>	 <u>116,788</u>	 <u>794,189</u>	 <u>1,482,751</u>
 Fund balance:						
Reserved:						
Retirement of long-term debt	-	-	-	-	470,310	470,310
Inventories	-	-	-	-	582	582
Unreserved reported in:						
General fund	1,380,857	-	-	-	-	1,380,857
Special revenue funds	-	-	-	-	77,746	77,746
Capital projects funds	-	-	-	1,709,353	(32,787)	1,676,566
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,709,353</u>	<u>(32,787)</u>	<u>1,676,566</u>
 Total fund balance	 <u>1,380,857</u>	 <u>-</u>	 <u>-</u>	 <u>1,709,353</u>	 <u>515,851</u>	 <u>3,606,061</u>
 Total liabilities and fund balance	 <u>\$ 1,465,514</u>	 <u>\$ 254,808</u>	 <u>\$ 232,309</u>	 <u>\$ 1,826,141</u>	 <u>\$ 1,310,040</u>	 <u>\$ 5,088,812</u>

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

RECONCILIATION OF THE BALANCE SHEET - ALL  
GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
June 30, 2007

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

Fund balances - total governmental funds	\$ 3,606,061
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	14,656,507
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(3,830,993)</u>
Net assets of governmental activities	<u>\$ 14,431,575</u>

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	General Fund	Impact Aid Indian Education Fund	School Based Health Center Fund	Bond Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Federal sources:						
Public Law 874	\$ 686,453	\$ 317,982	\$ -	\$ -	\$ 77,553	\$ 1,081,988
Forest reserve	1,901	-	-	-	-	1,901
Federal flowthrough grants	56,980	-	-	-	1,685,753	1,742,733
Federal direct grants	-	-	-	-	241,667	241,667
Food and milk reimbursements	-	-	-	-	357,511	357,511
USDA Commodities	-	-	-	-	18,420	18,420
	<u>745,334</u>	<u>317,982</u>	<u>-</u>	<u>-</u>	<u>2,380,904</u>	<u>3,444,220</u>
Total federal revenues						
State sources:						
State equalization guarantee	4,978,667	-	-	-	-	4,978,667
Transportation	659,872	-	-	-	-	659,872
State instructional material	59,961	-	-	-	-	59,961
State grant	34,006	-	34,047	-	2,148,440	2,216,493
	<u>5,732,506</u>	<u>-</u>	<u>34,047</u>	<u>-</u>	<u>2,148,440</u>	<u>7,914,993</u>
Total state revenues						
Local sources:						
Grant	-	-	-	-	34,561	34,561
District school tax levy	18,058	-	-	-	493,282	511,340
Fees and activities	29,168	-	-	-	70,323	99,491
Earnings from investments	84,273	-	-	78,734	6,247	169,254
Miscellaneous	1,499	-	216,200	-	1,528	219,227
	<u>132,998</u>	<u>-</u>	<u>216,200</u>	<u>78,734</u>	<u>605,941</u>	<u>1,033,873</u>
Total local revenues						
Total revenue	<u>6,610,838</u>	<u>317,982</u>	<u>250,247</u>	<u>78,734</u>	<u>5,135,285</u>	<u>12,393,086</u>

(continued)

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

	General Fund	Impact Aid Indian Education Fund	School Based Health Center Fund	Bond Building Fund	Other Governmental Funds	Total Governmental Funds
<b>Expenditures:</b>						
<b>Current:</b>						
Instruction	2,888,538	305,737	-	-	1,506,456	4,700,731
Support Services - Students	810,543	10,693	118,870	-	274,823	1,214,929
Support Services - Instruction	276,174	-	-	-	204,574	480,748
Support Services - General Administration	328,561	75	-	-	115,787	444,423
Support Services - School Administration	441,001	948	299	-	30,270	472,518
Central Services	236,765	314	-	-	79,574	316,653
Operations & Maintenance of Plant	560,428	-	-	156,953	143,306	860,687
Student Transportation	760,157	-	-	-	12,689	772,846
Food Services	2,464	-	-	-	436,828	439,292
Community Services	20,138	215	-	-	28,108	48,461
Capital outlay	365,564	-	131,078	91,357	2,002,857	2,590,856
<b>Debt service:</b>						
Principal retirement	45,000	-	-	-	265,000	310,000
Bond interest paid	18,600	-	-	-	50,307	68,907
Bond issuance costs	-	-	-	33,366	-	33,366
<b>Total expenditures</b>	<u>6,753,933</u>	<u>317,982</u>	<u>250,247</u>	<u>281,676</u>	<u>5,150,579</u>	<u>12,754,417</u>
<b>Excess (deficiency) of revenues over expenditures</b>	(143,095)	-	-	(202,942)	(15,294)	(361,331)
<b>Other financing sources:</b>						
Sale of bonds	-	-	-	725,000	-	725,000
<b>Net change in fund balance</b>	(143,095)	-	-	522,058	(15,294)	363,669
<b>Fund balance at beginning of the year</b>	<u>1,523,952</u>	<u>-</u>	<u>-</u>	<u>1,187,295</u>	<u>531,145</u>	<u>3,242,392</u>
<b>Fund balance at end of the year</b>	<u>\$ 1,380,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,709,353</u>	<u>\$ 515,851</u>	<u>\$ 3,606,061</u>

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2007

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

Net change in fund balance - total governmental funds	\$	363,669
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		1,667,677
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(23,492)
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.		(232,536)
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>30,260</u>
Change in net assets of governmental activities	\$	<u>1,805,578</u>

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

GENERAL FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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:				
Public Law 874	\$ 1,289,934	\$ 1,289,934	\$ 686,453	\$ (603,481)
Forest reserve	1,992	1,992	1,901	(91)
Federal grant	70,000	70,000	56,980	(13,020)
Federal direct grant	<u>16,000</u>	<u>16,000</u>	<u>-</u>	<u>(16,000)</u>
Total federal revenues	<u>1,377,926</u>	<u>1,377,926</u>	<u>745,334</u>	<u>(632,592)</u>
State sources:				
State equalization guarantee	4,526,376	4,687,287	4,978,667	291,380
Transportation	529,689	611,718	659,872	48,154
State instructional material	59,553	59,553	59,961	408
State grant	<u>13,176</u>	<u>13,176</u>	<u>34,006</u>	<u>20,830</u>
Total state revenues	<u>5,128,794</u>	<u>5,371,734</u>	<u>5,732,506</u>	<u>360,772</u>
Local sources:				
District school tax levy	15,183	15,183	17,652	2,469
Fees and activities	40,000	49,232	39,995	(9,237)
Earnings from investments	50,000	50,000	73,604	23,604
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,342</u>	<u>1,342</u>
Total local revenues	<u>105,183</u>	<u>114,415</u>	<u>132,593</u>	<u>18,178</u>
Total revenues	<u>\$ 6,611,903</u>	<u>\$ 6,864,075</u>	<u>\$ 6,610,433</u>	<u>\$ (253,642)</u>

(continued)

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

GENERAL FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Instruction	\$ 3,155,700	\$ 3,008,843	\$ 2,833,567	\$ 175,276
Support Services - Students	3,744,210	3,630,359	810,371	2,819,988
Support Services - Instruction	11,900	23,983	276,174	(252,191)
Support Services - General Administration	-	206,961	331,276	(124,315)
Support Services - School Administration	-	-	442,488	(442,488)
Central Services	2,000	82,000	479,184	(397,184)
Operation & Maintenance of Plant	22,933	(57,130)	896,793	(953,923)
Student Transportation	529,689	646,525	760,151	(113,626)
Food Services Operations	37,499	147,774	2,464	145,310
Community Services Operations	-	29,725	19,140	10,585
	<u>7,503,931</u>	<u>7,719,040</u>	<u>6,851,608</u>	<u>867,432</u>
Capital outlay:				
Construction in progress	<u>55,449</u>	<u>92,512</u>	<u>25,980</u>	<u>66,532</u>
Debt service:				
Principal retirement	-	-	45,000	(45,000)
Bond interest paid	<u>-</u>	<u>-</u>	<u>18,600</u>	<u>(18,600)</u>
	<u>-</u>	<u>-</u>	<u>63,600</u>	<u>(63,600)</u>
	<u>7,559,380</u>	<u>7,811,552</u>	<u>6,941,188</u>	<u>870,364</u>
Excess (deficiency) of revenues over expenditures	(947,477)	(947,477)	(330,755)	616,722
Beginning cash balance budgeted	947,477	947,477	-	(947,477)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,523,952</u>	<u>1,523,952</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,193,197	<u>\$ 1,193,197</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(17,660)	
Change in receivables			(23,364)	
Change in property tax receivable			(1,358)	
Change in due from other governments			1,381	
Change in payables			228,279	
Change in deferred property taxes			<u>382</u>	
			<u>\$ 1,380,857</u>	

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



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

IMPACT AID INDIAN EDUCATION SPECIAL REVENUE FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal sources:				
Public Law 874	\$ -	\$ 170,613	\$ 170,613	\$ -
<b>Expenditures:</b>				
Current:				
Instruction	-	162,253	305,737	(143,484)
Support Services - Students	-	7,645	10,693	(3,048)
Support Services - General Administration	-	-	75	(75)
Support Services - School Administration	-	500	948	(448)
Central Services	-	-	314	(314)
Community Services Operations	-	215	215	-
	<u>-</u>	<u>170,613</u>	<u>317,982</u>	<u>(147,369)</u>
Total expenditures	<u>-</u>	<u>170,613</u>	<u>317,982</u>	<u>(147,369)</u>
Excess (deficiency) of revenues over expenditures	-	-	(147,369)	(147,369)
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>	(147,369)	<u>\$ (147,369)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			12,443	
Change in deferred revenue			<u>134,926</u>	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SCHOOL BASED HEALTH CENTER SPECIAL REVENUE FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ -	\$ 68,800	\$ 68,800
Local sources:				
Miscellaneous	-	177,985	216,200	38,215
<b>Total revenues</b>	<b>-</b>	<b>177,985</b>	<b>285,000</b>	<b>107,015</b>
<b>Expenditures:</b>				
Current:				
Support Services - Students	-	143,913	111,745	32,168
Support Services - School Administration	-	-	299	(299)
<b>Total current expenses</b>	<b>-</b>	<b>143,913</b>	<b>112,044</b>	<b>31,869</b>
Capital outlay:				
Construction in progress	-	34,072	131,078	(97,006)
<b>Total expenditures</b>	<b>-</b>	<b>177,985</b>	<b>243,122</b>	<b>(65,137)</b>
Excess of revenues over expenditures	-	-	41,878	41,878
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	41,878	<u>\$ 41,878</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(5,786)	
Change in property tax receivable			(7)	
Change in payables			(7,125)	
Change in deferred revenue			(28,960)	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

AGENCY FUNDS  
Statement of Fiduciary Assets and Liabilities  
June 30, 2007

ASSETS

Pooled cash and investments	\$ <u>68,612</u>
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LIABILITIES

Deposits held for others	\$ <u>68,612</u>
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The notes to the financial statements are an integral part of this statement.

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STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

1. Blended Component Units

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

2. Discretely Presented Component Units

The District does not have any component units reported as discretely presented component units.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Cuba Independent 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.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The government reports the following major governmental funds:

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

Impact Aid Indian Education Special Revenue Fund – To provide financial assistance to local educational agencies (LEA’S) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), where there is a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3 (b)); where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

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

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

Additionally, the government reports the following fund types:

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

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

Debt Service Funds – To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity

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.

1. *Deposits and investments*

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

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

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

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

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2. *Receivables and payables*

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

The District’s property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB – 9 Capital Improvements Fund, Debt Service Fund and Ed Tech 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.

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

3. *Inventories*

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

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, 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.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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 and improvements	20-50
Land Improvements	10-20
Vehicles	5-7
Office equipment	5
Computer equipment	3-5

5. *Compensated absences*

It is the School District's policy to permit employees to accumulate 30 days of earned but unused vacation, which no more than 20 days will be paid to employees upon separation from the District's service. Twelve-month employees that are full time are entitled to two weeks paid vacation per year that is accrued when incurred in the government-wide financial statements.

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

6. *Long-term obligations*

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

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. *Fund balance*

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

8. *Net assets*

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

a. Invested in capital assets, net of related debt

This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not be included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

b. Restricted net assets

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

c. Unrestricted net assets

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

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. *Indirect Costs*

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

10. *Estimates*

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

11. *Revenues*

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$4,978,667 in state equalization guarantee distributions during the year ended June 30, 2007.

**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 \$659,872 in transportation distributions during the year ended June 30, 2007.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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 \$14,656,507 difference are as follows:

Capital assets	\$	20,085,586
Accumulated depreciation		<u>(5,429,079)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities		<u>\$ 14,656,507</u>

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 \$3,830,993 difference is detailed as follows:

Bonds payable	\$	(3,662,000)
Accrued interest payable		(42,224)
Accrued vacation payable		(42,745)
Capital leases		(155,101)
Bond issue costs		76,107
Amortization of bond issue costs		<u>(5,030)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities		<u>\$ (3,830,993)</u>

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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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 \$1,667,677 difference are as follows:

Capital outlay	\$ 2,590,856
Depreciation expense	<u>(923,179)</u>
Net adjustment to changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,667,677</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 \$23,492 is detailed as follows:

Reduction in revenue:	
Deferred property taxes in 2006	<u>\$ (23,492)</u>

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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 \$232,536 difference are as follows:

Principal repayments:	
General obligation debt	\$ 310,000
Proceeds of bonds	(725,000)
Payment on capital lease	154,128
Bond issuance costs	33,366
Amortization of bond issuance costs	<u>(5,030)</u>
Net adjustment to decrease change in net assets of governmental activities	<u>\$ (232,536)</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 \$30,260 difference are as follows:

Accrued interest:	
June 30, 2007	\$ (42,224)
June 30, 2006	36,343
Compensated absences:	
June 30, 2007	(42,745)
June 30, 2006	<u>78,886</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 30,260</u>



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

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

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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, 2007 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 7,559,380	\$ 7,811,552
Special Revenue Fund	2,142,276	4,308,834
Debt Service Fund	702,940	709,290
Capital Projects Fund	1,245,247	3,282,298
Totals	\$ 11,649,843	\$ 16,111,974

B. Budgetary Violations

The District exceeded its legal budget in individual funds as referenced in Finding 2007-4 on page 158. 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.

C. Deficit fund equity

There were four funds that had deficit fund balances as of June 30, 2007 as follows:

<u>Fund</u>	<u>Deficit Fund Balance</u>
Public School Capital Outlay	\$ 245,267
Special Capital Outlay - State	24,553
Capital Improvements SB-9	15,648
Energy Efficiency Act	22,062
	\$ 307,530

These deficit balances are to be covered by the General Fund.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2007, the carrying amount of the District's deposits was \$3,850,586 and the bank balance was \$4,413,755 with difference consisting of outstanding checks. Of this balance \$100,000 was covered by federal depository insurance and \$3,911,490 was covered by collateral held in joint safekeeping by a third party. The remaining \$402,265 was not covered by pledged collateral is comprised of amounts in excess of those required to be collateralized under State law.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2007, \$402,265 of the District's bank balance of \$4,413,755 was exposed to custodial risk as follows:

Uninsured and uncollateralized	\$	402,265
Uninsured and collateral held by pledging bank's trust dept not in the District's name		3,911,490
Total uninsured		4,313,755
Insured (FDIC)		100,000
Total deposits	\$	4,413,755
State of New Mexico collateral requirement:		
Pledged security	\$	3,911,490
Less: 50% of uninsured public fund bank deposits		519,400
Less: 102% of uninsured public fund bank deposits		3,340,455
Over collateralization	\$	51,635

The collateral pledged is listed on Page 141 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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>	Impact Aid Indian <u>Education</u>	School Based <u>Health Center</u>	Bond <u>Building</u>	Other Governmental <u>Funds</u>
Receivables:					
Delinquent property taxes	\$ 176	\$ -	\$ -	\$ -	\$ 5,769
Grant	-	-	-	-	660,766
Due from other:					
Governments	<u>1,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,869</u>
<b>Total</b>	<u>\$ 1,557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 703,404</u>

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

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

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
Impact Aid Indian Education	\$ -	\$ 203,619
School Based Health Center	-	28,960
Other Governmental Funds	<u>-</u>	<u>439,531</u>
<b>Total deferred/unearned revenue for governmental funds</b>	<u>\$ -</u>	<u>\$ 672,110</u>

STATE OF NEW MEXICO  
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NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

IV. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Restatement</u>	Ending <u>Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 60,000	\$ -	\$ -	\$ 3,000	\$ 63,000
Assets not in use	49,622	-	-	(49,622)	-
Construction in progress	-	1,781,150	-	-	1,781,150
Total capital assets, not being depreciated	<u>109,622</u>	<u>1,781,150</u>	<u>-</u>	<u>(46,622)</u>	<u>1,844,150</u>
Capital assets, being depreciated:					
Land improvements	197,943	-	-	163,297	361,240
Buildings and improvements	11,706,380	495,245	-	760,638	12,962,263
Furniture, fixtures, and equipment	4,342,368	314,461	-	261,104	4,917,933
Total capital assets being depreciated	<u>16,246,691</u>	<u>809,706</u>	<u>-</u>	<u>1,185,039</u>	<u>18,241,436</u>
Less accumulated depreciation for:					
Land improvements	(46,070)	(14,861)	-	(26,394)	(87,325)
Buildings and improvements	(3,188,744)	(293,873)	-	(28,468)	(3,511,085)
Furniture, fixtures, and equipment	(1,649,361)	(614,445)	-	433,137	(1,830,669)
Total accumulated depreciation	<u>(4,884,175)</u>	<u>(923,179)</u>	<u>-</u>	<u>378,275</u>	<u>(5,429,079)</u>
Total capital assets being depreciated, net	<u>11,362,516</u>	<u>(113,473)</u>	<u>-</u>	<u>1,563,314</u>	<u>12,812,357</u>
Total capital assets, net	<u>\$ 11,472,138</u>	<u>\$ 1,667,677</u>	<u>\$ -</u>	<u>\$ 1,516,692</u>	<u>\$ 14,656,507</u>

Assets and accumulated depreciation have been adjusted for assets that have been erroneously left off of the listing of capital assets. This correction in assets and accumulated depreciation amounted to \$1,516,692 and was accounted for in the restatement of net assets. The details of these assets are discussed in the note on the restatement on page 44 of this report.

