

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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COMPREHENSIVE FINANCIAL ANNUAL REPORT  
AND  
SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2008  
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. 62

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STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

OFFICIAL ROSTER  
June 30, 2008

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. 62

**FINANCIAL SECTION**

**FISCAL YEAR 2008**

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

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# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor  
And the Board of Education of  
Cuba Independent School District No. 62

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of the Cuba Independent School District No. 62, as of and for the year ended June 30, 2008, which collectively comprise Cuba Independent School District No. 62's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Cuba Independent School District No. 62's nonmajor governmental funds and the budgetary comparisons for the major capital projects funds, debt service funds, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the 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. 62, as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons of the general fund and major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Cuba Independent School District No. 62, as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital projects funds, debt service fund, and all nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2010, on our consideration of the Cuba Independent School District No. 62'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

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Fax (505) 566-1911

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Hector H. Balderas, State Auditor  
And the Board of Education of  
Cuba Independent School District No. 62

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*

March 10, 2010

## **BASIC FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

STATEMENT OF NET ASSETS  
June 30, 2008

	Governmental Activities
<u>ASSETS</u>	
Cash and cash equivalents	\$ 2,350,723
Receivables:	
Delinquent property taxes receivable	88,889
Grant	875,532
Due from other governments	14,793
Deferred bond issuance costs	96,383
Non-current:	
Non-depreciable assets	6,689,889
Depreciable capital assets, net	<u>14,018,691</u>
 Total assets	 <u>24,134,900</u>
<u>LIABILITIES</u>	
Accounts payable	110,006
Accrued interest	44,752
Deferred grant revenue	638,961
Compensated absences	89,118
Noncurrent liabilities:	
Due within one year	437,000
Due in more than one year	<u>3,420,000</u>
 Total liabilities	 <u>4,739,837</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	16,903,211
Restricted for:	
Debt service	636,133
Capital projects	643,098
Unrestricted	<u>1,212,621</u>
 Total net assets	 <u>\$ 19,395,063</u>

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



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Primary government:					
Governmental activities:					
Instruction	\$ 5,483,190	\$ 25,898	\$ 3,919,785	\$ 99,370	\$ (1,438,137)
Support Services - Students	1,266,355	23,486	905,283	22,950	(314,636)
Support Services - Instruction	356,349	-	254,744	6,457	(95,148)
Support Services - General Administration	471,462	-	337,035	8,544	(125,883)
Support Services - School Administration	525,550	-	375,701	9,524	(140,325)
Central Services	681,236	-	486,997	-	(194,239)
Operations & Maintenance of Plant	1,212,169	-	866,547	-	(345,622)
Student Transportation	1,045,115	-	935,756	-	(109,359)
Food Services	442,946	69,561	300,135	-	(73,250)
Community Services	23,715	-	16,953	-	(6,762)
Bond interest paid	61,964	-	-	-	(61,964)
Total governmental activities	<u>\$ 11,570,051</u>	<u>\$ 118,945</u>	<u>\$ 8,398,936</u>	<u>\$ 146,845</u>	<u>(2,905,325)</u>
			General revenues:		
			Property Taxes:		
			General purposes	26,981	
			Debt service	547,642	
			Capital projects	107,886	
			Grants and contributions not restricted	7,185,059	
			Unrestricted investment earnings	24,358	
			Total general revenues	<u>7,891,926</u>	
			Change in net assets	<u>4,986,601</u>	
			Net assets - beginning	14,431,575	
			Restatement	<u>(23,113)</u>	
			Net assets - as restated	14,408,462	
			Net assets - ending	<u>\$ 19,395,063</u>	

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2008

	<u>General</u>	<u>Impact Aid Indian</u>	<u>Debt Services</u>	<u>Bond Building</u>	<u>Public School</u>	<u>Other</u>	<u>Total</u>
	<u>Fund</u>	<u>Education</u>	<u>Fund</u>	<u>Fund</u>	<u>Capital Outlay</u>	<u>Governmental</u>	<u>Governmental</u>
<u>ASSETS</u>							
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Pooled cash and investments	\$ 953,927	\$ 280,230	\$ 490,445	\$ 657,210	\$ (245,267)	\$ 214,178	\$ 2,350,723
Receivables:							
Delinquent property taxes	2,580	-	67,400	-	-	18,909	88,889
Grant	-	-	-	-	-	875,532	875,532
Due from other governments	501	-	11,875	-	-	2,417	14,793
Due from other funds	<u>492,645</u>	<u>-</u>	<u>30,481</u>	<u>-</u>	<u>-</u>	<u>27,558</u>	<u>550,684</u>
 Total assets	 <u>\$ 1,449,653</u>	 <u>\$ 280,230</u>	 <u>\$ 600,201</u>	 <u>\$ 657,210</u>	 <u>\$ (245,267)</u>	 <u>\$ 1,138,594</u>	 <u>\$ 3,880,621</u>
 <u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Accounts payable	\$ 25,607	\$ -	\$ -	\$ 76,876	\$ -	\$ 7,523	\$ 110,006
Due to other funds	176,840	51,189	-	-	-	322,655	550,684
Deferred revenue:							
Federal, state, and local grants	-	229,041	-	-	-	409,920	638,961
Delinquent property taxes	<u>2,015</u>	<u>-</u>	<u>55,108</u>	<u>-</u>	<u>-</u>	<u>16,428</u>	<u>73,551</u>
 Total liabilities	 <u>204,462</u>	 <u>280,230</u>	 <u>55,108</u>	 <u>76,876</u>	 <u>-</u>	 <u>756,526</u>	 <u>1,373,202</u>
 Fund balance:							
Reserved:							
Retirement of long-term debt	-	-	545,093	-	-	31,582	576,675
Unreserved reported in:							
General fund	1,245,191	-	-	-	-	-	1,245,191
Special revenue funds	-	-	-	-	-	54,533	54,533
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>580,334</u>	<u>(245,267)</u>	<u>295,953</u>	<u>631,020</u>
 Total fund balance	 <u>1,245,191</u>	 <u>-</u>	 <u>545,093</u>	 <u>580,334</u>	 <u>(245,267)</u>	 <u>382,068</u>	 <u>2,507,419</u>
 Total liabilities and fund balance	 <u>\$ 1,449,653</u>	 <u>\$ 280,230</u>	 <u>\$ 600,201</u>	 <u>\$ 657,210</u>	 <u>\$ (245,267)</u>	 <u>\$ 1,138,594</u>	 <u>\$ 3,880,621</u>

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

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

Fund balances - total governmental funds	\$ 2,507,419
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets	27,092,291
Accumulated depreciation	(6,383,711)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Deferred property taxes:	
June 30, 2008	73,551
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Bonds payable	(3,857,000)
Accrued interest payable	(44,752)
Accrued vacation payable	(89,118)
Bond issue costs	<u>96,383</u>
Net assets of governmental activities	<u>\$ 19,395,063</u>

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	General <u>Fund</u>	Impact Aid Indian Education <u>Fund</u>	Debt Services <u>Fund</u>	Bond Building <u>Fund</u>	Public School Capital Outlay <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:							
Federal sources:							
Public Law 874	\$ 1,427,280	\$ 330,557	\$ -	\$ -	\$ -	\$ 37,444	\$ 1,795,281
Forest reserve	1,890	-	-	-	-	-	1,890
Federal flowthrough grants	-	-	-	-	-	1,302,490	1,302,490
Federal direct grants	66,434	-	-	-	-	273,560	339,994
Food and milk reimbursements	-	-	-	-	-	281,296	281,296
USDA Commodities	-	-	-	-	-	18,839	18,839
	<u>1,495,604</u>	<u>330,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,913,629</u>	<u>3,739,790</u>
Total federal revenues							
State sources:							
State equalization guarantee	5,387,888	-	-	-	-	-	5,387,888
Transportation	935,756	-	-	-	-	-	935,756
State instructional material	86,134	-	-	-	-	-	86,134
State grant	3,447	-	-	-	5,210,290	326,808	5,540,545
	<u>6,413,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,210,290</u>	<u>326,808</u>	<u>11,950,323</u>
Total state revenues							
Local sources:							
Grant	-	-	-	-	-	9,792	9,792
District school tax levy	24,966	-	487,094	-	-	96,898	608,958
Fees and activities	25,898	-	-	-	-	93,047	118,945
Earnings from investments	22,316	-	-	73,789	-	72,212	168,317
	<u>73,180</u>	<u>-</u>	<u>487,094</u>	<u>73,789</u>	<u>-</u>	<u>271,949</u>	<u>906,012</u>
Total local revenues							
Total revenue	<u>7,982,009</u>	<u>330,557</u>	<u>487,094</u>	<u>73,789</u>	<u>5,210,290</u>	<u>2,512,386</u>	<u>16,596,125</u>

(continued)

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

	General <u>Fund</u>	Impact Aid Indian Education <u>Fund</u>	Debt Services <u>Fund</u>	Bond Building <u>Fund</u>	Public School Capital Outlay <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Expenditures:							
Current:							
Instruction	\$ 3,386,800	\$ 306,339	\$ -	\$ -	\$ -	\$ 1,335,203	\$ 5,028,342
Support Services - Students	795,405	560	-	-	-	365,342	1,161,307
Support Services - Instruction	212,072	-	-	-	-	68,344	280,416
Support Services - General Administration	297,710	1,500	4,237	-	-	128,906	432,353
Support Services - School Administration	453,308	1,707	-	-	-	26,939	481,954
Central Services	612,058	-	-	-	-	12,667	624,725
Operations & Maintenance of Plant	1,168,461	-	-	33,230	-	65,026	1,266,717
Student Transportation	958,419	-	-	-	-	-	958,419
Food Services	6,062	-	-	-	-	400,140	406,202
Community Services	21,748	-	-	-	-	-	21,748
Capital outlay	21,168	-	-	1,716,208	5,210,290	59,039	7,006,705
Debt service:							
Principal retirement	-	-	385,000	-	-	-	385,000
Bond interest paid	-	-	51,372	-	-	-	51,372
Bond issuance costs	-	-	-	33,370	-	-	33,370
<b>Total expenditures</b>	<b>7,933,211</b>	<b>310,106</b>	<b>440,609</b>	<b>1,782,808</b>	<b>5,210,290</b>	<b>2,461,606</b>	<b>18,138,630</b>
Excess (deficiency) of revenues over expenditures	48,798	20,451	46,485	(1,709,019)	-	50,780	(1,542,505)
Other financing sources and financing uses:							
Sale of bonds	-	-	-	580,000	-	-	580,000
Transfers in	13,803	-	58,803	-	-	51,118	123,724
Transfers out	(103,273)	(20,451)	-	-	-	-	(123,724)
Refunds	(94,994)	-	-	-	-	(18,030)	(113,024)
<b>Total other financing sources and financing uses</b>	<b>(184,464)</b>	<b>(20,451)</b>	<b>58,803</b>	<b>580,000</b>	<b>-</b>	<b>33,088</b>	<b>466,976</b>
Net change in fund balance	(135,666)	-	105,288	(1,129,019)	-	83,868	(1,075,529)
Fund balance (deficit) as previously reported	1,380,857	-	439,805	1,709,353	(245,267)	321,313	3,606,061
Restatement	-	-	-	-	-	(23,113)	(23,113)
Fund balance (deficit) as restated	1,380,857	-	439,805	1,709,353	(245,267)	298,200	3,582,948
Fund balance (deficit) at end of the year	\$ 1,245,191	\$ -	\$ 545,093	\$ 580,334	\$ (245,267)	\$ 382,068	\$ 2,507,419

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

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

Net change in fund balance - total governmental funds \$ (1,075,529)

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

Capital outlay	7,006,705
Depreciation	(954,632)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Current Year Deferred Property Taxes	73,551
--------------------------------------	--------

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.

Principal repayments:	
General obligation debt	385,000
Proceeds of bonds	(580,000)
Payment on capital lease	155,101
Amortization on deferred loss	(8,064)
Bond issuance costs	33,370

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.

Compensated absences:	
June 30, 2007	42,745
June 30, 2008	(89,118)
Accrued interest:	
June 30, 2007	42,224
June 30, 2008	<u>(44,752)</u>

Change in net assets of governmental activities \$ 4,986,601

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Public Law 874	\$ 686,453	\$ 1,268,813	\$ 1,427,280	\$ 158,467
Forest reserve	1,901	1,901	1,890	(11)
Federal grant	10,000	10,000	-	(10,000)
Federal direct grant	<u>50,000</u>	<u>50,000</u>	<u>66,434</u>	<u>16,434</u>
<b>Total federal revenues</b>	<u>748,354</u>	<u>1,330,714</u>	<u>1,495,604</u>	<u>164,890</u>
<b>State sources:</b>				
State equalization guarantee	5,606,393	5,921,356	5,387,888	(533,468)
Transportation	644,820	935,756	935,756	-
State instructional material	58,722	58,722	86,134	27,412
State grant	<u>30,173</u>	<u>30,173</u>	<u>3,447</u>	<u>(26,726)</u>
<b>Total state revenues</b>	<u>6,340,108</u>	<u>6,946,007</u>	<u>6,413,225</u>	<u>(532,782)</u>
<b>Local sources:</b>				
Grant	500	500	-	(500)
District school tax levy	18,186	18,186	25,457	7,271
Fees and activities	45,244	45,244	25,898	(19,346)
Earnings from investments	<u>40,000</u>	<u>43,090</u>	<u>22,316</u>	<u>(20,774)</u>
<b>Total local revenues</b>	<u>103,930</u>	<u>107,020</u>	<u>73,671</u>	<u>(33,349)</u>
<b>Total revenues</b>	<u>\$ 7,192,392</u>	<u>\$ 8,383,741</u>	<u>\$ 7,982,500</u>	<u>\$ (401,241)</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Expenditures:				
Current:				
Instruction	\$ 3,201,102	\$ 3,846,555	\$ 3,408,574	\$ 437,981
Support Services - Students	802,636	917,636	794,911	122,725
Support Services - Instruction	292,314	292,314	212,072	80,242
Support Services - General Administration	586,404	536,404	299,323	237,081
Support Services - School Administration	527,147	539,647	453,350	86,297
Central Services	614,712	682,207	615,565	66,642
Operation & Maintenance of Plant	954,673	1,092,629	1,161,926	(69,297)
Student Transportation	664,820	1,005,685	965,708	39,977
Other Support Services	82,293	82,293	-	82,293
Food Services Operations	42,500	56,263	6,062	50,201
Community Services Operations	19,900	29,900	22,746	7,154
	<u>7,788,501</u>	<u>9,081,533</u>	<u>7,940,237</u>	<u>1,141,296</u>
Total current expenses				
Capital outlay:				
Buildings and improvements	38,727	38,727	-	38,727
Equipment	-	-	21,168	(21,168)
Construction in progress	8,500	8,500	-	8,500
	<u>47,227</u>	<u>47,227</u>	<u>21,168</u>	<u>26,059</u>
Total capital outlay				
Total expenditures				
	<u>7,835,728</u>	<u>9,128,760</u>	<u>7,961,405</u>	<u>1,167,355</u>
Excess (deficiency) of revenues over expenditures				
	<u>(643,336)</u>	<u>(745,019)</u>	<u>21,095</u>	<u>766,114</u>
Other financing sources and financing uses:				
Transfers in	-	-	13,803	13,803
Transfers out	-	-	(103,273)	(103,273)
Refunds	-	-	(94,994)	(94,994)
	<u>-</u>	<u>-</u>	<u>(184,464)</u>	<u>(184,464)</u>
Total other financing sources and financing uses				
Net change in fund balance				
	(643,336)	(745,019)	(163,369)	581,650
Beginning cash balance budgeted				
	643,336	745,019	-	(745,019)
Fund balance at beginning of the year				
	<u>-</u>	<u>-</u>	<u>1,380,857</u>	<u>1,380,857</u>
Fund balance at end of the year				
	<u>\$ -</u>	<u>\$ -</u>	<u>1,217,488</u>	<u>\$ 1,217,488</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			2,404	
Change in due from other governments			(881)	
Change in payables			28,195	
Change in deferred property taxes			<u>(2,015)</u>	
			<u>\$ 1,245,191</u>	