STATE OF NEW MEXICO  
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NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

IV. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

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

Instruction	\$	455,158
Support Services - Students		116,991
Support Services - Instruction		42,813
Support Services - General Administration		42,796
Support Services - School Administration		45,501
Central Services		30,492
Operations & Maintenance of Plant		68,038
Student Transportation		74,421
Food Services		42,302
Community Services		<u>4,667</u>
Total Depreciation Expense	\$	<u>923,179</u>

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

Construction commitments

The Cuba Independent School District No. 20 received \$1,791,150 of funding from the State of New Mexico Public School Facilities Authority for the year ended June 30, 2007.

The District is involved in several long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$1,676,566 in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

D. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2007 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 513,106	\$ 30,856
Impact Aid Indian Education	-	51,189
School Based Health Center	-	196,224
Other Governmental Funds	<u>88,189</u>	<u>323,026</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 601,295</u>	<u>\$ 601,295</u>

**STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007**

**IV. DETAILED NOTES ON ALL FUNDS (continued)**

**E. Inter-Fund Transfers**

There were not any inter-fund transfers made during the year ended June 30, 2007.

**F. Long-Term Debt**

**General Obligation Bonds**

General Obligation Bonds – The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries. The details of the bonds and notes as of June 30, 2007 are as follows:

<u>General Obligations Bonds</u>		<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2007</u>	<u>Amount Due Within One Year</u>
Series	2002	\$ 753,000	3.55%	\$ 202,000	\$ 100,000
Series	2003	1,030,000	1.00% to 3.28%	975,000	55,000
Series	2004	450,000	0.71% to 2.17%	370,000	40,000
Series	2005	310,000	1.19% to 1.48%	310,000	45,000
Series	2006	1,125,000	2.54% to 3.75%	1,080,000	45,000
Series	2006B	725,000	2.63% to 2.99%	725,000	100,000
<b>Total</b>		<u>\$ 4,393,000</u>		<u>\$ 3,662,000</u>	<u>\$ 385,000</u>

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

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

<u>General Obligation Bonds</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2008	\$ 385,000	\$ 96,692	\$ 481,692
2009	342,000	87,758	429,758
2010	295,000	80,123	375,123
2011	320,000	72,942	392,942
2012	280,000	65,624	345,624
2013 - 2017	1,300,000	221,021	1,521,021
2018 - 2022	455,000	87,338	542,338
2023 - 2027	285,000	21,446	306,446
<b>Total</b>	<u>\$ 3,662,000</u>	<u>\$ 732,944</u>	<u>\$ 4,394,944</u>

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

IV. DETAILED NOTES ON ALL FUNDS (continued)

F. Long-Term Debt (continued)

Changes in long term debt – During the year ended June 30, 2007 the following changes occurred in liabilities reported in the general obligation bonds account group:

	Balance <u>June 30, 2006</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2007</u>	Amount Due <u>Within One Year</u>
Compensated absences:					
Compensated vacation	\$ 78,886	\$ 52,070	\$ 88,211	\$ 42,745	\$ 42,745
Bonds payable	3,247,000	725,000	310,000	3,662,000	385,000
Capital lease	<u>309,229</u>	<u>-</u>	<u>154,128</u>	<u>155,101</u>	<u>155,101</u>
	<u>\$ 3,635,115</u>	<u>\$ 777,070</u>	<u>\$ 552,339</u>	<u>\$ 3,859,846</u>	<u>\$ 582,846</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. 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.



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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V. OTHER INFORMATION (continued)

B. 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, 2007.

C. Employee Retirement Plan

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

ERB  
P.O. Box 26129  
Santa Fe, New Mexico 87502-6129  
[www.nmerb.org](http://www.nmerb.org)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

V. OTHER INFORMATION (continued)

D. Employee Retirement Plan (continued)

Funding Policy - Plan members are required to contribute 7.75% of their gross salary. Cuba Independent School District is required to contribute 10.15% of the gross covered salary. Effective July 1, 2007, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The District's contributions to the ERB for the years ended June 30, 2007, 2006 and 2005 were \$513,145, \$456,805, and \$415,440 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>
2007-2008	10.900%	7.825%
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-Retirement Health Care Benefits

Plan Description – Cuba Independent School District No. 20's contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are:

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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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](http://www.nmrhca.state.nm.us).

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

Cuba Independent School District No. 20's contributions to the RHCA for the years ended June 30, 2007, 2006 and 2005 were \$65,682, \$63,016 and \$62,349, respectively, which equal the required contributions for each year.

E. School District Cash Flows

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

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V. OTHER INFORMATION (continued)

F. Restatement

The government-wide net assets have been restated by \$1,516,692 as follows:

Assets not previously recognized	\$ 1,138,417
Accumulated depreciation of assets not previously recognized	(107,083)
Over depreciation of furniture, fixtures, and equipment	<u>485,358</u>
Total restatement	<u>\$ 1,516,692</u>

Additionally, there was \$3,000 of land that was erroneously reported as land improvements and \$49,622 of equipment being reported as assets not in use.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

GENERAL FUNDS  
Year Ended June 30, 2007

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OPERATING FUND

The government's primary fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TEACHERAGE FUND

Accounts for all financial resources used in the housing of teachers.

TRANSPORTATION FUND

Accounts for all the Transportation funds received through the state that are used in the maintaining and operating vehicles used to transport students.

INSTRUCTIONAL MATERIALS FUND

Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

GENERAL FUND  
Combining Balance Sheet  
June 30, 2007

	General Funds				Total General Fund
	Operational Fund	Teacherage Fund	Transportation Fund	Instructional Materials Fund	
<u>ASSETS</u>					
Pooled cash and investments	\$ 715,569	\$ 38,605	\$ 141,833	\$ 54,844	\$ 950,851
Receivables:					
Delinquent property taxes	176	-	-	-	176
Due from other governments	1,381	-	-	-	1,381
Due from other funds	513,106	-	-	-	513,106
Total assets	\$ 1,230,232	\$ 38,605	\$ 141,833	\$ 54,844	\$ 1,465,514
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable	\$ 47,884	\$ 220	\$ 5,697	\$ -	\$ 53,801
Due to other funds	-	-	30,856	-	30,856
Total liabilities	47,884	220	36,553	-	84,657
Fund balance:					
Unreserved and reported in:					
Undesignated	1,182,348	38,385	105,280	54,844	1,380,857
Total liabilities and fund balance	\$ 1,230,232	\$ 38,605	\$ 141,833	\$ 54,844	\$ 1,465,514

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

GENERAL FUND  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2007

	<u>General Funds</u>				<u>Total General Fund</u>
	<u>Operational Fund</u>	<u>Teacherage Fund</u>	<u>Transportation Fund</u>	<u>Instructional Materials Fund</u>	
<b>Revenues:</b>					
Federal sources:					
Public Law 874	\$ 686,453	\$ -	\$ -	\$ -	\$ 686,453
Forest reserve	1,901	-	-	-	1,901
Federal flowthrough grants	<u>56,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,980</u>
Total federal revenues	<u>745,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>745,334</u>
State sources:					
State equalization guarantee	4,978,667	-	-	-	4,978,667
Transportation	-	-	659,872	-	659,872
State instructional material	-	-	-	59,961	59,961
State grant	<u>34,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,006</u>
Total state revenues	<u>5,012,673</u>	<u>-</u>	<u>659,872</u>	<u>59,961</u>	<u>5,732,506</u>
Local sources:					
District school tax levy	18,058	-	-	-	18,058
Fees and activities	29,168	-	-	-	29,168
Earnings from investments	70,133	14,140	-	-	84,273
Miscellaneous	<u>1,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,499</u>
Total local revenues	<u>118,858</u>	<u>14,140</u>	<u>-</u>	<u>-</u>	<u>132,998</u>
Total revenue	<u>5,876,865</u>	<u>14,140</u>	<u>659,872</u>	<u>59,961</u>	<u>6,610,838</u>
<b>Expenditures:</b>					
Current:					
Instruction	2,827,659	8,774	-	52,105	2,888,538
Support Services - Students	810,543	-	-	-	810,543
Support Services - Instruction	276,174	-	-	-	276,174
Support Services - General Administration	328,561	-	-	-	328,561
Support Services - School Administration	441,001	-	-	-	441,001
Central Services	236,765	-	-	-	236,765
Operations & Maintenance of Plant	560,428	-	-	-	560,428
Student Transportation	120,436	-	639,721	-	760,157
Food Services	2,464	-	-	-	2,464
Community Services	20,138	-	-	-	20,138
Capital outlay	365,564	-	-	-	365,564
Debt service:					
Principal retirement	45,000	-	-	-	45,000
Bond interest paid	<u>18,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,600</u>
Total expenditures	<u>6,053,333</u>	<u>8,774</u>	<u>639,721</u>	<u>52,105</u>	<u>6,753,933</u>
Excess of revenues over expenditures	(176,468)	5,366	20,151	7,856	(143,095)
Fund balance at beginning of the year	<u>1,358,816</u>	<u>33,019</u>	<u>85,129</u>	<u>46,988</u>	<u>1,523,952</u>
Fund balance at end of the year	<u>\$ 1,182,348</u>	<u>\$ 38,385</u>	<u>\$ 105,280</u>	<u>\$ 54,844</u>	<u>\$ 1,380,857</u>

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

OPERATIONAL FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Public Law 874	\$ 1,289,934	\$ 1,289,934	\$ 686,453	\$ (603,481)
Forest reserve	1,992	1,992	1,901	(91)
Federal grant	70,000	70,000	56,980	(13,020)
Federal direct grant	16,000	16,000	-	(16,000)
<b>Total federal revenues</b>	<u>1,377,926</u>	<u>1,377,926</u>	<u>745,334</u>	<u>(632,592)</u>
<b>State sources:</b>				
State equalization guarantee	4,526,376	4,687,287	4,978,667	291,380
State grant	13,176	13,176	34,006	20,830
<b>Total state revenues</b>	<u>4,539,552</u>	<u>4,700,463</u>	<u>5,012,673</u>	<u>312,210</u>
<b>Local sources:</b>				
District school tax levy	15,183	15,183	17,652	2,469
Fees and activities	25,000	25,000	25,855	855
Earnings from investments	50,000	50,000	73,604	23,604
Miscellaneous	-	-	1,342	1,342
<b>Total local revenues</b>	<u>90,183</u>	<u>90,183</u>	<u>118,453</u>	<u>28,270</u>
<b>Total revenues</b>	<u>6,007,661</u>	<u>6,168,572</u>	<u>5,876,460</u>	<u>(292,112)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	3,101,698	2,954,841	2,781,462	173,379
Support Services - Students	3,738,659	3,624,808	810,371	2,814,437
Support Services - Instruction	11,900	23,983	276,174	(252,191)
Support Services - General Administration	-	206,961	331,276	(124,315)
Support Services - School Administration	-	-	442,488	(442,488)
Central Services	2,000	82,000	479,184	(397,184)
Operation & Maintenance of Plant	3,900	(85,395)	888,239	(973,634)
Student Transportation	-	34,807	123,543	(88,736)
Food Services Operations	37,499	147,774	2,464	145,310
Community Services Operations	-	29,725	19,140	10,585
<b>Total current expenses</b>	<u>6,895,656</u>	<u>7,019,504</u>	<u>6,154,341</u>	<u>865,163</u>
<b>Capital outlay:</b>				
Construction in progress	35,801	72,864	25,980	46,884
<b>Debt service:</b>				
Principal retirement	-	-	45,000	(45,000)
Bond interest paid	-	-	18,600	(18,600)
<b>Total debt service</b>	<u>-</u>	<u>-</u>	<u>63,600</u>	<u>(63,600)</u>
<b>Total expenditures</b>	<u>6,931,457</u>	<u>7,092,368</u>	<u>6,243,921</u>	<u>848,447</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(923,796)</u>	<u>(923,796)</u>	<u>(367,461)</u>	<u>556,335</u>
Beginning cash balance budgeted	923,796	923,796	-	(923,796)
Fund balance at beginning of the year	-	-	1,358,816	1,358,816
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>991,355</u>	<u>\$ 991,355</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in inventory			(17,660)	
Change in receivables			(23,364)	
Change in property tax receivable			(1,358)	
Change in due from other governments			1,381	
Change in payables			231,612	
Change in deferred property taxes			382	
			<u>\$ 1,182,348</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

TEACHERAGE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Fees and activities	\$ 15,000	\$ 24,232	\$ 14,140	\$ (10,092)
Expenditures:				
Current:				
Operation & Maintenance of Plant	19,033	28,265	8,554	19,711
Capital outlay:				
Construction in progress	<u>19,648</u>	<u>19,648</u>	-	<u>19,648</u>
Total expenditures	<u>38,681</u>	<u>47,913</u>	<u>8,554</u>	<u>39,359</u>
Excess (deficiency) of revenues over expenditures	(23,681)	(23,681)	5,586	29,267
Beginning cash balance budgeted	23,681	23,681	-	(23,681)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>33,019</u>	<u>33,019</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	38,605	<u>\$ 38,605</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(220)</u>	
			<u>\$ 38,385</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

TRANSPORTATION FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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:				
Transportation	\$ 529,689	\$ 611,718	\$ 659,872	\$ 48,154
 Expenditures:				
Current:				
Student Transportation	<u>529,689</u>	<u>611,718</u>	<u>636,608</u>	<u>(24,890)</u>
Excess of revenues over expenditures	-	-	23,264	23,264
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>85,129</u>	<u>85,129</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	108,393	<u>\$ 108,393</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(3,113)</u>	
			<u>\$ 105,280</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

INSTRUCTIONAL MATERIALS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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 instructional material	\$ 59,553	\$ 59,553	\$ 59,961	\$ 408
Expenditures:				
Current:				
Instruction	54,002	54,002	52,105	1,897
Support Services - Students	<u>5,551</u>	<u>5,551</u>	<u>-</u>	<u>5,551</u>
Total expenditures	<u>59,553</u>	<u>59,553</u>	<u>52,105</u>	<u>7,448</u>
Excess of revenues over expenditures	-	-	7,856	7,856
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>46,988</u>	<u>46,988</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	54,844	<u>\$ 54,844</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 54,844</u>	

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**NONMAJOR GOVERNMENTAL FUNDS**