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



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal sources:				
Public Law 874	\$ 170,613	\$ 595,547	\$ 355,979	\$ (239,568)
<b>Expenditures:</b>				
Current:				
Instruction	170,613	558,569	306,339	252,230
Support Services - Students	-	1,500	560	940
Support Services - Instruction	-	23,895	-	23,895
Support Services - General Administration	-	6,500	1,500	5,000
Support Services - School Administration	-	5,083	1,707	3,376
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	170,613	595,547	310,106	285,441
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	-	-	45,873	45,873
<b>Other financing uses:</b>				
Refunds	-	-	(20,451)	(20,451)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	-	25,422	25,422
Fund balance at beginning of the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at end of the year	\$ -	\$ -	25,422	\$ 25,422
	<hr/>	<hr/>	<hr/>	<hr/>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in deferred revenue			(25,422)	
			<hr/>	
			\$ -	
			<hr/>	

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

ASSETS

Pooled cash and investments	\$	<u>70,259</u>
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LIABILITIES

Deposits held for others	\$	<u>70,259</u>
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The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO**  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2008**

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STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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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. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The government reports the following major governmental funds:

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

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.

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

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

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. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity

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. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. *Fund balance*

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

8. *Net assets*

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

a. Invested in capital assets, net of related debt

This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not 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. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. *Indirect Costs*

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

10. *Estimates*

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

11. *Revenues*

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$5,387,888 in state equalization guarantee distributions during the year ended June 30, 2008.

**Transportation Distribution:** School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$935,756 in transportation distributions during the year ended June 30, 2008.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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II. 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. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

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

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

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 7,835,728	\$ 9,128,760
Special Revenue Fund	2,298,825	4,559,514
Debt Service Fund	811,088	811,088
Capital Projects Fund	2,546,096	2,943,722
Totals	\$ 13,491,737	\$ 17,443,084

B. Budgetary Violations

The District exceeded its legal budget in individual funds as referenced in Finding 2008-3 on page 165. 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, 2008 as follows:

	<u>Deficit</u> <u>Fund Balance</u>
Transportation	\$ 30,100
Athletics	149
Public School Capital Outlay	245,267
Special Capital Outlay - State	24,553
	\$ 300,069

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

D. Budgetary Schedules Not Presented

Due to no budgetary information, a Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) is not presented for the year ended June 30, 2008 for the following funds:

Migrant Children Education Special Revenue Fund  
Title I Program Improvement Special Revenue Fund  
Competitive IDEA-B Special Revenue Fund  
Title VI Special Revenue Fund  
Title IV Drug Free Schools Special Revenue Fund  
Reading Excellence Special Revenue Fund  
Enhancing Education Through Technology Special Revenue Fund  
Headstart Special Revenue Fund  
Child & Adult Food Program Special Revenue Fund  
Workforce Investment Act Special Revenue Fund  
Literacy through School Libraries Special Revenue Fund  
Indian Health Services Special Revenue Fund  
Statewide Computer Language Special Revenue Fund  
AP New Mexico Incentive Funding Special Revenue Fund  
Children's Medical Services Special Revenue Fund  
Substance Abuse Ed Special Revenue Fund  
Special Capital Outlay - State Capital Projects Fund  
Ed Technology Equipment Act Capital Projects fund  
Public School Capital Outlay - 20% Capital Projects Fund

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2008, the carrying amount of the District's deposits was \$2,420,982 and the bank balance was \$2,808,937 with difference consisting of outstanding checks and reconciling errors. Of this balance \$181,323 was covered by federal depository insurance and \$577,627 was covered by collateral held in joint safekeeping by a third party. The remaining \$2,049,987 was not covered by pledged collateral is comprised of amounts in excess of those required to be collateralized under State law.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

III. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Temporary Investments (continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2008, \$2,049,987 of the District's bank balance of \$2,808,937 was exposed to custodial risk as follows:

Uninsured and uncollateralized	\$	2,049,987
Uninsured and collateral held by pledging bank's trust dept not in the District's name		<u>577,627</u>
Total uninsured		2,627,614
Insured (FDIC)		<u>181,323</u>
Total deposits	\$	<u><u>2,808,937</u></u>
State of New Mexico collateral requirement:		
Pledged security	\$	577,627
Less: 50% of uninsured public fund bank deposits		1,275,047
Less: 102% of uninsured public fund bank deposits		<u>79,072</u>
Under collateralization	\$	<u><u>(776,492)</u></u>

The collateral pledged is listed on Page 151 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. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

III. 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>	Debt <u>Services</u>	Bond <u>Building</u>	Public School <u>Capital Outlay</u>	Other Governmental <u>Funds</u>
Receivables:						
Delinquent property taxes	\$ 2,580	\$ -	\$ 67,400	\$ -	\$ -	\$ 18,909
Grant	-	-	-	-	-	875,532
Due from other:						
Governments	501	-	11,875	-	-	2,417
Funds	<u>492,645</u>	<u>-</u>	<u>30,481</u>	<u>-</u>	<u>-</u>	<u>27,558</u>
Total	<u>\$ 495,726</u>	<u>\$ -</u>	<u>\$ 109,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 924,416</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	\$ -	\$ 229,041
Other Governmental Funds	-	409,920
Delinquent property taxes		
General Fund	2,015	-
Debt Service	55,108	-
Public School Capital Outlay	-	-
Other Governmental Funds	<u>16,428</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 73,551</u>	<u>\$ 638,961</u>



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 63,000	\$ -	\$ -	\$ -	\$ 63,000
Construction in progress	<u>1,781,150</u>	<u>6,626,889</u>	<u>-</u>	<u>(1,781,150)</u>	<u>6,626,889</u>
Total capital assets, not being depreciated	<u>1,844,150</u>	<u>6,626,889</u>	<u>-</u>	<u>(1,781,150)</u>	<u>6,689,889</u>
Capital assets, being depreciated:					
Land improvements	361,240	28,191	-	-	389,431
Buildings and improvements	12,962,263	-	-	1,859,405	14,821,668
Furniture, fixtures, and equipment	<u>4,917,933</u>	<u>351,625</u>	<u>-</u>	<u>(78,255)</u>	<u>5,191,303</u>
Total capital assets being depreciated	<u>18,241,436</u>	<u>379,816</u>	<u>-</u>	<u>1,781,150</u>	<u>20,402,402</u>
Less accumulated depreciation for:					
Land improvements	(87,325)	(15,648)	-	-	(102,973)
Buildings and improvements	(3,511,085)	(330,296)	-	-	(3,841,381)
Furniture, fixtures, and equipment	<u>(1,830,669)</u>	<u>(608,688)</u>	<u>-</u>	<u>-</u>	<u>(2,439,357)</u>
Total accumulated depreciation	<u>(5,429,079)</u>	<u>(954,632)</u>	<u>-</u>	<u>-</u>	<u>(6,383,711)</u>
Total capital assets being depreciated, net	<u>12,812,357</u>	<u>(574,816)</u>	<u>-</u>	<u>1,781,150</u>	<u>14,018,691</u>
Total capital assets, net	<u>\$ 14,656,507</u>	<u>\$ 6,052,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,708,580</u>

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

Instruction	\$ 457,948
Support Services - Students	105,280
Support Services - Instruction	25,422
Support Services - General Administration	39,196
Support Services - School Administration	43,692
Central Services	56,635
Operations & Maintenance of Plant	100,775
Student Transportation	86,887
Food Services	36,825
Community Services	<u>1,972</u>
Total Depreciation Expense	<u>\$ 954,632</u>

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

III. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

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

Construction commitments

The Cuba Independent School District No. 62 received \$5,210,290 of funding from the State of New Mexico Public School Facilities Authority for the year ended June 30, 2008.

The District is involved in several long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$643,098 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, 2008 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 492,645	\$ 176,840
Impact Aid Indian Education	-	51,189
Debt Service Fund	30,481	-
Other Governmental Funds	<u>27,558</u>	<u>322,655</u>
Total	<u>\$ 550,684</u>	<u>\$ 550,684</u>

The inter-fund loans were made for the purposes of cash shortfalls within the individual funds. All loans are expected to be repaid within the next fiscal year.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

III. DETAILED NOTES ON ALL FUNDS (continued)

E. Inter-Fund Transfers

There were nine inter-fund transfers in Cuba Independent School District made during the year ended June 30, 2008 for the purpose of covering deficit cash balances.

	<u>From</u>	<u>To</u>
General Funds:		
Operating	\$ 89,470	\$ 13,803
Teachergage	13,803	-
Debt Service	-	58,803
Impact Aid Indian Education	20,451	-
Other governmental funds:		
Title II	-	8,195
Class Size Reduction Act	-	1,258
Dropout Prevention Demonstration	-	7,023
Truancy Initiative	-	1
Federal Relief Fund	-	1,230
Beginning Teacher Mentoring	-	3,113
Nutrition Grant	-	2,293
Youth Conservation	-	259
Energy Efficiency Act	-	27,746
Total	<u>\$ 123,724</u>	<u>\$ 123,724</u>

**STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008**

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

**F. Long-Term Debt**

**General Obligation Bonds**

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

<u>General Obligations Bonds</u>		<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2008</u>	<u>Amount Due Within One Year</u>
Series	2002	\$ 753,000	3.55%	\$ 102,000	\$ 102,000
Series	2003	1,030,000	1.00% to 3.28%	920,000	55,000
Series	2004	450,000	0.71% to 2.17%	330,000	40,000
Series	2005	310,000	1.19% to 1.48%	265,000	40,000
Series	2006	1,125,000	2.54% to 3.75%	1,035,000	45,000
Series	2006B	725,000	2.63% to 2.99%	625,000	60,000
Series	2007	580,000	2.51% to 2.82%	580,000	95,000
<b>Total</b>		<b>\$ 4,973,000</b>		<b>\$ 3,857,000</b>	<b>\$ 437,000</b>

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

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

<u>General Obligation Bonds</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2009	\$ 437,000	\$ 101,924	\$ 538,924
2010	345,000	92,464	437,464
2011	335,000	84,459	419,459
2012	295,000	76,758	371,758
2013	300,000	69,230	369,230
2014 - 2018	1,390,000	222,326	1,612,326
2019 - 2023	540,000	75,896	615,896
2024 - 2028	215,000	12,200	227,200
<b>Total</b>	<b>\$ 3,857,000</b>	<b>\$ 735,257</b>	<b>\$ 4,592,257</b>

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

F. Long-Term Debt (continued)

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Compensated absences:					
Compensated vacation	\$ 42,745	\$ 46,373	\$ -	\$ 89,118	\$ 89,118
Bonds payable	3,662,000	580,000	385,000	3,857,000	437,000
Capital lease	<u>155,101</u>	<u>-</u>	<u>155,101</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,859,846</u>	<u>\$ 626,373</u>	<u>\$ 540,101</u>	<u>\$ 3,946,118</u>	<u>\$ 526,118</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.

IV. 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. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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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, 2008.

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. 62**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008**

V. OTHER INFORMATION (continued)

D. Employee Retirement Plan (continued)

Funding Policy - Plan members are required to contribute 7.825% of their gross salary. Cuba Independent School District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The District's contributions to the ERB for the years ended June 30, 2008, 2007 and 2006 were \$581,455, \$513,145, and \$456,805 respectively, equal to the amount of the required contribution for the year. The contribution rates will increase each year as follows:

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

D. Post-Retirement Health Care Benefits

Plan Description – Cuba Independent School District No. 62'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. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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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. 62's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$69,260, \$65,682, and \$63,016, respectively, which equal the required contributions for each year.

E. Restatement

The prior year has been restated due to receivables that have not been collected. There were funds that had grant receivables for expenditures made within the programs. It has been determined that those receivables will not be collected. The result of the restatement is a reduction of beginning net assets by \$23,113.



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2008

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F. 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.

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STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

GENERAL FUNDS  
Year Ended June 30, 2008

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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. 62

GENERAL FUND  
Combining Balance Sheet  
June 30, 2008

	General Funds				Total General <u>Fund</u>
	Operational <u>Fund</u>	Teacherage <u>Fund</u>	Transportation <u>Fund</u>	Instructional Materials <u>Fund</u>	
<b><u>ASSETS</u></b>					
Pooled cash and investments	\$ 833,492	\$ 33,102	\$ 824	\$ 86,509	\$ 953,927
Receivables:					
Delinquent property taxes	2,580	-	-	-	2,580
Due from other governments	501	-	-	-	501
Due from other funds	492,645	-	-	-	492,645
Total assets	\$ 1,329,218	\$ 33,102	\$ 824	\$ 86,509	\$ 1,449,653
<b><u>LIABILITIES AND FUND BALANCE</u></b>					
Liabilities:					
Accounts payable	\$ 25,127	\$ 142	\$ 68	\$ 270	\$ 25,607
Due to other funds	145,984	-	30,856	-	176,840
Deferred revenue:					
Delinquent property taxes	2,015	-	-	-	2,015
Total liabilities	173,126	142	30,924	270	204,462
Fund balance:					
Unreserved and reported in:					
Undesignated	1,156,092	32,960	(30,100)	86,239	1,245,191
Total liabilities and fund balance	\$ 1,329,218	\$ 33,102	\$ 824	\$ 86,509	\$ 1,449,653