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

Special Revenue Funds

	Food Service Fund	Athletics Fund	Title I Fund	Migrant Children Education Fund	Title I Program Improvement Fund	Entitlement IDEA-B Fund	Discretionary IDEA-B Fund	Competitive IDEA-B Fund	Preschool IDEA-B Fund	Title VI Fund	Title II (Math/Science) Fund	Title IV Drug Free Schools Fund
<b>ASSETS</b>												
Pooled cash and investments	\$ 86,107	\$ 9,941	\$ (167,861)	\$ 7	\$ 9,472	\$ (48,794)	\$ (14,278)	\$ 16,079	\$ 10,810	\$ 4,902	\$ (8,195)	\$ 3,707
Receivables:												
Delinquent property taxes	-	-	-	-	-	-	-	-	-	-	-	-
Grant	-	-	234,249	-	-	48,794	14,278	-	-	-	8,195	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Food inventory	582	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 86,689</b>	<b>\$ 9,941</b>	<b>\$ 66,388</b>	<b>\$ 7</b>	<b>\$ 9,472</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,079</b>	<b>\$ 10,810</b>	<b>\$ 4,902</b>	<b>\$ -</b>	<b>\$ 3,707</b>
<b>LIABILITIES AND FUND BALANCE</b>												
<b>Liabilities:</b>												
Accounts payable	\$ 17,599	\$ -	\$ 4,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	531	172	62,262	-	-	-	-	-	-	-	-	-
Deferred revenue:												
Federal, state, and local grants	-	-	-	7	9,472	-	-	16,079	10,810	4,902	-	3,707
<b>Total liabilities</b>	<b>18,130</b>	<b>172</b>	<b>66,388</b>	<b>7</b>	<b>9,472</b>	<b>-</b>	<b>-</b>	<b>16,079</b>	<b>10,810</b>	<b>4,902</b>	<b>-</b>	<b>3,707</b>
<b>Fund balance:</b>												
<b>Reserved:</b>												
Retirement of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	582	-	-	-	-	-	-	-	-	-	-	-
<b>Unreserved and reported in:</b>												
Special revenues funds	67,977	9,769	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<b>68,559</b>	<b>9,769</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 86,689</b>	<b>\$ 9,941</b>	<b>\$ 66,388</b>	<b>\$ 7</b>	<b>\$ 9,472</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,079</b>	<b>\$ 10,810</b>	<b>\$ 4,902</b>	<b>\$ -</b>	<b>\$ 3,707</b>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	Special Revenue Funds										
	Partnerships in Character Fund	Enhancing Education Fund	Class Size Reduction Act Fund	Reading Excellence Fund	Enhancing Education Through Technology Fund	Title V Fund	Title III English Language Fund	Title II Teacher Quality Fund	Title IV Drug Free Schools Fund	21st Century Community Living Centers Fund	Rural & Low- Income Schools Fund
<b>ASSETS</b>											
Pooled cash and investments	\$ (8,766)	\$ 42,276	\$ (1,258)	\$ 13,122	\$ (10,326)	\$ (6,709)	\$ (8,652)	\$ 1,313	\$ (1,624)	\$ (19,065)	\$ 5,504
Receivables:											
Delinquent property taxes	-	-	-	-	-	-	-	-	-	-	-
Grant	9,417	-	1,258	-	39,978	9,240	10,286	10,291	2,469	23,859	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 651</b>	<b>\$ 42,276</b>	<b>\$ -</b>	<b>\$ 13,122</b>	<b>\$ 29,652</b>	<b>\$ 2,531</b>	<b>\$ 1,634</b>	<b>\$ 11,604</b>	<b>\$ 845</b>	<b>\$ 4,794</b>	<b>\$ 5,504</b>
<b>LIABILITIES AND FUND BALANCE</b>											
<b>Liabilities:</b>											
Accounts payable	\$ -	\$ 41	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184	\$ -
Due to other funds	651	-	-	-	29,652	2,531	1,634	11,604	845	4,610	-
Deferred revenue:											
Federal, state, and local grants	-	42,235	-	13,122	-	-	-	-	-	-	5,504
<b>Total liabilities</b>	<b>651</b>	<b>42,276</b>	<b>-</b>	<b>13,122</b>	<b>29,652</b>	<b>2,531</b>	<b>1,634</b>	<b>11,604</b>	<b>845</b>	<b>4,794</b>	<b>5,504</b>
<b>Fund balance:</b>											
<b>Reserved:</b>											
Retirement of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
<b>Unreserved and reported in:</b>											
Special revenues funds	-	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 651</b>	<b>\$ 42,276</b>	<b>\$ -</b>	<b>\$ 13,122</b>	<b>\$ 29,652</b>	<b>\$ 2,531</b>	<b>\$ 1,634</b>	<b>\$ 11,604</b>	<b>\$ 845</b>	<b>\$ 4,794</b>	<b>\$ 5,504</b>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

Special Revenue Funds

	Title I School Improvement Fund	Reading First Fund	Headstart Fund	Johnson O'Malley Fund	Impact Aid Special Education Fund	Title XIX Medicaid Fund	Child & Adult Food Program Fund	Indian Ed Formula Grant Fund	Title V Indian Health Care Improvement Fund	Workforce Investment Act Fund	Dropout Prevention Demonstration Fund
<b>ASSETS</b>											
Pooled cash and investments	\$ (33,188)	\$ 93,341	\$ 24,731	\$ 16,312	\$ 23,356	\$ 51,927	\$ 28,878	\$ 21,137	\$ 22,516	\$ 580	\$ (5,600)
Receivables:											
Delinquent property taxes	-	-	-	-	-	-	-	-	-	-	-
Grant	33,945	-	-	-	-	-	-	-	-	-	7,023
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 757</u>	<u>\$ 93,341</u>	<u>\$ 24,731</u>	<u>\$ 16,312</u>	<u>\$ 23,356</u>	<u>\$ 51,927</u>	<u>\$ 28,878</u>	<u>\$ 21,137</u>	<u>\$ 22,516</u>	<u>\$ 580</u>	<u>\$ 1,423</u>
<b>LIABILITIES AND FUND BALANCE</b>											
Liabilities:											
Accounts payable	\$ -	\$ 1,150	\$ -	\$ -	\$ -	\$ 497	\$ -	\$ 100	\$ -	\$ -	\$ -
Due to other funds	757	16,264	-	1,183	-	-	-	2,739	-	-	1,423
Deferred revenue:											
Federal, state, and local grants	-	75,927	24,731	15,129	23,356	51,430	28,878	18,298	22,516	580	-
<b>Total liabilities</b>	<u>757</u>	<u>93,341</u>	<u>24,731</u>	<u>16,312</u>	<u>23,356</u>	<u>51,927</u>	<u>28,878</u>	<u>21,137</u>	<u>22,516</u>	<u>580</u>	<u>1,423</u>
Fund balance:											
Reserved:											
Retirement of long-term debt	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-	-
Unreserved and reported in:											
Special revenues funds	-	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balance</b>	<u>\$ 757</u>	<u>\$ 93,341</u>	<u>\$ 24,731</u>	<u>\$ 16,312</u>	<u>\$ 23,356</u>	<u>\$ 51,927</u>	<u>\$ 28,878</u>	<u>\$ 21,137</u>	<u>\$ 22,516</u>	<u>\$ 580</u>	<u>\$ 1,423</u>

(continued)



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	<u>Special Revenue Funds</u>									
	Literacy through School Libraries Fund	Native American Program Fund	LANL Foundation Fund	Indian Health Services Fund	Microsoft Settlement Fund	Technology for Education Fund	Physical Education Classes Fund	Computerized Learning System Fund	Truancy Initiative Fund	Statewide Computer Language Fund
<b>ASSETS</b>										
Pooled cash and investments	\$ 21,241	\$ 33,860	\$ 4,789	\$ 17	\$ (31,207)	\$ 7,103	\$ (16,336)	\$ -	\$ (1)	\$ 28
Receivables:										
Delinquent property taxes	-	-	-	-	-	-	-	-	-	-
Grant	-	-	-	-	31,520	-	17,541	-	1	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 21,241</b>	<b>\$ 33,860</b>	<b>\$ 4,789</b>	<b>\$ 17</b>	<b>\$ 313</b>	<b>\$ 7,103</b>	<b>\$ 1,205</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28</b>
<b>LIABILITIES AND FUND BALANCE</b>										
Liabilities:										
Accounts payable	\$ -	\$ 99	\$ -	\$ -	\$ 313	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	19,538	-	-	-	-	-	1,205	-	-	-
Deferred revenue:										
Federal, state, and local grants	1,703	33,761	4,789	17	-	7,103	-	-	-	28
<b>Total liabilities</b>	<b>21,241</b>	<b>33,860</b>	<b>4,789</b>	<b>17</b>	<b>313</b>	<b>7,103</b>	<b>1,205</b>	<b>-</b>	<b>-</b>	<b>28</b>
Fund balance:										
Reserved:										
Retirement of long-term debt	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Unreserved and reported in:										
Special revenues funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 21,241</b>	<b>\$ 33,860</b>	<b>\$ 4,789</b>	<b>\$ 17</b>	<b>\$ 313</b>	<b>\$ 7,103</b>	<b>\$ 1,205</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28</b>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	<u>Special Revenue Funds</u>									
	Libraries GO Bond Fund	NW Regional Schools Mini Grant Fund	Pre-K Initiative Fund	Indian Education Act Fund	Beginning Teacher Mentoring Fund	Breakfast for Elementary Students Fund	Communities of Academic Partnership Fund	Schools on the Rise Fund	Nutrition Grant Fund	Youth Conservation Corp Fund
<b>ASSETS</b>										
Pooled cash and investments	\$ (10,429)	\$ (1,230)	\$ (12,234)	\$ (1,615)	\$ 708	\$ -	\$ (6,990)	\$ (3,306)	\$ (2,293)	\$ (259)
Receivables:										
Delinquent property taxes	-	-	-	-	-	-	-	-	-	-
Grant	11,103	1,230	12,786	3,113	-	6,990	3,306	2,293	259	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 674</u>	<u>\$ -</u>	<u>\$ 552</u>	<u>\$ 1,498</u>	<u>\$ 708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>										
Liabilities:										
Accounts payable	\$ 674	\$ -	\$ 194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	358	1,498	-	-	-	-	-	-
Deferred revenue:										
Federal, state, and local grants	-	-	-	-	708	-	-	-	-	-
<b>Total liabilities</b>	<u>674</u>	<u>-</u>	<u>552</u>	<u>1,498</u>	<u>708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:										
Reserved:										
Retirement of long-term debt	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Unreserved and reported in:										
Special revenues funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balance</b>	<u>\$ 674</u>	<u>\$ -</u>	<u>\$ 552</u>	<u>\$ 1,498</u>	<u>\$ 708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	Special Revenue Funds						Total Nonmajor Special Revenue Funds	Debt Service Funds		
	AP New Mexico Incentive Funding Fund	Children's Medical Services Fund	Gear Up Fund	Career Vocational Technical Education Fund	Substance Abuse Ed Fund	City/County Grants Fund		Debt Service Fund	Educational Technology Debt Service Fund	Total Debt Service Fund
<b>ASSETS</b>										
Pooled cash and investments	\$ 2,160	\$ 102	\$ (8,430)	\$ (106,712)	\$ 7,226	\$ 15,251	\$ 43,145	\$ 374,231	\$ 50,691	\$ 424,922
Receivables:										
Delinquent property taxes	-	-	-	-	-	-	-	4,553	256	4,809
Grant	-	-	8,430	108,912	-	-	660,766	-	-	-
Due from other governments	-	-	-	-	-	-	-	30,540	124	30,664
Due from other funds	-	-	-	-	-	-	-	30,481	-	30,481
Food inventory	-	-	-	-	-	-	582	-	-	-
<b>Total assets</b>	<b>\$ 2,160</b>	<b>\$ 102</b>	<b>\$ -</b>	<b>\$ 2,200</b>	<b>\$ 7,226</b>	<b>\$ 15,251</b>	<b>\$ 704,493</b>	<b>\$ 439,805</b>	<b>\$ 51,071</b>	<b>\$ 490,876</b>
<b>LIABILITIES AND FUND BALANCE</b>										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,977	\$ -	\$ -	\$ -
Due to other funds	-	-	-	2,200	-	-	161,657	-	20,566	20,566
Deferred revenue:										
Federal, state, and local grants	2,160	102	-	-	7,226	15,251	439,531	-	-	-
<b>Total liabilities</b>	<b>2,160</b>	<b>102</b>	<b>-</b>	<b>2,200</b>	<b>7,226</b>	<b>15,251</b>	<b>626,165</b>	<b>-</b>	<b>20,566</b>	<b>20,566</b>
Fund balance:										
Reserved:										
Retirement of long-term debt	-	-	-	-	-	-	-	439,805	30,505	470,310
Inventories	-	-	-	-	-	-	582	-	-	-
Unreserved and reported in:										
Special revenues funds	-	-	-	-	-	-	77,746	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,328</b>	<b>439,805</b>	<b>30,505</b>	<b>470,310</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,160</b>	<b>\$ 102</b>	<b>\$ -</b>	<b>\$ 2,200</b>	<b>\$ 7,226</b>	<b>\$ 15,251</b>	<b>\$ 704,493</b>	<b>\$ 439,805</b>	<b>\$ 51,071</b>	<b>\$ 490,876</b>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	<b>Capital Projects Funds</b>								
	Public School Capital Outlay Fund	Special Capital Outlay - State Fund	Special Capital Outlay - Federal Fund	Capital Improvements SB-9 Fund	Energy Efficiency Act Fund	Ed Technology Equipment Act Fund	Public School Capital Outlay - 20% Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>									
Pooled cash and investments	\$ (245,267)	\$ (24,703)	\$ 132,061	\$ 66,899	\$ 5,684	\$ -	\$ 115,124	\$ 49,798	\$ 517,865
Receivables:									
Delinquent property taxes	-	-	-	960	-	-	-	960	5,769
Grant	-	-	-	-	-	-	-	-	660,766
Due from other governments	-	-	-	6,205	-	-	-	6,205	36,869
Due from other funds	-	30,150	745	-	-	6,807	20,006	57,708	88,189
Food inventory	-	-	-	-	-	-	-	-	582
<b>Total assets</b>	<b>\$ (245,267)</b>	<b>\$ 5,447</b>	<b>\$ 132,806</b>	<b>\$ 74,064</b>	<b>\$ 5,684</b>	<b>\$ 6,807</b>	<b>\$ 135,130</b>	<b>\$ 114,671</b>	<b>\$ 1,310,040</b>
<b>LIABILITIES AND FUND BALANCE</b>									
<b>Liabilities:</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ 6,655	\$ -	\$ -	\$ -	\$ 6,655	\$ 31,632
Due to other funds	-	30,000	-	83,057	27,746	-	-	140,803	323,026
Deferred revenue:									
Federal, state, and local grants	-	-	-	-	-	-	-	-	439,531
<b>Total liabilities</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>89,712</b>	<b>27,746</b>	<b>-</b>	<b>-</b>	<b>147,458</b>	<b>794,189</b>
<b>Fund balance:</b>									
<b>Reserved:</b>									
Retirement of long-term debt	-	-	-	-	-	-	-	-	470,310
Inventories	-	-	-	-	-	-	-	-	582
<b>Unreserved and reported in:</b>									
Special revenues funds	-	-	-	-	-	-	-	-	77,746
Capital projects funds	(245,267)	(24,553)	132,806	(15,648)	(22,062)	6,807	135,130	(32,787)	(32,787)
<b>Total fund balance</b>	<b>(245,267)</b>	<b>(24,553)</b>	<b>132,806</b>	<b>(15,648)</b>	<b>(22,062)</b>	<b>6,807</b>	<b>135,130</b>	<b>(32,787)</b>	<b>515,851</b>
<b>Total liabilities and fund balance</b>	<b>\$ (245,267)</b>	<b>\$ 5,447</b>	<b>\$ 132,806</b>	<b>\$ 74,064</b>	<b>\$ 5,684</b>	<b>\$ 6,807</b>	<b>\$ 135,130</b>	<b>\$ 114,671</b>	<b>\$ 1,310,040</b>