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	General Funds				Total General Fund
	Operational Fund	Teacherage Fund	Transportation Fund	Instructional Materials Fund	
<b>Revenues:</b>					
<b>Federal sources:</b>					
Public Law 874	\$ 1,427,280	\$ -	\$ -	\$ -	\$ 1,427,280
Forest reserve	1,890	-	-	-	1,890
Federal direct grants	<u>66,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,434</u>
<b>Total federal revenues</b>	<u>1,495,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,495,604</u>
<b>State sources:</b>					
State equalization guarantee	5,387,888	-	-	-	5,387,888
Transportation	-	-	935,756	-	935,756
State instructional material	-	-	-	86,134	86,134
State grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,447</u>	<u>3,447</u>
<b>Total state revenues</b>	<u>5,387,888</u>	<u>-</u>	<u>935,756</u>	<u>89,581</u>	<u>6,413,225</u>
<b>Local sources:</b>					
District school tax levy	24,966	-	-	-	24,966
Fees and activities	7,517	18,381	-	-	25,898
Earnings from investments	<u>17,644</u>	<u>832</u>	<u>3,091</u>	<u>749</u>	<u>22,316</u>
<b>Total local revenues</b>	<u>50,127</u>	<u>19,213</u>	<u>3,091</u>	<u>749</u>	<u>73,180</u>
<b>Total revenue</b>	<u>6,933,619</u>	<u>19,213</u>	<u>938,847</u>	<u>90,330</u>	<u>7,982,009</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	3,327,865	-	-	58,935	3,386,800
Support Services - Students	795,405	-	-	-	795,405
Support Services - Instruction	212,072	-	-	-	212,072
Support Services - General Administration	297,710	-	-	-	297,710
Support Services - School Administration	453,308	-	-	-	453,308
Central Services	612,058	-	-	-	612,058
Operations & Maintenance of Plant	1,157,626	10,835	-	-	1,168,461
Student Transportation	354	-	958,065	-	958,419
Food Services	6,062	-	-	-	6,062
Community Services	21,748	-	-	-	21,748
Capital outlay	<u>-</u>	<u>-</u>	<u>21,168</u>	<u>-</u>	<u>21,168</u>
<b>Total expenditures</b>	<u>6,884,208</u>	<u>10,835</u>	<u>979,233</u>	<u>58,935</u>	<u>7,933,211</u>
<b>Excess of revenues over expenditures</b>	<u>49,411</u>	<u>8,378</u>	<u>(40,386)</u>	<u>31,395</u>	<u>48,798</u>
<b>Other financing sources and financing uses:</b>					
Transfers in	13,803	-	-	-	13,803
Transfers out	(89,470)	(13,803)	-	-	(103,273)
Refunds	<u>-</u>	<u>-</u>	<u>(94,994)</u>	<u>-</u>	<u>(94,994)</u>
<b>Total other financing sources and financing uses</b>	<u>(75,667)</u>	<u>(13,803)</u>	<u>(94,994)</u>	<u>-</u>	<u>(184,464)</u>
<b>Net change in fund balance</b>	<u>(26,256)</u>	<u>(5,425)</u>	<u>(135,380)</u>	<u>31,395</u>	<u>(135,666)</u>
<b>Fund balance at beginning of the year</b>	<u>1,182,348</u>	<u>38,385</u>	<u>105,280</u>	<u>54,844</u>	<u>1,380,857</u>
<b>Fund balance at end of the year</b>	<u>\$ 1,156,092</u>	<u>\$ 32,960</u>	<u>\$ (30,100)</u>	<u>\$ 86,239</u>	<u>\$ 1,245,191</u>

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Federal sources:</b>				
Public Law 874	\$ 686,453	\$ 1,268,813	\$ 1,427,280	\$ 158,467
Forest reserve	1,901	1,901	1,890	(11)
Federal grant	10,000	10,000	-	(10,000)
Federal direct grant	<u>50,000</u>	<u>50,000</u>	<u>66,434</u>	<u>16,434</u>
 Total federal revenues	 <u>748,354</u>	 <u>1,330,714</u>	 <u>1,495,604</u>	 <u>164,890</u>
 <b>State sources:</b>				
State equalization guarantee	5,606,393	5,921,356	5,387,888	(533,468)
State grant	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
 Total state revenues	 <u>5,631,393</u>	 <u>5,946,356</u>	 <u>5,387,888</u>	 <u>(558,468)</u>
 <b>Local sources:</b>				
Grant	500	500	-	(500)
District school tax levy	18,186	18,186	25,457	7,271
Fees and activities	25,244	25,244	7,517	(17,727)
Earnings from investments	<u>40,000</u>	<u>40,000</u>	<u>17,644</u>	<u>(22,356)</u>
 Total local revenues	 <u>83,930</u>	 <u>83,930</u>	 <u>50,618</u>	 <u>(33,312)</u>
 Total revenues	 <u>\$ 6,463,677</u>	 <u>\$ 7,361,000</u>	 <u>\$ 6,934,110</u>	 <u>\$ (426,890)</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Instruction	\$ 3,142,380	\$ 3,732,989	\$ 3,349,909	\$ 383,080
Support Services - Students	802,636	917,636	794,911	122,725
Support Services - Instruction	287,141	287,141	212,072	75,069
Support Services - General Administration	586,404	536,404	299,323	237,081
Support Services - School Administration	527,147	539,647	453,350	86,297
Central Services	614,712	682,207	615,565	66,642
Operation & Maintenance of Plant	943,173	1,081,129	1,151,013	(69,884)
Student Transportation	20,000	20,000	2,014	17,986
Other Support Services	82,293	82,293	-	82,293
Food Services Operations	42,500	56,263	6,062	50,201
Community Services Operations	19,900	29,900	22,746	7,154
Total expenditures	<u>7,068,286</u>	<u>7,965,609</u>	<u>6,906,965</u>	<u>1,058,644</u>
Excess (deficiency) of revenues over expenditures	<u>(604,609)</u>	<u>(604,609)</u>	<u>27,145</u>	<u>631,754</u>
Other financing sources and financing uses:				
Transfers in	-	-	13,803	13,803
Transfers out	-	-	(89,470)	(89,470)
Total other financing sources and financing uses	<u>-</u>	<u>-</u>	<u>(75,667)</u>	<u>(75,667)</u>
Net change in fund balance	(604,609)	(604,609)	(48,522)	556,087
Beginning cash balance budgeted	604,609	604,609	-	(604,609)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,182,348</u>	<u>1,182,348</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,133,826</u>	<u>\$ 1,133,826</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			2,404	
Change in due from other governments			(881)	
Change in payables			22,758	
Change in deferred property taxes			<u>(2,015)</u>	
			<u>\$ 1,156,092</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Fees and activities	\$ 20,000	\$ 20,000	\$ 18,381	\$ (1,619)
Earnings from investments	-	-	832	832
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>19,213</u>	<u>(787)</u>
Expenditures:				
Current:				
Operation & Maintenance of Plant	<u>11,500</u>	<u>11,500</u>	<u>10,913</u>	<u>587</u>
Capital outlay:				
Buildings and improvements	38,727	38,727	-	38,727
Construction in progress	<u>8,500</u>	<u>8,500</u>	<u>-</u>	<u>8,500</u>
Total capital outlay	<u>47,227</u>	<u>47,227</u>	<u>-</u>	<u>47,227</u>
Total expenditures	<u>58,727</u>	<u>58,727</u>	<u>10,913</u>	<u>47,814</u>
Excess (deficiency) of revenues over expenditures	(38,727)	(38,727)	8,300	47,027
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(13,803)</u>	<u>(13,803)</u>
Net change in fund balance	(38,727)	(38,727)	(5,503)	33,224
Beginning cash balance budgeted	38,727	38,727	-	(38,727)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>38,385</u>	<u>38,385</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>32,882</u>	<u>\$ 32,882</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>78</u>	
			<u>\$ 32,960</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
Transportation	\$ 644,820	\$ 935,756	\$ 935,756	\$ -
Local sources:				
Earnings from investments	<u>-</u>	<u>3,090</u>	<u>3,091</u>	<u>1</u>
Total revenues	<u>644,820</u>	<u>938,846</u>	<u>938,847</u>	<u>1</u>
Expenditures:				
Current:				
Student Transportation	644,820	985,685	963,694	21,991
Capital outlay:				
Equipment	<u>-</u>	<u>-</u>	<u>21,168</u>	<u>(21,168)</u>
Total expenditures	<u>644,820</u>	<u>985,685</u>	<u>984,862</u>	<u>823</u>
Excess (deficiency) of revenues over expenditures	-	(46,839)	(46,015)	824
Other financing uses:				
Refunds	<u>-</u>	<u>-</u>	<u>(94,994)</u>	<u>(94,994)</u>
Net change in fund balance	-	(46,839)	(141,009)	(94,170)
Beginning cash balance budgeted	-	46,839	-	(46,839)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>105,280</u>	<u>105,280</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(35,729)	<u>\$ (35,729)</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>5,629</u>	
			<u>\$ (30,100)</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources:				
State instructional material	\$ 58,722	\$ 58,722	\$ 86,134	\$ 27,412
State grant	<u>5,173</u>	<u>5,173</u>	<u>3,447</u>	<u>(1,726)</u>
Total state revenues	63,895	63,895	89,581	25,686
Local sources:				
Earnings from investments	<u>-</u>	<u>-</u>	<u>749</u>	<u>749</u>
Total revenues	<u>63,895</u>	<u>63,895</u>	<u>90,330</u>	<u>26,435</u>
<b>Expenditures:</b>				
Current:				
Instruction	58,722	113,566	58,665	54,901
Support Services - Instruction	<u>5,173</u>	<u>5,173</u>	<u>-</u>	<u>5,173</u>
Total expenditures	<u>63,895</u>	<u>118,739</u>	<u>58,665</u>	<u>60,074</u>
Excess (deficiency) of revenues over expenditures	-	(54,844)	31,665	86,509
Beginning cash balance budgeted	-	54,844	-	(54,844)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>54,844</u>	<u>54,844</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>86,509</u>	<u>\$ 86,509</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			<u>(270)</u>	
			<u>\$ 86,239</u>	