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	Special Revenue Funds					
	Food Service Fund	Athletics Fund	Title I Fund	Migrant Children Education Fund	Title I Program Improvement Fund	Entitlement IDEA-B Fund
<b>Revenues:</b>						
<b>Federal sources:</b>						
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	963,979	-	-	127,878
Federal direct grants	-	-	-	-	-	-
Food and milk reimbursements	357,511	-	-	-	-	-
USDA Commodities	18,420	-	-	-	-	-
<b>Total federal revenues</b>	<u>375,931</u>	<u>-</u>	<u>963,979</u>	<u>-</u>	<u>-</u>	<u>127,878</u>
<b>State sources:</b>						
State grant	-	-	-	-	-	-
<b>Local sources:</b>						
Grant	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-
Fees and activities	33,248	37,075	-	-	-	-
Earnings from investments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total local revenues</b>	<u>33,248</u>	<u>37,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenue</b>	<u>409,179</u>	<u>37,075</u>	<u>963,979</u>	<u>-</u>	<u>-</u>	<u>127,878</u>
<b>Expenditures:</b>						
<b>Current:</b>						
Instruction	-	37,094	638,873	-	-	60,538
Support Services - Students	-	-	97,138	-	-	67,340
Support Services - Instruction	-	-	88,864	-	-	-
Support Services - General Administration	-	-	73,918	-	-	-
Support Services - School Administration	-	-	4,336	-	-	-
Central Services	-	-	36,596	-	-	-
Operations & Maintenance of Plant	-	-	20,204	-	-	-
Student Transportation	-	5,340	4,026	-	-	-
Food Services	420,275	-	-	-	-	-
Community Services	-	-	24	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Debt service:</b>						
Principal retirement	-	-	-	-	-	-
Bond interest paid	-	-	-	-	-	-
<b>Total expenditures</b>	<u>420,275</u>	<u>42,434</u>	<u>963,979</u>	<u>-</u>	<u>-</u>	<u>127,878</u>
Excess (deficiency) of revenues over expenditures	(11,096)	(5,359)	-	-	-	-
Fund balance (deficit) at beginning of the year	79,655	15,128	-	-	-	-
Fund balance (deficit) at end of the year	<u>\$ 68,559</u>	<u>\$ 9,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	Special Revenue Funds					
	Discretionary IDEA-B	Competitive IDEA-B	Preschool IDEA-B	Title VI	Title II (Math/Science)	Title IV Drug Free Schools
	Fund	Fund	Fund	Fund	Fund	Fund
<b>Revenues:</b>						
<b>Federal sources:</b>						
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	44,974	-	-	-	-	-
Federal direct grants	-	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-
	<u>44,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total federal revenues</b>	<b>44,974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>State sources:</b>						
State grant	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Local sources:</b>						
Grant	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total local revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>	<b>44,974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Instruction	10,971	-	-	-	-	-
Support Services - Students	34,003	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-	-
Support Services - School Administration	-	-	-	-	-	-
Central Services	-	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-
Food Services	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Debt service:</b>						
Principal retirement	-	-	-	-	-	-
Bond interest paid	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<b>44,974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-	-
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	Special Revenue Funds					
	Partnerships in Character Fund	Enhancing Education Fund	Class Size Reduction Act Fund	Reading Excellence Fund	Enhancing Education Through Technology Fund	Title V Fund
<b>Revenues:</b>						
Federal sources:						
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	12,001	16,003	-	-	40,326	13,851
Federal direct grants	-	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-
<b>Total federal revenues</b>	<u>12,001</u>	<u>16,003</u>	<u>-</u>	<u>-</u>	<u>40,326</u>	<u>13,851</u>
State sources:						
State grant	-	-	-	-	-	-
Local sources:						
Grant	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total local revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenue</b>	<u>12,001</u>	<u>16,003</u>	<u>-</u>	<u>-</u>	<u>40,326</u>	<u>13,851</u>
<b>Expenditures:</b>						
Current:						
Instruction	3,278	2,797	-	-	32,878	-
Support Services - Students	2,216	-	-	-	-	-
Support Services - Instruction	3,150	5,656	-	-	7,448	13,851
Support Services - General Administration	-	-	-	-	-	-
Support Services - School Administration	3,034	-	-	-	-	-
Central Services	238	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-
Food Services	85	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital outlay	-	7,550	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Bond interest paid	-	-	-	-	-	-
<b>Total expenditures</b>	<u>12,001</u>	<u>16,003</u>	<u>-</u>	<u>-</u>	<u>40,326</u>	<u>13,851</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-	-
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	Special Revenue Funds					
	Title III English Language Fund	Title II Teacher Quality Fund	Title IV Drug Free Schools Fund	21st Century Community Living Centers Fund	Rural & Low- Income Schools Fund	Title I School Improvement Fund
<b>Revenues:</b>						
Federal sources:						
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	18,244	105,749	12,774	159,440	-	17,064
Federal direct grants	-	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-
<b>Total federal revenues</b>	<u>18,244</u>	<u>105,749</u>	<u>12,774</u>	<u>159,440</u>	<u>-</u>	<u>17,064</u>
State sources:						
State grant	-	-	-	-	-	-
Local sources:						
Grant	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total local revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenue</b>	<u>18,244</u>	<u>105,749</u>	<u>12,774</u>	<u>159,440</u>	<u>-</u>	<u>17,064</u>
<b>Expenditures:</b>						
Current:						
Instruction	15,085	84,060	9,361	107,129	-	17,064
Support Services - Students	1,159	-	1,083	12,537	-	-
Support Services - Instruction	-	4,661	-	21,004	-	-
Support Services - General Administration	-	16,503	630	11,780	-	-
Support Services - School Administration	2,000	-	1,700	4,004	-	-
Central Services	-	525	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-	-
Student Transportation	-	-	-	1,749	-	-
Food Services	-	-	-	-	-	-
Community Services	-	-	-	1,237	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Bond interest paid	-	-	-	-	-	-
<b>Total expenditures</b>	<u>18,244</u>	<u>105,749</u>	<u>12,774</u>	<u>159,440</u>	<u>-</u>	<u>17,064</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-	-
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	Special Revenue Funds				
	Reading First Fund	Headstart Fund	Johnson O'Malley Fund	Impact Aid Special Education Fund	Title XIX Medicaid Fund
<b>Revenues:</b>					
<b>Federal sources:</b>					
Public Law 874	\$ -	\$ -	\$ -	\$ 30,689	\$ -
Federal flowthrough grants	153,470	-	-	-	-
Federal direct grants	-	-	15,796	-	6,096
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
<b>Total federal revenues</b>	<b>153,470</b>	<b>-</b>	<b>15,796</b>	<b>30,689</b>	<b>6,096</b>
<b>State sources:</b>					
State grant	-	-	-	-	-
<b>Local sources:</b>					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total local revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>	<b>153,470</b>	<b>-</b>	<b>15,796</b>	<b>30,689</b>	<b>6,096</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	104,116	-	587	-	497
Support Services - Students	-	-	10,527	30,689	5,173
Support Services - Instruction	39,060	-	-	-	-
Support Services - General Administration	8,773	-	-	-	-
Support Services - School Administration	1,521	-	-	-	426
Central Services	-	-	65	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services	-	-	-	-	-
Community Services	-	-	4,617	-	-
Capital outlay	-	-	-	-	-
<b>Debt service:</b>					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
<b>Total expenditures</b>	<b>153,470</b>	<b>-</b>	<b>15,796</b>	<b>30,689</b>	<b>6,096</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-
Fund balance (deficit) at end of the year	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	Special Revenue Funds				
	Child & Adult Food Program Fund	Indian Ed Formula Grant Fund	Title V Indian Health Care Improvement Fund	Workforce Investment Act Fund	Dropout Prevention Demonstration Fund
<b>Revenues:</b>					
<b>Federal sources:</b>					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	2,705	59,705	7,384	-	19
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
<b>Total federal revenues</b>	<u>2,705</u>	<u>59,705</u>	<u>7,384</u>	<u>-</u>	<u>19</u>
<b>State sources:</b>					
State grant	-	-	-	-	-
<b>Local sources:</b>					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total local revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenue</b>	<u>2,705</u>	<u>59,705</u>	<u>7,384</u>	<u>-</u>	<u>19</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	-	59,705	-	-	19
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	-	-	7,384	-	-
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services	2,705	-	-	-	-
Community Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Debt service:</b>					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
<b>Total expenditures</b>	<u>2,705</u>	<u>59,705</u>	<u>7,384</u>	<u>-</u>	<u>19</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	Special Revenue Funds					
	Literacy through School Libraries	Native American Program	LANL Foundation	Indian Health Services	Microsoft Settlement	Technology for Education
	Fund	Fund	Fund	Fund	Fund	Fund
<b>Revenues:</b>						
Federal sources:						
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-	-
Federal direct grants	34,139	115,823	-	-	-	-
Food and milk reimbursements	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-
<b>Total federal revenues</b>	<u>34,139</u>	<u>115,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
State sources:						
State grant	-	-	-	-	-	8,965
Local sources:						
Grant	-	-	3,041	-	31,520	-
District school tax levy	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total local revenues</b>	<u>-</u>	<u>-</u>	<u>3,041</u>	<u>-</u>	<u>31,520</u>	<u>-</u>
<b>Total revenue</b>	<u>34,139</u>	<u>115,823</u>	<u>3,041</u>	<u>-</u>	<u>31,520</u>	<u>8,965</u>
<b>Expenditures:</b>						
Current:						
Instruction	10,150	100,823	3,041	-	31,520	-
Support Services - Students	-	-	-	-	-	87
Support Services - Instruction	9,777	-	-	-	-	-
Support Services - General Administration	1,588	-	-	-	-	-
Support Services - School Administration	4,078	-	-	-	-	-
Central Services	-	15,000	-	-	-	8,878
Operations & Maintenance of Plant	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-
Food Services	-	-	-	-	-	-
Community Services	145	-	-	-	-	-
Capital outlay	8,401	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Bond interest paid	-	-	-	-	-	-
<b>Total expenditures</b>	<u>34,139</u>	<u>115,823</u>	<u>3,041</u>	<u>-</u>	<u>31,520</u>	<u>8,965</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-	-
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	Special Revenue Funds				
	Physical Education Classes <u>Fund</u>	Computerized Learning System <u>Fund</u>	Truancy Initiative <u>Fund</u>	Statewide Computer Language <u>Fund</u>	Libraries GO Bond <u>Fund</u>
<b>Revenues:</b>					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
Total federal revenues	-	-	-	-	-
State sources:					
State grant	54,149	70,400	-	-	11,103
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total local revenues	-	-	-	-	-
Total revenue	54,149	70,400	-	-	11,103
<b>Expenditures:</b>					
Current:					
Instruction	54,149	70,400	-	-	-
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	-	-	-	11,103
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services	-	-	-	-	-
Community Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
Total expenditures	54,149	70,400	-	-	11,103
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	Special Revenue Funds					
	NW Regional Schools Mini Grant Fund	Pre-K Initiative Fund	Indian Education Act Fund	Beginning Teacher Mentoring Fund	Breakfast for Elementary Students Fund	Communities of Academic Partnership Fund
<b>Revenues:</b>						
Federal sources:						
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-	-
Federal direct grants	-	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-
<b>Total federal revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
State sources:						
State grant	-	43,395	3,237	1,104	13,763	6,990
Local sources:						
Grant	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total local revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>	<b>-</b>	<b>43,395</b>	<b>3,237</b>	<b>1,104</b>	<b>13,763</b>	<b>6,990</b>
<b>Expenditures:</b>						
Current:						
Instruction	-	43,395	1,684	1,104	-	-
Support Services - Students	-	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-	-
Support Services - School Administration	-	-	-	-	-	-
Central Services	-	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-
Food Services	-	-	-	-	13,763	-
Community Services	-	-	1,553	-	-	-
Capital outlay	-	-	-	-	-	6,990
Debt service:						
Principal retirement	-	-	-	-	-	-
Bond interest paid	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>43,395</b>	<b>3,237</b>	<b>1,104</b>	<b>13,763</b>	<b>6,990</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-	-
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	Special Revenue Funds				
	Schools on the Rise Fund	Nutrition Grant Fund	Youth Conservation Corp Fund	AP New Mexico Incentive Funding Fund	Children's Medical Services Fund
<b>Revenues:</b>					
<b>Federal sources:</b>					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
<b>Total federal revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>State sources:</b>					
State grant	3,306	-	28,527	-	-
<b>Local sources:</b>					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total local revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>	<b>3,306</b>	<b>-</b>	<b>28,527</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	-	-	5,898	-	-
Support Services - Students	3,306	-	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	-	-	1,787	-	-
Central Services	-	-	357	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services	-	-	-	-	-
Community Services	-	-	20,485	-	-
Capital outlay	-	-	-	-	-
<b>Debt service:</b>					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
<b>Total expenditures</b>	<b>3,306</b>	<b>-</b>	<b>28,527</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	Special Revenue Funds				Total Nonmajor Special Revenue Funds
	Gear Up Fund	Career Vocational Technical Education Fund	Substance Abuse Ed Fund	City/County Grants Fund	
<b>Revenues:</b>					
<b>Federal sources:</b>					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ 30,689
Federal flowthrough grants	-	-	-	-	1,685,753
Federal direct grants	-	-	-	-	241,667
Food and milk reimbursements	-	-	-	-	357,511
USDA Commodities	-	-	-	-	18,420
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,334,040</u>
<b>Total federal revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,334,040</u>
<b>State sources:</b>					
State grant	8,430	97,025	-	-	350,394
	<u>8,430</u>	<u>97,025</u>	<u>-</u>	<u>-</u>	<u>350,394</u>
<b>Local sources:</b>					
Grant	-	-	-	-	34,561
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	70,323
Earnings from investments	-	-	-	-	-
Miscellaneous	-	-	-	1,528	1,528
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,528</u>	<u>1,528</u>
<b>Total local revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,528</u>	<u>106,412</u>
<b>Total revenue</b>	<u>8,430</u>	<u>97,025</u>	<u>-</u>	<u>1,528</u>	<u>2,790,846</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	240	-	-	-	1,506,456
Support Services - Students	8,143	-	-	1,422	274,823
Support Services - Instruction	-	-	-	-	204,574
Support Services - General Administration	-	-	-	-	113,192
Support Services - School Administration	-	-	-	-	30,270
Central Services	-	-	-	-	61,659
Operations & Maintenance of Plant	-	5,714	-	-	25,918
Student Transportation	-	-	-	106	11,221
Food Services	-	-	-	-	436,828
Community Services	47	-	-	-	28,108
Capital outlay	-	91,311	-	-	114,252
<b>Debt service:</b>					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>8,430</u>	<u>97,025</u>	<u>-</u>	<u>1,528</u>	<u>2,807,301</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,455)</u>
<b>Fund balance (deficit) at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,783</u>
<b>Fund balance (deficit) at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,328</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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

	Debt Service Funds			Capital Projects Funds		
	Debt Service Fund	Educational Technology Debt Service Fund	Total Debt Service Fund	Public School Capital Outlay Fund	Special Capital Outlay - State Fund	Special Capital Outlay - Federal Fund
<b>Revenues:</b>						
<b>Federal sources:</b>						
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,864
Federal flowthrough grants	-	-	-	-	-	-
Federal direct grants	-	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-	-
USDA Commodities	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total federal revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,864</u>
<b>State sources:</b>						
State grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,791,150</u>	<u>-</u>
<b>Local sources:</b>						
Grant	-	-	-	-	-	-
District school tax levy	395,255	12,441	407,696	-	-	-
Fees and activities	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total local revenues	<u>395,255</u>	<u>12,441</u>	<u>407,696</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>395,255</u>	<u>12,441</u>	<u>407,696</u>	<u>-</u>	<u>1,791,150</u>	<u>46,864</u>
<b>Expenditures:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	-
Support Services - Students	-	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-	-
Support Services - General Administration	1,748	115	1,863	-	-	-
Support Services - School Administration	-	-	-	-	-	-
Central Services	-	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	3,056	-
Student Transportation	-	-	-	-	-	-
Food Services	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,791,150	-
<b>Debt service:</b>						
Principal retirement	265,000	-	265,000	-	-	-
Bond interest paid	50,307	-	50,307	-	-	-
	<u>317,055</u>	<u>115</u>	<u>317,170</u>	<u>-</u>	<u>1,794,206</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	78,200	12,326	90,526	-	(3,056)	46,864
Fund balance (deficit) at beginning of the year	<u>361,605</u>	<u>18,179</u>	<u>379,784</u>	<u>(245,267)</u>	<u>(21,497)</u>	<u>85,942</u>
Fund balance (deficit) at end of the year	<u>\$ 439,805</u>	<u>\$ 30,505</u>	<u>\$ 470,310</u>	<u>\$ (245,267)</u>	<u>\$ (24,553)</u>	<u>\$ 132,806</u>

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

	<u>Capital Projects Funds</u>					
	Capital Improvements	Energy Efficiency Act	Ed Technology Equipment Act	Public School Capital Outlay - 20%	Total Nonmajor Capital Projects	Total Nonmajor Governmental
	Fund	Fund	Fund	Fund	Funds	Funds
<b>Revenues:</b>						
<b>Federal sources:</b>						
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ 46,864	\$ 77,553
Federal flowthrough grants	-	-	-	-	-	1,685,753
Federal direct grants	-	-	-	-	-	241,667
Food and milk reimbursements	-	-	-	-	-	357,511
USDA Commodities	-	-	-	-	-	18,420
<b>Total federal revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,864</u>	<u>2,380,904</u>
<b>State sources:</b>						
State grant	-	6,896	-	-	1,798,046	2,148,440
<b>Local sources:</b>						
Grant	-	-	-	-	-	34,561
District school tax levy	85,586	-	-	-	85,586	493,282
Fees and activities	-	-	-	-	-	70,323
Earnings from investments	6,247	-	-	-	6,247	6,247
Miscellaneous	-	-	-	-	-	1,528
<b>Total local revenues</b>	<u>91,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,833</u>	<u>605,941</u>
<b>Total revenue</b>	<u>91,833</u>	<u>6,896</u>	<u>-</u>	<u>-</u>	<u>1,936,743</u>	<u>5,135,285</u>
<b>Expenditures:</b>						
<b>Current:</b>						
Instruction	-	-	-	-	-	1,506,456
Support Services - Students	-	-	-	-	-	274,823
Support Services - Instruction	-	-	-	-	-	204,574
Support Services - General Administration	732	-	-	-	732	115,787
Support Services - School Administration	-	-	-	-	-	30,270
Central Services	-	-	-	17,915	17,915	79,574
Operations & Maintenance of Plant	106,163	8,169	-	-	117,388	143,306
Student Transportation	1,468	-	-	-	1,468	12,689
Food Services	-	-	-	-	-	436,828
Community Services	-	-	-	-	-	28,108
Capital outlay	97,455	-	-	-	1,888,605	2,002,857
<b>Debt service:</b>						
Principal retirement	-	-	-	-	-	265,000
Bond interest paid	-	-	-	-	-	50,307
<b>Total expenditures</b>	<u>205,818</u>	<u>8,169</u>	<u>-</u>	<u>17,915</u>	<u>2,026,108</u>	<u>5,150,579</u>
Excess (deficiency) of revenues over expenditures	(113,985)	(1,273)	-	(17,915)	(89,365)	(15,294)
Fund balance (deficit) at beginning of the year	98,337	(20,789)	6,807	153,045	56,578	531,145
Fund balance (deficit) at end of the year	<u>\$ (15,648)</u>	<u>\$ (22,062)</u>	<u>\$ 6,807</u>	<u>\$ 135,130</u>	<u>\$ (32,787)</u>	<u>\$ 515,851</u>

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## **BUDGETARY PRESENTATION**

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2007

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FOOD SERVICES

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

ATHLETICS

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

TITLE I

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

MIGRANT CHILDREN EDUCATION

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

TITLE I PROGRAM IMPROVEMENT

To develop parental involvement in the school curriculum. The program is funded by the United States government under P.L. 100-297.

ENTITLEMENT/ DISCRETIONARY/ COMPETITIVE/ PRESCHOOL IDEA-B

The Entitlement/ Discretionary/Competitive/ IDEA-B program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

TITLE 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 Las 100-297, 20 U.S.C. 2911-2952, 2971-2976

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2007

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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.

TITLE IV DRUG FREE SCHOOLS

The Drug-free Schools program was enacted to provide funding to local agencies for drug and alcohol abuse prevention, and education programs. Funding is provided by the Federal government through the New Mexico State Department of Education, under the Drug-free Schools and Communities Act of 1986, Title V, Part B; Elementary and Secondary Education Act, as amended, Public Laws 99-570, 100-297, 100-690, 101-226, and 101-647.

PARTNERSHIPS IN CHARACTER

To conduct nationally significant programs to improve the quality of education, assist all students to meet challenging State content standards, and contribute to the achievement of elementary and secondary students. Elementary and Secondary Education Act of 1965 (ESEA), Title V, Part D, as amended; ESEA, Title II, Part C, subpart 4 and the American History and Civics Education Act of 2004.

ENHANCING EDUCATION

To provide grants to State educational agencies (SEAs) on a formula basis to (a) improve student academic achievement through the use of technology in schools; (b) assist all students in becoming technologically literate by the end of eighth grade; and (c) encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods. Elementary and Secondary Education Act of 1965, as amended, Title II, Part D, Subparts 1 and 2.

CLASS SIZE REDUCTION ACT

To provide funding in order to reduce class size, particularly in the early grades, using highly qualified teachers to improve educational achievement for regular and special needs children. Authorized by the Department of Education Act of 1999, Public Law 105-227.

READING EXCELLENCE

To award grants to States and to provide children with the readiness skills and support they need in early childhood to learn to read once they enter school. Authorized by the Elementary and Secondary Education Act of 1965, Title II, Part C, as amended, Public Law 105-277.

ENHANCING EDUCATION THROUGH TECHNOLOGY

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.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2007

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TITLE III ENGLISH LANGUAGE

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

TITLE II TEACHER 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.

21ST CENTURY COMMUNITY LIVING CENTERS

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

RURAL & LOW-INCOME SCHOOLS

To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act, Title VI, Part B.

TITLE I SCHOOL IMPROVEMENT

To develop parental involvement in the school curriculum. The program is funded by the United States government under P.L. 100-297.

READING FIRST

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2007

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HEADSTART

To promote school readiness by enhancing the social and cognitive development of low-income children, including children on federally recognized reservations and children of migratory farm-workers, through the provision of comprehensive health, educational, nutritional, social and other services; and to involve parents in their children's learning and to help parents make progress toward their educational, literacy and employment goals. Head Start also emphasizes the significant involvement of parents in the administration of their local Head Start programs. The project is funded through the federal government, under the Community Opportunities, Accountability, and Training and Educational Services Act of 1998, Title I, Section 101-119,

JOHNSON O'MALLEY

The Johnson O'Malley project provides supplemental programs in special education and other special needs for New Mexico public schools where eligible Indian children are enrolled. Funding is provided by the Department of the Interior, Bureau of Indian Affairs, through the Navajo Tribe, under the Johnson O'Malley Act of April 16, 1934; as amended 25 U.S.C. 452, Public Law 93-638; 25 U.S.C. 455-457.

IMPACT AID SPECIAL EDUCATION

To provide financial assistance to local educational agencies (LEA'S) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), where there is a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3 (b); where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

TITLE XIX – MEDICAID

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

CHILD & ADULT FOOD PROGRAM

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

INDIAN ED FORMULA GRANT

The purpose of this program is to support projects which improve educational opportunities and achievement of Native American children. Funding is provided by the Federal Government, under the Elementary and Secondary Education Act of 1965, Title IX, Part A, Subpart 1, as amended, Public Law 103-382, 20 U.S.C. 7811-7818; 25 U.S.C. 2002.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2007

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TITLE V INDIAN HEALTH CARE IMPROVEMENT

To provide health-related services to Urban Indians including: (1) Alcohol and substance abuse prevention, treatment, rehabilitation, and education; (2) mental health needs assessment and services; (3) health promotion and disease prevention services; (4) immunization services. Authorization: Indian Health Care Improvement Act, Executive Order Sections 503 , Title V, Section 511, Public Law 94-437, as amended by Indian Health Care Improvement Act, Public Law 101-630, as amended by Public Health Service Act, Public Law 100-713; Indian Health Care Improvement Act, Title V, Public Law 102-572.

WORKFORCE INVOLVEMENT ACT

To increase the long-term employment of youth who live in empowerment zones, enterprise communities, and high poverty areas. Authorized through P.L. 105-220.

DROPOUT PREVENTION DEMONSTRATION

To support effective, sustainable and coordinated dropout prevention and reentry programs in high schools with annual dropout rates that exceed their state average annual dropout rate. Middle schools that have students who continue on to these high schools are also supported. Elementary and Secondary Education Act of 1965, as amended; Title I, Part H.

LITERACY THROUGH SCHOOL LIBRARIES

To provide students with increased access to up-to-date school library materials, a well-equipped technologically advanced school library media center, and well-trained, professionally certified school library media specialists to improve literacy skills and achievement of students. Elementary and Secondary Education Act of 1965, Title I, Part B, Subpart 4.

NATIVE AMERICAN PROGRAM

To support language instruction education projects for limited English proficient (LEP) children from Native American, Alaska Native, native Hawaiian, and Pacific Islander backgrounds. The program is designed to ensure that LEP children master English and meet the same rigorous standards for academic achievement that all children are expected to meet. Funds may support the study of Native American languages. Authorization: Elementary and Secondary Education Act of 1965 (ESEA), as amended, Title III, Part A, Sections 3101-3129.

LANL FOUNDATION

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

INDIAN HEALTH SERVICES

To provide teen health training for the students and community.

MICROSOFT SETTLEMENT

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

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.



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2007

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PHYSICAL EDUCATION CLASSES

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

COMPUTERIZED LEARNING SYSTEM

To acquire and provide training for a computer based learning program

TRUANCY INITIATIVE

To implement and strengthen programs and strategies for the purpose of identifying best practices for truancy prevention that are unique to New Mexico populations and cultures; establish collaborative partnerships and agreements with New Mexico's communities, including public schools, correction entities, community based organizations, youth advocates and others for the purpose of implementing effective truancy prevention programs and strategies at the local level; and establish collaborative partnerships and agreements with New Mexico's Native America tribes and pueblos for the purpose of implementing effective truancy prevention programs and strategies.

STATEWIDE COMPUTER LANGUAGE

To provide training on computers and computer software.

LIBRARIES GO BOND

Funding made available to update and expand library collections.

NW REGIONAL SCHOOLS MINI GRANT

To aid in the education process.

PRE-K INITIATIVE

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

INDIAN EDUCATION ACT

Ensure equitable and culturally relevant learning environments, educational opportunities and culturally relevant instructional materials for American Indian students enrolled in public schools; ensure maintenance of native languages; provide for the study, development and implementation of educational systems that positively affect the educational success of American Indian students;

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.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2007

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COMMUNITIES OF ACADEMIC PARTNERSHIP

To improve academic achievement of students.

SCHOOLS ON THE RISE

To provide schools with addition funds for education materials.

NUTRITION GRANT

To provide students with an afternoon snack.

YOUTH CONSERVATION CORP

To account for funds received for the purpose of employing local youth.

AP NEW MEXICO INCENTIVE FUNDING

To assist the high school in developing a computer program.

CHILDREN'S MEDICAL SERVICES

To account for purchases made by the school nurse for supplies and materials for the physical education program.

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.

CAREER VOCATIONAL TECHNICAL EDUCATION

To provide funds for the improvement of school buildings; maintenance of school buildings and grounds, training for maintenance personnel, purchase of computer software and hardware.

SUBSTANCE ABUSE ED

To provide culturally relevant and age appropriate alcohol, tobacco, and other drug prevention.

CITY/COUNTY GRANTS

To implement science based curriculum.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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, 2007

	<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:				
Food and milk reimbursements	\$ 247,100	\$ 332,321	\$ 357,511	\$ 25,190
USDA Commodities	<u>18,420</u>	<u>18,420</u>	<u>18,420</u>	<u>-</u>
Total federal revenues	265,520	350,741	375,931	25,190
Local sources:				
Fees and activities	<u>55,000</u>	<u>55,000</u>	<u>33,248</u>	<u>(21,752)</u>
Total revenues	320,520	405,741	409,179	3,438
Expenditures:				
Current:				
Food Services Operations	<u>325,875</u>	<u>411,096</u>	<u>413,648</u>	<u>(2,552)</u>
Excess (deficiency) of revenues over expenditures	(5,355)	(5,355)	(4,469)	886
Beginning cash balance budgeted	5,355	5,355	-	(5,355)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>79,655</u>	<u>79,655</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	75,186	<u>\$ 75,186</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(4,085)	
Change in payables			(4,876)	
Change in accrued liabilities			<u>2,334</u>	
			<u>\$ 68,559</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

ATHLETICS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Fees and activities	\$ 35,000	\$ 43,509	\$ 37,075	\$ (6,434)
Expenditures:				
Current:				
Instruction	41,899	50,408	37,202	13,206
Student Transportation	-	-	5,340	(5,340)
Total expenditures	<u>41,899</u>	<u>50,408</u>	<u>42,542</u>	<u>7,866</u>
Excess (deficiency) of revenues over expenditures	(6,899)	(6,899)	(5,467)	1,432
Beginning cash balance budgeted	6,899	6,899	-	(6,899)
Fund balance at beginning of the year	-	-	15,128	15,128
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	9,661	<u>\$ 9,661</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>108</u>	
			<u>\$ 9,769</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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, 2007

	<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	\$ 1,051,702	\$ 1,229,887	\$ 790,402	\$ (439,485)
Expenditures:				
Current:				
Instruction	638,670	769,415	640,937	128,478
Support Services - Students	121,284	147,320	97,138	50,182
Support Services - Instruction	56,906	56,906	88,865	(31,959)
Support Services - General Administration	76,605	84,809	73,604	11,205
Support Services - School Administration	129,076	129,076	8,218	120,858
Central Services	-	-	36,596	(36,596)
Operation & Maintenance of Plant	22,000	22,000	20,205	1,795
Student Transportation	7,161	7,161	4,026	3,135
Community Services Operations	-	13,200	24	13,176
Total expenditures	<u>1,051,702</u>	<u>1,229,887</u>	<u>969,613</u>	<u>260,274</u>
Excess (deficiency) of revenues over expenditures	-	-	(179,211)	(179,211)
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>	(179,211)	<u>\$ (179,211)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			173,578	
Change in payables			3,474	
Change in accrued liabilities			<u>2,159</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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, 2007

	<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	\$ 223,195	\$ 223,195	\$ 108,479	\$ (114,716)
Expenditures:				
Current:				
Instruction	117,872	117,272	61,392	55,880
Support Services - Students	<u>105,323</u>	<u>105,923</u>	<u>67,340</u>	<u>38,583</u>
Total expenditures	<u>223,195</u>	<u>223,195</u>	<u>128,732</u>	<u>94,463</u>
Excess (deficiency) of revenues over expenditures	-	-	(20,253)	(20,253)
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>	(20,253)	<u>\$ (20,253)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			19,399	
Change in accrued liabilities			<u>854</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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, 2007

	<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:				
Federal sources:				
Federal grant	\$ 67,435	\$ 67,435	\$ 28,341	\$ (39,094)
Expenditures:				
Current:				
Instruction	-	-	10,971	(10,971)
Support Services - Students	67,435	67,435	33,995	33,440
Total expenditures	67,435	67,435	44,966	22,469
Excess (deficiency) of revenues over expenditures	-	-	(16,625)	(16,625)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(16,625)	<u>\$ (16,625)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			14,278	
Change in accrued liabilities			(8)	
Change in deferred revenue			2,355	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

COMPETITIVE 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, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 1,652	\$ 1,652
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	1,652	1,652
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,652	<u>\$ 1,652</u>
 RECONCILIATION TO GAAP BASIS:				
Change in accrued liabilities			27	
Change in deferred revenue			<u>(1,679)</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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, 2007

	<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:				
Federal sources:				
Federal grant	\$ 8,573	\$ 8,573	\$ -	\$ (8,573)
 Expenditures:				
Current:				
Instruction	<u>8,573</u>	<u>8,573</u>	<u>-</u>	<u>8,573</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 payables			<u>-</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
PARTNERSHIPS IN CHARACTER SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ 14,035	\$ 5,183	\$ (8,852)
Expenditures:				
Current:				
Instruction	-	3,330	3,278	52
Support Services - Students	-	9,983	2,216	7,767
Support Services - Instruction	-	142	3,150	(3,008)
Support Services - School Administration	-	-	3,034	(3,034)
Central Services	-	-	238	(238)
Food Services Operations	-	580	85	495
Total expenditures	-	14,035	12,001	2,034
Excess (deficiency) of revenues over expenditures	-	-	(6,818)	(6,818)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(6,818)	\$ (6,818)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			6,818	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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, 2007

	<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	\$ -	\$ 25,839	\$ -	\$ (25,839)
Expenditures:				
Current:				
Instruction	-	11,543	2,797	8,746
Support Services - Instruction	-	14,296	5,615	8,681
Total current expenses	-	25,839	8,412	17,427
Capital outlay:				
Equipment	-	-	7,550	(7,550)
Total expenditures	-	25,839	15,962	9,877
Excess (deficiency) of revenues over expenditures	-	-	(15,962)	(15,962)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(15,962)	\$ (15,962)
RECONCILIATION TO GAAP BASIS:				
Change in payables			(41)	
Change in deferred revenue			16,003	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

ENHANCING EDUCATION THROUGH TECHNOLOGY SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ 30,000	\$ 30,000	\$ -
Expenditures:				
Current:				
Instruction	-	22,490	32,878	(10,388)
Support Services - Students	-	6,510	-	6,510
Support Services - Instruction	-	1,000	7,448	(6,448)
Total expenditures	-	30,000	40,326	(10,326)
Excess (deficiency) of revenues over expenditures	-	-	(10,326)	(10,326)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(10,326)	<u>\$ (10,326)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			10,326	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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, 2007

	<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	\$ 5,350	\$ 18,111	\$ 5,915	\$ (12,196)
 Expenditures:				
Current:				
Support Services - Instruction	<u>5,350</u>	<u>18,111</u>	<u>13,851</u>	<u>4,260</u>
Excess (deficiency) of revenues over expenditures	-	-	(7,936)	(7,936)
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>	(7,936)	<u>\$ (7,936)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>7,936</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
TITLE III ENGLISH LANGUAGE SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ 31,415	\$ 31,402	\$ 11,709	\$ (19,693)
Expenditures:				
Current:				
Instruction	24,251	22,574	15,085	7,489
Support Services - Students	1,164	2,328	1,159	1,169
Support Services - General Administration	-	500	-	500
Support Services - School Administration	<u>6,000</u>	<u>6,000</u>	<u>2,000</u>	<u>4,000</u>
Total expenditures	<u>31,415</u>	<u>31,402</u>	<u>18,244</u>	<u>13,158</u>
Excess (deficiency) of revenues over expenditures	-	-	(6,535)	(6,535)
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>	(6,535)	<u>\$ (6,535)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>6,535</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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, 2007

	<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	\$ 178,687	\$ 375,575	\$ 125,346	\$ (250,229)
Expenditures:				
Current:				
Instruction	121,000	241,155	84,060	157,095
Support Services - Students	2,000	56,884	-	56,884
Support Services - Instruction	43,919	48,114	4,662	43,452
Support Services - General Administration	9,768	27,422	16,503	10,919
Central Services	2,000	2,000	525	1,475
Total expenditures	<u>178,687</u>	<u>375,575</u>	<u>105,750</u>	<u>269,825</u>
Excess of revenues over expenditures	-	-	19,596	19,596
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>	19,596	<u>\$ 19,596</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(23,595)	
Change in payables			<u>3,999</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
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, 2007

	<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	\$ 13,630	\$ 18,058	\$ 12,581	\$ (5,477)
Expenditures:				
Current:				
Instruction	7,000	4,172	9,361	(5,189)
Support Services - Students	-	2,783	1,083	1,700
Support Services - General Administration	630	1,260	630	630
Support Services - School Administration	<u>6,000</u>	<u>9,843</u>	<u>1,700</u>	<u>8,143</u>
Total expenditures	<u>13,630</u>	<u>18,058</u>	<u>12,774</u>	<u>5,284</u>
Excess (deficiency) of revenues over expenditures	-	-	(193)	(193)
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>	(193)	<u>\$ (193)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>193</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