**NONMAJOR GOVERNMENTAL FUNDS**

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Special Revenue Funds</u>									
	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
<u>ASSETS</u>										
Pooled cash and investments	\$ 55,213	\$ 23	\$ (328,184)	\$ 7	\$ 9,472	\$ (23,357)	\$ (35,172)	\$ 16,079	\$ 13,810	\$ 4,902
Receivables:										
Delinquent property taxes	-	-	-	-	-	-	-	-	-	-
Grant	-	-	393,522	-	-	23,357	35,172	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 55,213</u>	<u>\$ 23</u>	<u>\$ 65,338</u>	<u>\$ 7</u>	<u>\$ 9,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,079</u>	<u>\$ 13,810</u>	<u>\$ 4,902</u>
<u>LIABILITIES AND FUND BALANCE</u>										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ 3,076	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	531	172	62,262	-	-	-	-	-	-	-
Deferred revenue:										
Federal, state, and local grants	-	-	-	7	9,472	-	-	16,079	13,810	4,902
Delinquent property taxes	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>531</u>	<u>172</u>	<u>65,338</u>	<u>7</u>	<u>9,472</u>	<u>-</u>	<u>-</u>	<u>16,079</u>	<u>13,810</u>	<u>4,902</u>
Fund balance:										
Reserved:										
Retirement of long-term debt	-	-	-	-	-	-	-	-	-	-
Unreserved and reported in:										
Special revenues funds	54,682	(149)	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>54,682</u>	<u>(149)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 55,213</u>	<u>\$ 23</u>	<u>\$ 65,338</u>	<u>\$ 7</u>	<u>\$ 9,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,079</u>	<u>\$ 13,810</u>	<u>\$ 4,902</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<b>Special Revenue Funds</b>									
	Title II Math/Science <u>Fund</u>	Title IV Drug Free Schools <u>Fund</u>	Partnerships in Character <u>Fund</u>	Enhancing Education <u>Fund</u>	Class Size Reduction Act <u>Fund</u>	Reading Excellence <u>Fund</u>	Enhancing Education Through Technology <u>Fund</u>	Title V <u>Fund</u>	Title III English Language <u>Fund</u>	Title II Teacher Quality <u>Fund</u>
<b>ASSETS</b>										
Pooled cash and investments	\$ -	\$ 3,707	\$ (8,026)	\$ 57,070	\$ -	\$ 13,122	\$ (10,326)	\$ (2,847)	\$ (14,272)	\$ (17,770)
Receivables:										
Delinquent property taxes	-	-	-	-	-	-	-	-	-	-
Grant	-	-	8,677	-	-	-	39,978	6,523	15,906	30,110
Due from other governments	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 3,707</b>	<b>\$ 651</b>	<b>\$ 57,070</b>	<b>\$ -</b>	<b>\$ 13,122</b>	<b>\$ 29,652</b>	<b>\$ 3,676</b>	<b>\$ 1,634</b>	<b>\$ 12,340</b>
<b>LIABILITIES AND FUND BALANCE</b>										
<b>Liabilities:</b>										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,145	\$ -	\$ 736
Due to other funds	-	-	651	-	-	-	29,652	2,531	1,634	11,604
Deferred revenue:										
Federal, state, and local grants	-	3,707	-	57,070	-	13,122	-	-	-	-
Delinquent property taxes	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>3,707</b>	<b>651</b>	<b>57,070</b>	<b>-</b>	<b>13,122</b>	<b>29,652</b>	<b>3,676</b>	<b>1,634</b>	<b>12,340</b>
<b>Fund balance:</b>										
<b>Reserved:</b>										
Retirement of long-term debt	-	-	-	-	-	-	-	-	-	-
<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>Total liabilities and fund balance</b>	<b>\$ -</b>	<b>\$ 3,707</b>	<b>\$ 651</b>	<b>\$ 57,070</b>	<b>\$ -</b>	<b>\$ 13,122</b>	<b>\$ 29,652</b>	<b>\$ 3,676</b>	<b>\$ 1,634</b>	<b>\$ 12,340</b>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

Special Revenue Funds

	Safe & Drug Free Schools Fund	21st Century Community Living Centers Fund	Rural & Low-Income Schools Fund	Title I School Improvement Fund	Reading First Fund	Headstart Fund	Johnson O'Malley Fund	Impact Aid Special Education Fund	Title XIX Medicaid Fund
<b>ASSETS</b>									
Pooled cash and investments	\$ (9,167)	\$ (51,081)	\$ (1,468)	\$ (27,294)	\$ 18,172	\$ 24,731	\$ (3,220)	\$ 30,894	\$ 71,704
Receivables:									
Delinquent property taxes	-	-	-	-	-	-	-	-	-
Grant	10,012	55,691	1,468	28,051	-	-	4,403	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 845</u>	<u>\$ 4,610</u>	<u>\$ -</u>	<u>\$ 757</u>	<u>\$ 18,172</u>	<u>\$ 24,731</u>	<u>\$ 1,183</u>	<u>\$ 30,894</u>	<u>\$ 71,704</u>
<b>LIABILITIES AND FUND BALANCE</b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,566
Due to other funds	845	4,610	-	757	16,264	-	1,183	-	-
Deferred revenue:									
Federal, state, and local grants	-	-	-	-	1,908	24,731	-	30,894	69,138
Delinquent property taxes	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>845</u>	<u>4,610</u>	<u>-</u>	<u>757</u>	<u>18,172</u>	<u>24,731</u>	<u>1,183</u>	<u>30,894</u>	<u>71,704</u>
Fund balance:									
Reserved:									
Retirement of long-term debt	-	-	-	-	-	-	-	-	-
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>
<b>Total liabilities and fund balance</b>	<u>\$ 845</u>	<u>\$ 4,610</u>	<u>\$ -</u>	<u>\$ 757</u>	<u>\$ 18,172</u>	<u>\$ 24,731</u>	<u>\$ 1,183</u>	<u>\$ 30,894</u>	<u>\$ 71,704</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