21ST CENTURY COMMUNITY LIVING CENTERS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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>		
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ 179,648	\$ 259,186	\$ 170,708	\$ (88,478)
<b>Expenditures:</b>				
Current:				
Instruction	92,900	123,999	106,945	17,054
Support Services - Students	-	16,919	18,231	(1,312)
Support Services - Instruction	11,186	11,186	21,004	(9,818)
Support Services - General Administration	8,815	12,718	11,780	938
Support Services - School Administration	56,572	56,572	4,004	52,568
Operation & Maintenance of Plant	2,600	2,600	-	2,600
Student Transportation	7,575	7,575	1,749	5,826
Food Services Operations	-	27,617	-	27,617
Community Services Operations	-	-	4,394	(4,394)
Total expenditures	<u>179,648</u>	<u>259,186</u>	<u>168,107</u>	<u>91,079</u>
Excess of revenues over expenditures	-	-	2,601	2,601
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>	2,601	<u>\$ 2,601</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(11,268)	
Change in payables			7,977	
Change in accrued liabilities			<u>690</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
TITLE I 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, 2007

	<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	\$ -	\$ 49,750	\$ 10,261	\$ (39,489)
Expenditures:				
Current:				
Instruction	-	19,750	17,064	2,686
Food Services Operations	-	30,000	-	30,000
Total expenditures	-	49,750	17,064	32,686
Excess (deficiency) of revenues over expenditures	-	-	(6,803)	(6,803)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(6,803)	<u>\$ (6,803)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			6,601	
Change in accrued liabilities			202	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

READING FIRST SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ 186,667	\$ 195,409	\$ 8,742
Expenditures:				
Current:				
Instruction	-	135,474	102,966	32,508
Support Services - Students	-	42,420	-	42,420
Support Services - Instruction	-	-	39,060	(39,060)
Support Services - General Administration	-	8,773	8,773	-
Support Services - School Administration	-	-	1,521	(1,521)
Total expenditures	-	186,667	152,320	34,347
Excess of revenues over expenditures	-	-	43,089	43,089
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	43,089	\$ 43,089
RECONCILIATION TO GAAP BASIS:				
Change in payables			(1,150)	
Change in accrued liabilities			26	
Change in deferred revenue			(41,965)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

JOHNSON O'MALLEY SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ 29,282	\$ 26,172	\$ (3,110)
Expenditures:				
Current:				
Instruction	-	8,382	6,652	1,730
Support Services - Students	-	14,000	10,526	3,474
Central Services	-	-	65	(65)
Community Services Operations	-	6,900	4,617	2,283
	-	29,282	21,860	7,422
Excess of revenues over expenditures	-	-	4,312	4,312
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	4,312	<u>\$ 4,312</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			6,064	
Change in accrued liabilities			45	
Change in deferred revenue			<u>(10,421)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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:				
Public Law 874	\$ -	\$ 33,327	\$ 33,327	\$ -
 Expenditures:				
Current:				
Support Services - Students	<u>-</u>	<u>33,327</u>	<u>30,689</u>	<u>2,638</u>
Excess of revenues over expenditures	-	-	2,638	2,638
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>	2,638	<u>\$ 2,638</u>
 RECONCILIATION TO GAAP BASIS:				
Change in accrued liabilities			601	
Change in deferred revenue			<u>(3,239)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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, 2007

	<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	\$ -	\$ 33,760	\$ 41,031	\$ 7,271
Expenditures:				
Current:				
Instruction	-	16,760	-	16,760
Support Services - Students	-	17,000	5,173	11,827
Support Services - School Administration	-	-	427	(427)
	-	33,760	5,600	28,160
Excess of revenues over expenditures	-	-	35,431	35,431
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	35,431	<u>\$ 35,431</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			(497)	
Change in deferred revenue			<u>(34,934)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
CHILD & ADULT FOOD PROGRAM SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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:				
Federal sources:				
Federal direct grant	\$ -	\$ -	\$ 6,344	\$ 6,344
 Expenditures:				
Current:				
Food Services Operations	-	-	2,705	(2,705)
Excess of revenues over expenditures	-	-	3,639	3,639
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,639	<u>\$ 3,639</u>
 RECONCILIATION TO GAAP BASIS:				
Change in accrued liabilities			24	
Change in deferred revenue			<u>(3,663)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
INDIAN ED FORMULA GRANT SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ 98,080	\$ 74,459	\$ (23,621)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>98,080</u>	<u>59,605</u>	<u>38,475</u>
Excess of revenues over expenditures	-	-	14,854	14,854
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>	14,854	<u>\$ 14,854</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			(100)	
Change in accrued liabilities			6	
Change in deferred revenue			<u>(14,760)</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

TITLE V INDIAN HEALTH CARE IMPROVEMENT SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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 direct grant	\$ -	\$ 29,900	\$ 29,900	\$ -
Expenditures:				
Current:				
Instruction	-	5,900	-	5,900
Support Services - Students	-	22,000	-	22,000
Support Services - School Administration	-	-	7,384	(7,384)
Food Services Operations	-	2,000	-	2,000
Total expenditures	-	29,900	7,384	22,516
Excess of revenues over expenditures	-	-	22,516	22,516
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	22,516	<u>\$ 22,516</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(22,516)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

DROPOUT PREVENTION DEMONSTRATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	19	(19)
Excess (deficiency) of revenues over expenditures	-	-	(19)	(19)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(19)	<u>\$ (19)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(235)	
Change in accrued liabilities			<u>254</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

LITERACY THROUGH SCHOOL LIBRARIES SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ 35,843	\$ 35,842	\$ (1)
Expenditures:				
Current:				
Instruction	-	452	10,150	(9,698)
Support Services - Instruction	-	15,277	9,777	5,500
Support Services - General Administration	-	3,789	1,588	2,201
Support Services - School Administration	-	3,780	4,078	(298)
Community Services Operations	-	145	145	-
Total current expenses	-	23,443	25,738	(2,295)
Capital outlay:				
Equipment	-	12,400	8,401	3,999
Total expenditures	-	35,843	34,139	1,704
Excess of revenues over expenditures	-	-	1,703	1,703
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,703	<u>\$ 1,703</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(1,703)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
NATIVE AMERICAN PROGRAM SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ 175,000	\$ 116,648	\$ (58,352)
Expenditures:				
Current:				
Instruction	-	126,431	100,724	25,707
Support Services - Students	-	3,992	-	3,992
Support Services - Instruction	-	16,005	-	16,005
Support Services - General Administration	-	12,587	-	12,587
Central Services	-	15,985	15,000	985
Total expenditures	-	175,000	115,724	59,276
Excess of revenues over expenditures	-	-	924	924
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	924	\$ 924
RECONCILIATION TO GAAP BASIS:				
Change in payables			(99)	
Change in accrued liabilities			40	
Change in deferred revenue			(865)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

LANL FOUNDATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ 3,914	\$ 2,118	\$ (1,796)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>3,914</u>	<u>3,041</u>	<u>873</u>
Excess (deficiency) of revenues over expenditures	-	-	(923)	(923)
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>	(923)	<u>\$ (923)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>923</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
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, 2007

	<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	\$ -	\$ 31,740	\$ -	\$ (31,740)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>31,740</u>	<u>31,207</u>	<u>533</u>
Excess (deficiency) of revenues over expenditures	-	-	(31,207)	(31,207)
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>	(31,207)	<u>\$ (31,207)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			31,520	
Change in payables			<u>(313)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
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, 2007

	<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	\$ -	\$ 9,976	\$ 8,878	\$ (1,098)
Expenditures:				
Current:				
Support Services - Students	-	9,976	87	9,889
Central Services	-	-	8,878	(8,878)
Total expenditures	-	9,976	8,965	1,011
Excess (deficiency) of revenues over expenditures	-	-	(87)	(87)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(87)	<u>\$ (87)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			87	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
PHYSICAL EDUCATION CLASSES SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ 73,932	\$ 49,064	\$ (24,868)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>73,932</u>	<u>54,149</u>	<u>19,783</u>
Excess (deficiency) of revenues over expenditures	-	-	(5,085)	(5,085)
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>	(5,085)	<u>\$ (5,085)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in receivables			(160)	
Change in grant receivable			<u>5,245</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
COMPUTERIZED LEARNING SYSTEM SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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:				
State sources:				
State grant	\$ -	\$ 70,400	\$ 70,400	\$ -
 Expenditures:				
Current:				
Instruction	-	70,400	70,400	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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, 2007

	<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	\$ -	\$ 13,763	\$ -	\$ (13,763)
 Expenditures:				
Current:				
Support Services - Instruction	<u>-</u>	<u>13,763</u>	<u>10,429</u>	<u>3,334</u>
Excess (deficiency) of revenues over expenditures	-	-	(10,429)	(10,429)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(10,429)	<u>\$ (10,429)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			11,103	
Change in payables			<u>(674)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

PRE-K INITIATIVE SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ 66,146	\$ 35,629	\$ (30,517)
Expenditures:				
Current:				
Instruction	-	60,180	43,200	16,980
Support Services - Students	-	2,500	-	2,500
Support Services - General Administration	-	3,466	-	3,466
Total expenditures	-	66,146	43,200	22,946
Excess (deficiency) of revenues over expenditures	-	-	(7,571)	(7,571)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(7,571)	<u>\$ (7,571)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			7,766	
Change in payables			<u>(195)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

INDIAN EDUCATION ACT SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive <u>(Negative)</u>
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 29,880	\$ 29,880
Expenditures:				
Current:				
Instruction	-	-	1,684	(1,684)
Community Services Operations	-	-	1,553	(1,553)
Total expenditures	-	-	3,237	(3,237)
Excess of revenues over expenditures	-	-	26,643	26,643
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	26,643	\$ 26,643
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(26,643)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
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, 2007

	<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:				
State sources:				
State grant	\$ 1,104	\$ 1,104	\$ 1,104	\$ -
 Expenditures:				
Current:				
Instruction	<u>1,104</u>	<u>1,104</u>	<u>1,104</u>	<u>-</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>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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, 2007

	<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:				
State sources:				
State grant	\$ 13,763	\$ 13,763	\$ 13,763	\$ -
 Expenditures:				
Current:				
Food Services Operations	<u>13,763</u>	<u>13,763</u>	<u>13,763</u>	<u>-</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 payables			<u>-</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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, 2007

	<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	\$ -	\$ 7,000	\$ -	\$ (7,000)
 Expenditures:				
Capital outlay:				
Buildings and improvements	<u>-</u>	<u>7,000</u>	<u>6,990</u>	<u>10</u>
Excess (deficiency) of revenues over expenditures	-	-	(6,990)	(6,990)
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>	(6,990)	<u>\$ (6,990)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>6,990</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

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, 2007

	<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	\$ -	\$ 4,455	\$ -	\$ (4,455)
Expenditures:				
Current:				
Instruction	-	1,738	-	1,738
Support Services - Students	-	2,717	3,306	(589)
Total expenditures	-	4,455	3,306	1,149
Excess (deficiency) of revenues over expenditures	-	-	(3,306)	(3,306)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(3,306)	<u>\$ (3,306)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			3,306	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
YOUTH CONSERVATION CORP SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ 47,328	\$ 33,308	\$ (14,020)
Expenditures:				
Current:				
Instruction	-	6,000	5,898	102
Support Services - Students	-	2,615	-	2,615
Support Services - School Administration	-	-	1,787	(1,787)
Central Services	-	-	357	(357)
Community Services Operations	-	38,713	20,485	18,228
Total expenditures	-	47,328	28,527	18,801
Excess of revenues over expenditures	-	-	4,781	4,781
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	4,781	\$ 4,781
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(4,781)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

GEAR UP SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ 22,550	\$ -	\$ (22,550)
Expenditures:				
Current:				
Instruction	-	4,760	240	4,520
Support Services - Students	-	17,740	8,143	9,597
Community Services Operations	-	50	47	3
Total expenditures	-	22,550	8,430	14,120
Excess (deficiency) of revenues over expenditures	-	-	(8,430)	(8,430)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(8,430)	\$ (8,430)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			8,430	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

CAREER VOCATIONAL TECHNICAL EDUCATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ 109,756	\$ -	\$ (109,756)
Expenditures:				
Current:				
Operation & Maintenance of Plant	-	14,500	5,714	8,786
Capital outlay:				
Equipment	-	95,256	91,311	3,945
Total expenditures	-	109,756	97,025	12,731
Excess (deficiency) of revenues over expenditures	-	-	(97,025)	(97,025)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(97,025)	<u>\$ (97,025)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>97,025</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

CITY/COUNTY GRANTS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Miscellaneous	\$ -	\$ 50,000	\$ 50,000	\$ -
Expenditures:				
Current:				
Instruction	-	800	-	800
Support Services - Students	-	18,142	1,422	16,720
Student Transportation	-	1,058	106	952
Total current expenses	-	20,000	1,528	18,472
Capital outlay:				
Land and improvements	-	30,000	-	30,000
Total expenditures	-	50,000	1,528	48,472
Excess of revenues over expenditures	-	-	48,472	48,472
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	48,472	<u>\$ 48,472</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(32,943)	
Change in accrued liabilities			(278)	
Change in deferred revenue			<u>(15,251)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

CAPITAL PROJECTS FUNDS  
Year Ended June 30, 2007

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BOND BUILDING FUND

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

PUBLIC SCHOOL CAPITAL OUTLAY

This fund provides financing from Public Schools Critical Capital Outlay committee under chapter and laws of the New Mexico Lottery Receipts Act.

SPECIAL CAPITAL OUTLAY - STATE

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

SPECIAL CAPITAL OUTLAY - FEDERAL

To maintain school facilities owned by the Department of Education and operated by Board of Education agencies and transfer these facilities to local agencies where appropriate. These funds are authorized by the Elementary and Secondary Education Act of 1965, Title VIII, Section 8008 as amended.

CAPITAL IMPROVEMENTS SB – 9

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

ENERGY EFFICIENCY ACT

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

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  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

BOND BUILDING CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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:				
Earnings from investments	\$ -	\$ -	\$ 79,209	\$ 79,209
Expenditures:				
Current:				
Operation & Maintenance of Plant	<u>124,483</u>	<u>419,483</u>	<u>102,133</u>	<u>317,350</u>
Capital outlay:				
Buildings and improvements	-	-	218,608	(218,608)
Equipment	-	1,939,315	49,121	1,890,194
Construction in progress	<u>574,471</u>	<u>208,471</u>	<u>-</u>	<u>208,471</u>
Total capital outlay	<u>574,471</u>	<u>2,147,786</u>	<u>267,729</u>	<u>1,880,057</u>
Total expenditures	<u>698,954</u>	<u>2,567,269</u>	<u>369,862</u>	<u>2,197,407</u>
Excess (deficiency) of revenues over expenditures	(698,954)	(2,567,269)	(290,653)	2,276,616
Other financing sources:				
Sale of bonds	<u>698,954</u>	<u>2,567,269</u>	<u>725,000</u>	<u>(1,842,269)</u>
Net change in fund balance	-	-	434,347	434,347
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,187,295</u>	<u>1,187,295</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,621,642	<u>\$ 1,621,642</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			(475)	
Change in payables			<u>88,186</u>	
			<u>\$ 1,709,353</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ 28,194	\$ 1,802,807	\$ 1,791,150	\$ (11,657)
Expenditures:				
Current:				
Operation & Maintenance of Plant	-	3,154	3,056	98
Capital outlay:				
Land and improvements	28,194	8,503	-	8,503
Construction in progress	-	1,791,150	1,791,150	-
Total capital outlay	<u>28,194</u>	<u>1,799,653</u>	<u>1,791,150</u>	<u>8,503</u>
Total expenditures	<u>28,194</u>	<u>1,802,807</u>	<u>1,794,206</u>	<u>8,601</u>
Excess (deficiency) of revenues over expenditures	-	-	(3,056)	(3,056)
Fund balance (deficit) at beginning of the year	-	-	(21,497)	(21,497)
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(24,553)	<u>\$ (24,553)</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ (24,553)</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SPECIAL CAPITAL OUTLAY - FEDERAL CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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:				
Public Law 874	\$ 94,005	\$ 213,253	\$ 46,864	\$ (166,389)
Expenditures:				
Capital outlay:				
Land and improvements	20,000	94,005	-	94,005
Construction in progress	74,005	119,248	-	119,248
Total expenditures	<u>94,005</u>	<u>213,253</u>	-	<u>213,253</u>
Excess of revenues over expenditures	-	-	46,864	46,864
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	85,942	<u>85,942</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	132,806	<u>\$ 132,806</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 132,806</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
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, 2007

	<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	\$ 106,817	\$ 170,703	\$ 85,808	\$ (84,895)
Earnings from investments	<u>          -</u>	<u>          -</u>	<u>      6,247</u>	<u>      6,247</u>
Total revenues	<u>106,817</u>	<u>170,703</u>	<u>92,055</u>	<u>(78,648)</u>
Expenditures:				
Current:				
Support Services - General Administration	456	6,956	732	6,224
Operation & Maintenance of Plant	207,072	172,458	99,508	72,950
Student Transportation	<u>          -</u>	<u>          -</u>	<u>      1,468</u>	<u>    (1,468)</u>
Total current expenses	<u>207,528</u>	<u>179,414</u>	<u>101,708</u>	<u>77,706</u>
Capital outlay:				
Land and improvements	30,000	30,000	-	30,000
Equipment	22,000	114,000	97,455	16,545
Construction in progress	<u>20,010</u>	<u>20,010</u>	<u>          -</u>	<u>20,010</u>
Total capital outlay	<u>72,010</u>	<u>164,010</u>	<u>97,455</u>	<u>66,555</u>
Total expenditures	<u>279,538</u>	<u>343,424</u>	<u>199,163</u>	<u>144,261</u>
Excess (deficiency) of revenues over expenditures	(172,721)	(172,721)	(107,108)	65,613
Beginning cash balance budgeted	172,721	172,721	-	(172,721)
Fund balance at beginning of the year	<u>          -</u>	<u>          -</u>	<u>98,337</u>	<u>98,337</u>
Fund balance at end of the year	<u>\$          -</u>	<u>\$          -</u>	<u>(8,771)</u>	<u>\$ (8,771)</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			960	
Change in due from other governments			(5,502)	
Change in payables			(6,655)	
Change in deferred property taxes			<u>4,320</u>	
			<u>\$ (15,648)</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

ENERGY EFFICIENCY ACT CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ 20,919	\$ 13,944	\$ 6,896	\$ (7,048)
Expenditures:				
Current:				
Operation & Maintenance of Plant	13,932	9,057	8,169	888
Capital outlay:				
Construction in progress	6,987	4,887	-	4,887
Total expenditures	20,919	13,944	8,169	5,775
Excess (deficiency) of revenues over expenditures	-	-	(1,273)	(1,273)
Fund balance (deficit) at beginning of the year	-	-	(20,789)	(20,789)
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(22,062)	<u>\$ (22,062)</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ (22,062)</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

PUBLIC SCHOOL CAPITAL OUTLAY - 20% CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ -	\$ 9,114	\$ -	\$ (9,114)
Expenditures:				
Current:				
Central Services	123,637	117,751	17,627	100,124
Capital outlay:				
Equipment	-	15,000	-	15,000
Total expenditures	<u>123,637</u>	<u>132,751</u>	<u>17,627</u>	<u>115,124</u>
Excess (deficiency) of revenues over expenditures	(123,637)	(123,637)	(17,627)	106,010
Beginning cash balance budgeted	123,637	123,637	-	(123,637)
Fund balance at beginning of the year	-	-	<u>153,045</u>	<u>153,045</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	135,418	<u>\$ 135,418</u>
RECONCILIATION TO GAAP BASIS:				
Change in due from other governments			(383)	
Change in deferred property taxes			<u>95</u>	
			<u>\$ 135,130</u>	

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STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

DEBT SERVICE FUNDS  
Year Ended June 30, 2007

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DEBT SERVICE FUND

To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

EDUCATIONAL TECHNOLOGY DEBT SERVICE FUND

To account for the accumulation of resources for, and the payment of, Education Technology Bond principal, interest, and related costs.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

DEBT SERVICE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ 692,684	\$ 699,034	\$ 389,168	\$ (309,866)
Expenditures:				
Current:				
Support Services - General Administration	2,976	5,976	3,535	2,441
Debt service:				
Principal retirement	310,000	310,000	265,000	45,000
Bond interest paid	85,129	88,479	50,307	38,172
Reserves	294,579	294,579	-	294,579
Total debt service	<u>689,708</u>	<u>693,058</u>	<u>315,307</u>	<u>377,751</u>
Total expenditures	<u>692,684</u>	<u>699,034</u>	<u>318,842</u>	<u>380,192</u>
Excess of revenues over expenditures	-	-	70,326	70,326
Fund balance at beginning of the year	-	-	361,605	361,605
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	431,931	<u>\$ 431,931</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			4,553	
Change in due from other governments			(13,719)	
Change in accrued liabilities			1,786	
Change in deferred property taxes			<u>15,254</u>	
			<u>\$ 439,805</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

EDUCATIONAL TECHNOLOGY DEBT SERVICE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2007

	<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	\$ 10,256	\$ 10,256	\$ 21,278	\$ 11,022
Expenditures:				
Current:				
Support Services - General Administration	100	100	115	(15)
Debt service:				
Reserves	<u>10,156</u>	<u>10,156</u>	<u>-</u>	<u>10,156</u>
Total expenditures	<u>10,256</u>	<u>10,256</u>	<u>115</u>	<u>10,141</u>
Excess of revenues over expenditures	-	-	21,163	21,163
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>18,179</u>	<u>18,179</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	39,342	<u>\$ 39,342</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			256	
Change in due from other governments			(12,534)	
Change in deferred property taxes			<u>3,441</u>	
			<u>\$ 30,505</u>	

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**OTHER SUPPLEMENTAL INFORMATION**

**STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20**

**SCHEDULE OF CAPITAL ASSETS - BY SOURCE**

June 30, 2007

Capital assets:

Land and improvements	\$ 424,240
Buildings and improvements	12,962,263
Equipment (software)	4,917,933
Construction in progress	<u>1,781,150</u>
 Total Capital assets	 <u><u>\$ 20,085,586</u></u>

Investment in Capital assets from:

General Fund	\$ 2,571,373
Special revenue funds:	
Federal Projects	604,179
State Projects	920,733
Cafeteria	2,850
Athletics	10,284
Capital projects funds:	
Bond Building Fund	8,524,542
Public School Outlay	5,498,729
SB-9 Capital Improvements	379,063
Capital Outlay 20%	80,829
Energy Efficiency	34,683
Not allocated as to source	<u>1,458,321</u>
 Total investment in Capital assets	 <u><u>\$ 20,085,586</u></u>

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

FIDUCIARY FUNDS  
Schedule of Changes in Assets and Liabilities - All Agency Funds  
Year Ended June 30, 2007

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2006</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2007</u>
901	HS Arts & Crafts	\$ 393	\$ 1	\$ -	\$ 394
902	CAP Activity	748	50	-	798
904	HS Honor Society	379	1,265	539	1,105
905	Cheerleaders	1,262	450	685	1,027
906	Truancy Court	1,515	-	1,395	120
907	Ala Cart Sales	1,129	-	1	1,128
908	Adult Vocational Ed	51	-	-	51
909	AutoCAD	65	500	60	505
910	Dine Education	-	226	-	226
911	Class of 2008	308	4,204	3,203	1,309
912	HS General	(242)	6,669	5,368	1,059
914	Boys Basketball	210	-	-	210
915	HS Library	497	247	-	744
916	Girls Basketball	275	-	-	275
917	HS Indian Club	880	1,499	650	1,729
920	HS Science	280	1	105	176
922	Swimming Pool	9,799	5,032	1,804	13,027
923	HS Student Council	1,287	1,187	1,476	998
924	HS Woodwork	1,793	-	-	1,793
925	HS Yearbook	2,048	5,214	4,587	2,675
926	HS Welding	1,096	686	-	1,782
927	Talent Show	513	-	-	513
928	MS General	4,022	4,039	3,872	4,189
929	Administration	2,456	5,175	5,890	1,741
931	MS Library	579	-	-	579
934	MS Student Council	172	-	-	172
935	8th Grade Boys Basketball	513	197	-	710
936	Elementary Fund	2,838	4,121	3,043	3,916
938	Elementary PTSO	951	-	-	951
940	Track	39	310	619	(270)
941	HS Special Ed	1,612	-	-	1,612
942	HS Candy Machine	457	-	-	457
945	Character Counts	-	946	1,101	(155)
947	HS Football	-	3,246	-	3,246
948	MS 8th Grade Girls Basketball	160	-	-	160
949	Administration	\$ 1,513	1,353	\$ 240	\$ 2,626

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

FIDUCIARY FUNDS  
Schedule of Changes in Assets and Liabilities - All Agency Funds  
Year Ended June 30, 2007

Activity		Balance				Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2006</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2007</u>
951	School Board Scholarship	\$ 866	\$ 2,391	\$ 626		\$ 2,631
952	Class of 2009	380	5	-		385
955	HS Secretary	12	-	-		12
958	Fun Fund	15	-	-		15
959	HS Concession	9,806	9,987	15,865		3,928
961	Class of 2006	2,905	-	981		1,924
965	Class of 2007	4,173	200	2,583		1,790
976	Elementary Yearbook	325	430	319		436
980	Summer School	1,380	-	-		1,380
985	Headstart	494	(1)	151		342
987	HS Baseball	17	-	-		17
988	Red Ribbon	610	-	706		(96)
990	Lost Books	530	-	-		530
991	Class of 2004	254	-	-		254
992	Navajo Language	198	-	-		198
993	Elementary Liabrary	367	119	455		31
994	HS Travel Academy	3,070	-	-		3,070
998	MS Volleyball	187	-	-		187
		<u>65,187</u>	<u>59,749</u>	<u>56,324</u>		<u>68,612</u>
	Pooled cash and investments	\$ 65,187	\$ 59,749	\$ 56,324		\$ 68,612
	<u>LIABILITIES</u>					
	Deposits held for others	\$ 65,187	\$ 59,749	\$ 56,324		\$ 68,612

**STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20**

**SCHEDULE OF PLEDGED COLLATERAL  
June 30, 2007**

	<u>Wells Fargo Bank</u>	<u>Wells Fargo Bank Repo Accounts</u>	<u>Total</u>
Cash on deposit at June 30, 2007	\$ 1,138,799	\$ 3,274,956	\$ 4,413,755
Less FDIC coverage	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Uninsured funds	<u>\$ 1,038,799</u>	<u>\$ 3,274,956</u>	<u>\$ 4,313,755</u>
50% collateral requirement	\$ 519,400	\$ -	\$ 519,400
102% collateral requirement (Repo Account)	<u>-</u>	<u>3,340,455</u>	<u>3,340,455</u>
Amount requiring pledged collateral	519,400	3,340,455	3,859,855
Pledged collateral	<u>555,608</u>	<u>3,355,882</u>	<u>3,911,490</u>
Excess (deficiency) of pledged collateral	<u>\$ 36,208</u>	<u>\$ 15,427</u>	<u>\$ 51,635</u>

Pledged collateral of financial institutions consists of the following at June 30, 2007

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
Wells Fargo Bank:			
FNCL	7/1/2036	31371MVU8	\$ 206,185
FNCL	7/1/2036	31409YNR4	<u>349,423</u>
			<u>\$ 555,608</u>

The above securities are held in Wells Fargo Bank at Minneapolis, Minnesota.

Wells Fargo Bank (Repo):			
FNCL	12/1/2035	31408JBQ3	\$ 1,084,577
FNCL	5/1/2036	31409U4H5	217,567
FNCL	2/1/2036	31408H3K9	<u>2,053,738</u>
			<u>\$ 3,355,882</u>

The above securities are held in Wells Fargo Bank at Minneapolis, Minnesota.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

CASH RECONCILIATION  
June 30, 2007

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 1,083,030	\$ 5,876,460	\$ (6,243,921)	\$ -	\$ 715,569	\$ -	\$ 715,569
Teacherage	32,913	14,140	(8,180)	(268)	38,605	-	38,605
Transportation	118,569	659,872	(636,608)	-	141,833	-	141,833
Instructional Materials	46,988	59,961	(52,105)	-	54,844	-	54,844
Food Services	90,576	390,759	(395,228)	-	86,107	-	86,107
Athletics	15,408	37,075	(42,542)	-	9,941	-	9,941
Federal Flowthrough Funds	75,540	1,495,985	(1,699,708)	-	(128,183)	-	(128,183)
Federal Direct Funds	543,926	534,336	(595,708)	11,192	493,746	-	493,746
Local Grants	5,727	2,118	(34,246)	-	(26,401)	-	(26,401)
State Flowthrough Funds	(37,476)	208,718	(215,544)	-	(44,302)	-	(44,302)
State Direct Funds	(14,759)	33,309	(133,982)	-	(115,432)	-	(115,432)
Local/State	134,285	335,000	(214,499)	-	254,786	-	254,786
Bond Building	1,392,269	803,734	(369,862)	-	1,826,141	-	1,826,141
Public School Capital Outlay	(245,267)	-	-	-	(245,267)	-	(245,267)
Special Capital Outlay - State	8,503	-	(33,206)	-	(24,703)	-	(24,703)
Special Capital Outlay - Federal	96,389	46,864	-	(11,192)	132,061	-	132,061
Capital Improvements SB-9	174,007	92,056	(199,164)	-	66,899	-	66,899
Energy Efficiency Act	6,957	6,896	(8,169)	-	5,684	-	5,684
Public School Capital Outlay - 20%	132,751	-	(15,106)	(2,521)	115,124	-	115,124
Debt Service	303,905	389,168	(318,842)	-	374,231	-	374,231
Educational Technology Debt Service	29,528	21,278	(115)	-	50,691	-	50,691
Agency Funds	-	-	-	-	-	68,612	68,612
<b>Total</b>	<b>\$ 3,993,769</b>	<b>\$ 11,007,729</b>	<b>\$ (11,216,735)</b>	<b>\$ (2,789)</b>	<b>\$ 3,781,974</b>	<b>\$ 68,612</b>	<b>\$ 3,850,586</b>

Account Name	Account Type	Bank Name	Bank Amount	Adjustments to report:	
				Agency funds	\$ 68,612
Operational	Checking	Citizens Bank	\$ 1,058,648		
Debt service	Checking	Wells Fargo	81,791	Adjustments to cash:	
Federal funds	Checking	Citizens Bank	285,643	Bank Balance	\$ 4,413,755
Student nutrition	Checking	Wells Fargo	2,216,308	Outstanding Checks	(563,169)
Activities	Checking	Citizens Bank	68,787	Total adjustment to cash	\$ 3,850,586
Payable clearing	Checking	Wells Fargo	271,425		
Payroll clearing	Checking	Citizens Bank	431,153		
<b>Total</b>			<b>\$ 4,413,755</b>		

**SINGLE AUDIT SECTION**

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

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## 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 of  
Cuba Independent School District No. 20

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of Cuba Independent School District No. 20, as of and for the year ended June 30, 2007, and have issued our report thereon dated September 14, 2009. 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 Cuba Independent School District No. 20's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cuba Independent School District No. 20's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Cuba Independent School District No. 20'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 Cuba Independent School District No. 20's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. Findings 2007 – 1 through 2007 – 9.

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

# KEYSTONE ACCOUNTING, LLC

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Hector H. Balderas, State Auditor  
And the Board of Education of  
Cuba Independent School District No. 20

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 2007 – 1, 2007 – 4, 2007 – 6, and 2007 – 9 to be material weaknesses.

#### Compliance and other matters

As part of obtaining reasonable assurance about whether Cuba Independent School District No. 20'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 2007 – 1 through 2007 – 5 and 2007 – 7 through 2007 – 9.

Cuba Independent School District No. 20's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Cuba Independent School District No. 20's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the Cuba Independent School District No. 20, 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.



September 14, 2009

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

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

Hector H. Balderas, State Auditor  
And the Board of Education of  
Cuba Independent School District No. 20

### Compliance

We have audited the compliance of Cuba Independent School District No. 20 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* (Revised May, 2007) that are applicable to each of its major federal programs for the year ended June 30, 2007. Cuba Independent School's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of finding and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Cuba Independent School's management. Our responsibility is to express an opinion on Cuba Independent School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cuba Independent School District No. 20's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Cuba Independent School District No. 20's compliance with those requirements. As described in items 2007 – 10C and 2007 – 11C in the accompanying schedule of findings and questioned costs, Cuba Independent School District No. 20 did not comply with requirements regarding Allowed Costs and Reporting that are applicable to its Title I Basic Education CFDA #84.010, P.L. 81-874 Special/Indian Education CFDA #84.041 and USDA Child Nutrition Cluster CFDA #10.553 and 10.555. Compliance with such requirements is necessary, in our opinion, for Cuba Independent School District No. 20 to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Cuba Independent School District No. 20 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

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Hector H. Balderas, State Auditor  
And the Board of Education of  
Cuba Independent School District No. 20

## Internal Control Over Compliance

The management of Cuba Independent School District No. 20 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Cuba Independent School District No. 20's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cuba Independent School District No. 20's internal control over compliance.

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2007 – 11C to be a significant deficiency.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider item 2007 – 11C to be a material weakness.

Cuba Independent School District No. 20's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Cuba Independent School District No. 20's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the Cuba Independent School District No. 20, 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*  
September 14, 2009



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2007

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A. PRIOR YEAR AUDIT FINDINGS

2006 – A LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

Current Status: Not resolved. Repeated in the current year as finding 2007 – 4.

2006 – B ACTIVITY FUND HAS A DEFICIT CASH BALANCE

Current Status: Not resolved. Repeated in the current year as finding 2007 – 3.