Special Revenue Funds

		<u>Child &amp; Adult Food Program Fund</u>	<u>Indian Ed Formula Grant Fund</u>	<u>Title V Indian Health Care Improvement Fund</u>	<u>Workforce Investment Act Fund</u>	<u>Dropout Prevention Demonstration Fund</u>	<u>Literacy through School Libraries Fund</u>	<u>Native American Program Fund</u>	<u>LANL Foundation Fund</u>	<u>Indian Health Services Fund</u>
<u>ASSETS</u>										
Pooled cash and investments	\$	28,878	\$ 19,214	\$ 11,378	\$ 580	\$ -	\$ 21,240	\$ 21,898	\$ 5,662	\$ 17
Receivables:										
Delinquent property taxes		-	-	-	-	-	-	-	-	-
Grant		-	-	-	-	-	-	-	-	-
Due from other governments		-	-	-	-	-	-	-	-	-
Due from other funds		-	-	-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$	<u>28,878</u>	\$ <u>19,214</u>	\$ <u>11,378</u>	\$ <u>580</u>	\$ <u>-</u>	\$ <u>21,240</u>	\$ <u>21,898</u>	\$ <u>5,662</u>	\$ <u>17</u>
<u>LIABILITIES AND FUND BALANCE</u>										
Liabilities:										
Accounts payable	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds		-	2,739	-	-	-	19,538	-	-	-
Deferred revenue:										
Federal, state, and local grants		28,878	16,475	11,378	580	-	1,702	21,898	5,662	17
Delinquent property taxes		-	-	-	-	-	-	-	-	-
		<u>28,878</u>	<u>19,214</u>	<u>11,378</u>	<u>580</u>	<u>-</u>	<u>21,240</u>	<u>21,898</u>	<u>5,662</u>	<u>17</u>
Total liabilities		<u>28,878</u>	<u>19,214</u>	<u>11,378</u>	<u>580</u>	<u>-</u>	<u>21,240</u>	<u>21,898</u>	<u>5,662</u>	<u>17</u>
Fund balance:										
Reserved:										
Retirement of long-term debt		-	-	-	-	-	-	-	-	-
Unreserved and reported in:										
Special revenues funds		-	-	-	-	-	-	-	-	-
Capital projects funds		-	-	-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	\$	<u>28,878</u>	\$ <u>19,214</u>	\$ <u>11,378</u>	\$ <u>580</u>	\$ <u>-</u>	\$ <u>21,240</u>	\$ <u>21,898</u>	\$ <u>5,662</u>	\$ <u>17</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

Special Revenue Funds

	<u>Microsoft Settlement Fund</u>	<u>Technology for Education Fund</u>	<u>Obesity Program Fund</u>	<u>Physical Education Classes Fund</u>	<u>Truancy Initiative Fund</u>	<u>Statewide Computer Language Fund</u>	<u>Libraries GO Bond Fund</u>	<u>NW Regional Schools Mini Grant Fund</u>	<u>Pre-K Initiative Fund</u>
<u>ASSETS</u>									
Pooled cash and investments	\$ (31,739)	\$ 30,553	\$ (2,062)	\$ 1,044	\$ -	\$ 28	\$ 2,354	\$ -	\$ (3,770)
Receivables:									
Delinquent property taxes	-	-	-	-	-	-	-	-	-
Grant	31,739	-	2,062	161	-	-	-	-	4,128
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 30,553</u>	<u>\$ -</u>	<u>\$ 1,205</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 2,354</u>	<u>\$ -</u>	<u>\$ 358</u>
<u>LIABILITIES AND FUND BALANCE</u>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	1,205	-	-	-	-	358
Deferred revenue:									
Federal, state, and local grants	-	30,553	-	-	-	28	2,354	-	-
Delinquent property taxes	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>30,553</u>	<u>-</u>	<u>1,205</u>	<u>-</u>	<u>28</u>	<u>2,354</u>	<u>-</u>	<u>358</u>
Fund balance:									
Reserved:									
Retirement of long-term debt	-	-	-	-	-	-	-	-	-
Unreserved and reported in:									
Special revenues funds	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 30,553</u>	<u>\$ -</u>	<u>\$ 1,205</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 2,354</u>	<u>\$ -</u>	<u>\$ 358</u>

(continued)



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

Special Revenue Funds

	Indian Education Act Fund	Beginning Teacher Mentoring Fund	Breakfast for Elementary Students Fund	Communities of Academic Partnership Fund	SINOI Fund	Schools on the Rise Fund	Pre- Kindergarten Fund	Libraries GO Bond Fund	Nutrition Grant Fund
<u>ASSETS</u>									
Pooled cash and investments	\$ -	\$ (10,440)	\$ -	\$ -	\$ (19,789)	\$ (6,528)	\$ -	\$ (7,257)	\$ -
Receivables:									
Delinquent property taxes	-	-	-	-	-	-	-	-	-
Grant	-	10,440	-	-	19,789	6,528	-	7,257	-
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LIABILITIES AND FUND BALANCE</u>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-
Deferred revenue:									
Federal, state, and local grants	-	-	-	-	-	-	-	-	-
Delinquent property taxes	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:									
Reserved:									
Retirement of long-term debt	-	-	-	-	-	-	-	-	-
Unreserved and reported in:									
Special revenues funds	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Special Revenue Funds</u>							
	Youth Conservation Fund	AP New Mexico Incentive Funding Fund	Children's Medical Services Fund	Gear Up Fund	Career- Vocational Technical Education Fund	Life Link Fund	Substance Abuse Fund	City/County Grants Fund
<b>ASSETS</b>								
Pooled cash and investments	\$ (12,648)	\$ 2,160	\$ 102	\$ (9,651)	\$ (94,826)	\$ 215	\$ 7,226	\$ 11,959
Receivables:								
Delinquent property taxes	-	-	-	-	-	-	-	-
Grant	12,648	-	-	9,651	97,026	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 2,160</u>	<u>\$ 102</u>	<u>\$ -</u>	<u>\$ 2,200</u>	<u>\$ 215</u>	<u>\$ 7,226</u>	<u>\$ 11,959</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	2,200	-	-	-
Deferred revenue:								
Federal, state, and local grants	-	2,160	102	-	-	215	7,226	11,959
Delinquent property taxes	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>2,160</u>	<u>102</u>	<u>-</u>	<u>2,200</u>	<u>215</u>	<u>7,226</u>	<u>11,959</u>
Fund balance:								
Reserved:								
Retirement of long-term debt	-	-	-	-	-	-	-	-
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>
<b>Total liabilities and fund balance</b>	<u>\$ -</u>	<u>\$ 2,160</u>	<u>\$ 102</u>	<u>\$ -</u>	<u>\$ 2,200</u>	<u>\$ 215</u>	<u>\$ 7,226</u>	<u>\$ 11,959</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	Special Revenue Funds				Capital Projects Funds			
	School Based Health Center Fund	Value Option Fund	Total Nonmajor Special Revenue Funds	Ed Tech Debt Service Fund	Special Capital Outlay - State Fund	Special Capital Outlay - Federal Fund	Capital Improvements SB-9 Fund	Energy Efficiency Act Fund
<b>ASSETS</b>								
Pooled cash and investments	\$ 9,063	\$ 23,893	\$ (214,524)	\$ 52,022	\$ 5,447	\$ 127,917	\$ 128,192	\$ -
Receivables:								
Delinquent property taxes	-	-	-	4,411	-	-	14,498	-
Grant	21,233	-	875,532	-	-	-	-	-
Due from other governments	-	-	-	65	-	-	2,352	-
Due from other funds	-	-	-	-	-	745	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>745</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 30,296</u>	<u>\$ 23,893</u>	<u>\$ 661,008</u>	<u>\$ 56,498</u>	<u>\$ 5,447</u>	<u>\$ 128,662</u>	<u>\$ 145,042</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 7,523	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	30,296	-	189,032	20,566	30,000	-	83,057	-
Deferred revenue:								
Federal, state, and local grants	-	23,893	409,920	-	-	-	-	-
Delinquent property taxes	-	-	-	4,350	-	-	12,078	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,350</u>	<u>-</u>	<u>-</u>	<u>12,078</u>	<u>-</u>
Total liabilities	<u>30,296</u>	<u>23,893</u>	<u>606,475</u>	<u>24,916</u>	<u>30,000</u>	<u>-</u>	<u>95,135</u>	<u>-</u>
Fund balance:								
Reserved:								
Retirement of long-term debt	-	-	-	31,582	-	-	-	-
Unreserved and reported in:								
Special revenues funds	-	-	54,533	-	-	-	-	-
Capital projects funds	-	-	-	-	(24,553)	128,662	49,907	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(24,553)</u>	<u>128,662</u>	<u>49,907</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>54,533</u>	<u>31,582</u>	<u>(24,553)</u>	<u>128,662</u>	<u>49,907</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 30,296</u>	<u>\$ 23,893</u>	<u>\$ 661,008</u>	<u>\$ 56,498</u>	<u>\$ 5,447</u>	<u>\$ 128,662</u>	<u>\$ 145,042</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<b>Capital Projects Funds</b>			
	Ed Technology Equipment Act <u>Fund</u>	Public School Capital Outlay - 20% <u>Fund</u>	Total Nonmajor Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<u>ASSETS</u>				
Pooled cash and investments	\$ -	\$ 115,124	\$ 376,680	\$ 214,178
Receivables:				
Delinquent property taxes	-	-	14,498	18,909
Grant	-	-	-	875,532
Due from other governments	-	-	2,352	2,417
Due from other funds	<u>6,807</u>	<u>20,006</u>	<u>27,558</u>	<u>27,558</u>
 Total assets	 <u>\$ 6,807</u>	 <u>\$ 135,130</u>	 <u>\$ 421,088</u>	 <u>\$ 1,138,594</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 7,523
Due to other funds	-	-	113,057	322,655
Deferred revenue:				
Federal, state, and local grants	-	-	-	409,920
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>12,078</u>	<u>16,428</u>
 Total liabilities	 <u>-</u>	 <u>-</u>	 <u>125,135</u>	 <u>756,526</u>
Fund balance:				
Reserved:				
Retirement of long-term debt	-	-	-	31,582
Unreserved and reported in:				
Special revenues funds	-	-	-	54,533
Capital projects funds	<u>6,807</u>	<u>135,130</u>	<u>295,953</u>	<u>295,953</u>
 Total fund balance	 <u>6,807</u>	 <u>135,130</u>	 <u>295,953</u>	 <u>382,068</u>
 Total liabilities and fund balance	 <u>\$ 6,807</u>	 <u>\$ 135,130</u>	 <u>\$ 421,088</u>	 <u>\$ 1,138,594</u>