2006 – C DELINQUENT AUDIT REPORT

Current Status: Not resolved. Repeated in the current year as finding 2007 – 2.

2006 – D UNTIMELY CAPITAL ASSET SCHEDULE

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

2006 – E BUDGETS CREATE A NEGATIVE FUND BALANCE

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

2006 – F CASH ACCOUNTS ARE NOT PROPERLY RECONCILED

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

2006 – G FEDERAL TAX DEPOSITS

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

2006 – H ACTIVITY CASH PROCEDURES

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

2006 – I OVERTIME PAY MISCALCULATED

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

2006 – J PROCEDURE CODE VIOLATION

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

2006 – K UNALLOWABLE COSTS

Current Status: Not resolved. Repeated in the current year as finding 2007 – 9 and 2007 – 11C.

2006 – L CAPITAL ASSETS

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007

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A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Cuba Independent School District No. 20.
2. There were nine significant deficiencies disclosed during the audit of the financial statements in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. Four of the significant deficiencies were reported as material weaknesses.
3. There were four instances of noncompliance material to the financial statements of Cuba Independent School District No. 20 were disclosed during the audit.
4. There were two significant deficiencies disclosed during the audit of the major federal awards program in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133. One of the significant deficiencies was reported as a material weakness.
5. The auditors' report on compliance for the major federal award programs for Cuba Independent School District No. 20 expresses a qualified opinion.
6. There were two audit findings relative to the major federal award programs for Cuba Independent School District No. 20 that is required to be reported in accordance with OMB Circular A-133.510(a).
7. The programs treated as major programs include: Title I Basic Education CFDA 84.010, P.L. 81-874 Special/Indian Education CFDA 84.041, and USDA Child Nutrition Cluster CFDA 10.553 and 10.555.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Cuba Independent School District No. 20 was determined to be a high-risk auditee.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2007 – 1 PREPARATION OF FINANCIAL STATEMENTS

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

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

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

*Management's Response:* Resolved by the Business Office developing a plan and a system of controls that enable the Business Office to review the accuracy and completeness of the financial statements.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2007 – 2 LATE AUDIT REPORT  
(Repeat of Prior Year Finding 2006-C)

*Condition:* The June 30, 2007 audit report was not submitted to the New Mexico State Auditor's Office by the due date of November 15, 2007. The Audit was submitted to the New Mexico State Auditor's Office on September 29, 2009.

*Criteria:* The New Mexico State Auditor has issued NMAC 2.2.2, Requirements for Contracting and Conducting Audits of Agencies, setting due dates for school audits to be in his office by November 15, 2007.

*Effect of condition:* The report was not available for the New Mexico Department of Education and other state agencies to review on a timely basis.

*Cause:* The District did not contract for audit services for the year ended June 30, 2007 until after the required reporting deadline of November 15, 2007.

*Recommendation:* We recommend that all information be made available to the auditor on a timely basis.

*Response:* Resolved by the Business Office forwarding all information available to the auditor on a timely basis.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2007 – 3 DEFICIT CASH BALANCES IN THE ACITIVTY FUNDS  
(Repeat of Prior Year Finding 2006-B)

*Condition:* There were cash deficit balances within the agency funds at the end of the fiscal year. The following activity funds showed deficit balances at year-end:

Track	\$	(270)
Character Counts	\$	(155)
Red Ribbon	\$	(96)

*Criteria:* Internal control should exist to provide reasonable assurance that no disbursement is made that would result in a deficit balance. The law for this finding is PSAB Supplement 18 and 6-10-2 NMSA 1978.

*Effect of condition:* The District has violated PSAB Supplement 18 and 6-10-2 NMSA 1978. An over-expensed activity fund must be covered by funds from other activity funds.

*Cause:* The failure to properly monitor the disbursements made from individual activity funds created a deficit balance.

*Recommendation:* Procedures should be implemented requiring close coordination with student activity fund coordinators and management to verify funds availability prior to authorization of any disbursements.

*Management Response:* Resolved by monitoring the Cash Balance before any disbursements of activity funds are paid. The Business Manager will cross reference all invoices and Cash Balance.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2007 – 4 LACK OF TIMELY MONITORING OF BUDGET LINE ITEM EXPENDITURES  
(Repeat of Prior Year Finding 2006-A)

*Condition:* There were unfavorable variances between actual and budgeted line item expenditures. The number of individual occurrences are too numerous to list. The following funds, the total of all the fund's individual line item over expenditures at fiscal yearend are as follows:

<u>Fund</u>	<u>Over Expended</u>	<u>Page No.</u>
Operating Fund	\$ (2,342,148)	48
Transportation Fund	(24,890)	50
Impact Aid Indian Education Special Revenue Fund	(147,369)	17
School Based Health Special Revenue Fund	(97,305)	18
Food Service Special Revenue Fund	(2,552)	83
Athletics Special Revenue Fund	(5,340)	84
Title I Special Revenue Fund	(68,555)	85
Discretionary IDEA-B Special Revenue Fund	(10,971)	87
Partnerships in Character Special Revenue Fund	(6,280)	90
Enhancing Education Special Revenue Fund	(7,550)	91
Enhancing Education Through Technology Special Revenue Fund	(16,836)	92
Title IV Drug Free Schools Special Revenue Fund	(5,189)	96
21st Century Community Living Centers Special Revenue Fund	(15,524)	97
Reading First Special Revenue Fund	(40,581)	99
Johnson O'Malley Special Revenue Fund	(65)	100
Title XIX Medicaid Special Revenue Fund	(427)	102
Child & Adult Food Program Special Revenue Fund	(2,705)	103
Title V Indian Health	(7,384)	105
Dropout Prevention Special Revenue Fund	(19)	106
Literacy Through School Libraries Special Revenue Fund	(9,996)	107
Technology for Education Special Revenue Fund	(8,878)	111
Indian Education Special Revenue Fund	(3,237)	116
Schools on the Rise Special Revenue Fund	(589)	120
Youth Conservation Corp Special Revenue Fund	(2,144)	121
Bond Building Capital Projects Fund	(218,608)	126
Capital Improvements SB-9 Capital Projects Fund	(1,468)	129
Educational Technology Debt Service Fund	(15)	135

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2007 – 4 LACK OF TIMELY MONITORING OF BUDGET LINE ITEM EXPENDITURES  
(Repeat of Prior Year Finding 2006-A) (continued)

*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. As part of maintaining fiscal responsibility for the operations of the school, management is responsible for following the guidelines set out for expenses in the budget submitted at the beginning of the year, as well as any “BARS” that had been approved.

*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:* Resolved by the Business Office implementing immediate steps to provide adequate financial reports to allow for proper and timely monitoring of line item expenditures. Monthly budget adjustments requests will be submitted to the Board of Education and State Department of Education for approval to make necessary changes to the records prior to being presented for audit.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2007 – 5 MISSING INFORMATION FROM THE EMPLOYEE FILES

*Condition:* Two of 25 employee files selected for testing had background checks missing from the employee files selected.

*Criteria:* In accordance with state law 22-10A-5 NMSA 1978 all employees who have access to children are required to have a background check completed and approved.

*Effect of condition:* The school is out of compliance with requirements for the 22-10A-5 NMSA 1978.

*Cause:* The district is not maintaining adequate controls over employee hiring.

*Recommendation:* The district should not employ any individual without prior receipt of the cleared background check.

*Management's response:* Resolved by the Business Office not employing any individuals without prior receipt of a background check.



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2007 – 6 UNTIMELY PAYMENT OF PURCHASES

*Condition:* Out of 25 items tested, six disbursement checks amounting to \$10,688 were issued in excess of 30 days following the invoice date. Four of those checks were issued in excess of 60 days following the invoice date.

*Criteria:* Disbursement payments made in remittance for products and/or services received by the District should be made in a timely manner as part of sound accounting practices. Payment should be made within vendor terms or within 30 days of the invoice date.

*Effect of condition:* Late fees can be added to the cost of purchases made that are not paid for in a timely manner. Payment of such late fees is not an allowable cost under the guidelines established by the federal government.

*Recommendation:* A system should be set up that would keep unpaid invoices in a tickler file, until paid. A review of this file could be made weekly, if not daily, to determine if all the necessary documentation is available that would allow for disbursement payment to be made for each purchase.

*Management's response:* Resolved by the Business Office by monitoring unpaid invoices in a file, until paid. A review of this file will be made weekly, if not daily, to determine if all the necessary documentation is available that will allow for disbursement payment to be made for each purchase.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2007 – 7 PAYMENT FOR SERVICES NOT RENDERED

*Condition:* The District paid payroll prior to the pay period ending. The payroll was paid on June 22, 2007 for the pay period of June 19, 2007 through June 30, 2007, five days prior to the end of the pay period, which amounted to \$109,920 of services not rendered at the date of the payment.

*Criteria:* The State law 30-23-2 paying and receiving public money for services not rendered.

*Effect of condition:* The District was in violation State Law 30-23-2.

*Cause:* The District paid the end of the year payroll early, five days prior to the end of the pay period.

*Recommendation:* The District should only pay for services after services have been rendered, pay payroll only after the end of the pay period.

*Management's response:* Resolved by the Business Manager going over payroll before being processed, to make sure that all services were rendered.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2007 – 8 DISBURSEMENTS TESTED WERE MISSING ADEQUATE DOCUMENTATION

*Condition:* One of twenty-five disbursements tested did not have adequate documentation to explain the need for the \$2,413 disbursement.

*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 District is not maintaining adequate controls over disbursements.

*Recommendation:* The District 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:* Resolved by the District by improving controls over transactions to insure that transactions are not recorded unless sufficient documentation is available to support the transaction..

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2007- 9 UNALLOWABLE COSTS (Repeat of Prior Year Finding 2006-K)

*Condition:* The District reimbursed \$20,000 from Title I (CFDA #84.010) to the Operating Fund for the payment of fuel costs. There were not any invoices to support the expenditure.

*Criteria:* In accordance with OMB A-133 program funds are to be spent in accordance with grant agreement and OMB A-133 Supplement.

*Effect of condition:* The school is out of compliance with the stipulations of the grant agreement.

*Cause:* The District reimbursed the Operating Fund from Title I (CFDA #84.010) for transportation costs without any documentation of the costs.

*Recommendation:* The District should not make any disbursements without adequate documentation that supports the legitimacy of the expenditure.

*Management's Response:* Resolved by ensuring that the District not make any disbursements without adequate documentation that supports the legitimacy of the expenditures.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007

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C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

DEPARTMENT OF INTERIOR AND DEPARTMENT OF EDUCATION

P.L. 81-874 Special / Indian Education CFDA# 84.041  
USDA Child Nutrition Cluster CFDA# 10.553 and 10.555  
Title I Basic Education Grant CFDA # 84.010

2007 – 10C LATE FILING OF FEDERAL CLEARING HOUSE REPORTING

*Condition:* The June 30, 2007 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.

*Criteria:* The OMB A-133 requires the Federal Clearing House Data Collection Form and the audit report be filed either one month after the date of the audit report release, or nine months after the year end.

*Effect of condition:* The report was not available for the filing of the Federal Clearing House report on a timely basis.

*Cause:* Information required to complete the audit was not available from the District.

*Recommendation:* We recommend that all information be made available to the auditor on a timely basis.

*Management's Response:* Resolved by the Business Office giving all information available to the auditor on a timely basis.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007

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C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT (continued)

DEPARTMENT OF EDUCATION

Title I Basic Education Grant CFDA # 84.010 Questioned Costs - \$20,000

2007- 11C UNALLOWABLE COSTS (Repeat of Prior Year Finding 2006-K)

*Condition:* The District reimbursed \$20,000 from Title I (CFDA #84.010) to the Operating Fund for the payment of fuel costs. There were not any invoices to support the expenditure.

*Criteria:* In accordance with OMB A-133 program funds are to be spent in accordance with grant agreement and OMB A-133 Supplement.

*Effect of condition:* The District is out of compliance with the stipulations of the grant agreement.

*Cause:* The District reimbursed the Operating Fund from Title I (CFDA #84.010) for transportation costs without any documentation of the costs.

*Recommendation:* The District should not make any disbursements without adequate documentation that supports the legitimacy of the expenditure.

*Management's Response:* Resolved by ensuring that the District not make any disbursements without adequate documentation that supports the legitimacy of the expenditures.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2007

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>			
Pass-Through Program From:			
New Mexico Department of Education:			
<u>Child Nutrition -- Cluster:</u>			
USDA National School Lunch Program	10.555	21000	\$ 249,316
USDA School Breakfast Program	10.553	21000	<u>108,195</u>
Total Child Nutrition Cluster			<u>357,511</u>
Direct Program:			
Forest Reserve	10.670	11000	<u>1,901</u>
Pass-Through Program From:			
New Mexico Human Service Department:			
USDA Commodities Program	10.550	21000	18,420
Children, Youth, and Families:			
Child and Adult Food Program	10.558	25171	<u>2,705</u>
Subtotal Pass-Through Programs			<u>21,125</u>
Total U.S. Department of Agriculture			<u>380,537</u>
<u>U.S. Department of Interior</u>			
Pass-Through Programs From:			
Office of the Navajo Nation:			
Johnson O'Malley	15.130	25131	<u>15,796</u>

(continued)



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2007

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Special Education -- Cluster:</u>			
<u>U.S. Department of Education:</u>			
Pass-Through Programs From:			
New Mexico Department of Education:			
<u>Special Education (IDEA-B) Cluster:</u>			
IDEA-B Entitlement	84.027	24106	127,878
IDEA-B Discretionary	84.027	24108	<u>44,974</u>
Total U.S. Department of Education - Special Education (IDEA-B) Cluster			<u>172,852</u>
 Direct Programs:			
P.L. 81-874 Special / Indian Education	84.041	24245	1,081,988
Indian Education Formula	84.060	25184	59,705
Dropout Prevention Demonstration	84.275	25226	19
Native American Program	84.365C	25248	115,823
Literacy through School Libraries	84.364	25235	<u>34,139</u>
Subtotal Direct Programs			<u>1,291,674</u>
 Pass-Through Programs From:			
New Mexico Department of Education:			
Title I Basic Education Grant	84.010	24101	981,043
Partnerships in Character	84.215V	24129	12,001
Technology Literacy Challenge	84.318	24133	16,003
Enhancing Education Through Technology	84.318	24149	40,326
Title V Innovative Education	84.298	24150	13,851
Title III English Language	84.365	24153	18,244
Title II Improving Teacher Quality	84.367	24154	105,749
Title IV - Safe and Drug-Free Schools	84.186	24157	12,774
21st Century Community Living Centers	84.287	24159	159,440
Reading First	84.357	24167	<u>153,470</u>
Subtotal Pass-Through Programs			<u>1,512,901</u>
Total U.S. Department of Education			<u>2,977,427</u>
 <u>U.S. Department of Health and Human Services:</u>			
Pass-Through Program From:			
New Mexico Department of Health:			
Title XIX Medicaid	93.778	25153	6,096
Title V Indian Health Care Improvement	93.193	25209	<u>7,384</u>
Total U.S. Department of Health and Human Services			<u>13,480</u>
Total Expenditures of Federal Awards			<u>\$ 3,387,240</u>

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

**STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20**

Notes To The Schedule Of Expenditures Of Federal Awards  
Year Ended June 30, 2007

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

All federal grant operations of Cuba Independent School District No. 20 (the "School District") are included in the scope of the Office of management and Budget ("OMB") Circular A-133 audit (the "Single Audit"). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised May 2007 the "Compliance Supplement"). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2007 cash and non-cash expenditures to ensure coverage of at least 50% (HIGH risk auditee) of federally granted funds. Actual coverage is approximately 71% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$3,368,820 and all non-cash expenditures amounted to \$18,420.

Major Federal Award Program Description	Fiscal 2007 <u>Expenditure</u>
Cash assistance:	
Title I	\$ 963,979
P.L.-874 Special / Indian Education	1,081,988
USDA Child Nutrition Cluster	<u>357,511</u>
Total	<u><u>\$ 2,403,478</u></u>

The School District's federal programs Title I, P.L.-874 Special / Indian Education, and USDA Child Nutrition Cluster were considered high risk Type A programs for the 2007 audit.

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

Notes To The Schedule Of Expenditures Of Federal Awards  
Year Ended June 30, 2007

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2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditure of Federal Awards includes all federal grants to the School District that had activity during the fiscal year ended June 30, 2007. This Statement has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School District has met the qualifications for the respective grant.

Accrued and deferred reimbursements

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

3. Audits performed by other entities

There were no other audits performed by other organizations on the School Districts federal grant programs in 2007.

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## REQUIRED DISCLOSURE

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STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

REQUIRED DISCLOSURES  
Year Ended June 30, 2007

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REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held September 14, 2009, during which the audit findings were discussed. The exit conference was attended by the following individuals:

CUBA INDEPENDENT SCHOOL DISTRICT NO. 20

Happy Martinez	Vice-President
Victor V. Velarde	Superintendent
Higinia Cordova	Business Manager

KEYSTONE ACCOUNTING, LLC

Terry Ogle, CPA	Partner
William W. King	Senior Auditor