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	Special Revenue Funds				
	Food Service Fund	Athletics Fund	Title I Fund	Migrant Children Education Fund	Title I Program Improvement Fund
<b>Revenues:</b>					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	623,944	-	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	281,296	-	-	-	-
USDA Commodities	18,839	-	-	-	-
Total federal revenues	300,135	-	623,944	-	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	69,561	23,486	-	-	-
Earnings from investments	1,827	215	-	-	-
Total local revenues	71,388	23,701	-	-	-
Total revenue	371,523	23,701	623,944	-	-
<b>Expenditures:</b>					
Current:					
Instruction	-	33,619	411,699	-	-
Support Services - Students	-	-	61,049	-	-
Support Services - Instruction	-	-	46,662	-	-
Support Services - General Administration	-	-	96,627	-	-
Support Services - School Administration	-	-	6,904	-	-
Central Services	-	-	1,003	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	385,400	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	385,400	33,619	623,944	-	-
Excess (deficiency) of revenues over expenditures	(13,877)	(9,918)	-	-	-
<b>Other financing sources and financing uses:</b>					
Transfers in	-	-	-	-	-
Refunds	-	-	-	-	-
Total other financing sources and financing uses	-	-	-	-	-
Net change in fund balance	(13,877)	(9,918)	-	-	-
Fund balance (deficit) as previously reported	68,559	9,769	-	-	-
Restatement	-	-	-	-	-
Fund balance (deficit) as restated	68,559	9,769	-	-	-
Fund balance (deficit) at end of the year	\$ 54,682	\$ (149)	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	Special Revenue Funds				
	Entitlement IDEA-B <u>Fund</u>	Discretionary IDEA-B <u>Fund</u>	Competitive IDEA-B <u>Fund</u>	Preschool IDEA-B <u>Fund</u>	Title VI <u>Fund</u>
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	162,202	45,795	-	-	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
	-----	-----	-----	-----	-----
Total federal revenues	162,202	45,795	-	-	-
State sources:					
State grant	-	-	-	-	-
	-----	-----	-----	-----	-----
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
	-----	-----	-----	-----	-----
Total local revenues	-	-	-	-	-
	-----	-----	-----	-----	-----
Total revenue	162,202	45,795	-	-	-
Expenditures:					
Current:					
Instruction	73,376	25,958	-	-	-
Support Services - Students	88,826	19,338	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	-	499	-	-	-
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
	-----	-----	-----	-----	-----
Total expenditures	162,202	45,795	-	-	-
	-----	-----	-----	-----	-----
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
	-----	-----	-----	-----	-----
Other financing sources and financing uses:					
Transfers in	-	-	-	-	-
Refunds	-	-	-	-	-
	-----	-----	-----	-----	-----
Total other financing sources and financing uses	-	-	-	-	-
	-----	-----	-----	-----	-----
Net change in fund balance	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-
	-----	-----	-----	-----	-----
Restatement	-	-	-	-	-
Fund balance (deficit) as restated	-	-	-	-	-
	-----	-----	-----	-----	-----
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -
	-----	-----	-----	-----	-----

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	Special Revenue Funds				
	Title II	Title IV	Partnerships	Enhancing	Class Size
	Math/Science	Drug Free	in Character	Education	Reduction Act
	Fund	Fund	Fund	Fund	Fund
<b>Revenues:</b>					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	11,828	10,751	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
<b>Total federal revenues</b>	<u>-</u>	<u>-</u>	<u>11,828</u>	<u>10,751</u>	<u>-</u>
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
<b>Total local revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenue</b>	<u>-</u>	<u>-</u>	<u>11,828</u>	<u>10,751</u>	<u>-</u>
<b>Expenditures:</b>					
Current:					
Instruction	-	-	9,477	9,358	-
Support Services - Students	-	-	2,309	-	-
Support Services - Instruction	-	-	-	1,202	-
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	-	-	42	-	-
Central Services	-	-	-	191	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>11,828</u>	<u>10,751</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources and financing uses:</b>					
Transfers in	8,195	-	-	-	1,258
Refunds	-	-	-	-	-
<b>Total other financing sources and financing uses</b>	<u>8,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,258</u>
<b>Net change in fund balance</b>	<u>8,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,258</u>
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restatement	(8,195)	-	-	-	(1,258)
Fund balance (deficit) as restated	<u>(8,195)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,258)</u>
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. 62

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

	Special Revenue Funds				
	Reading Excellence Fund	Enhancing Education Through Technology Fund	Title V Fund	Title III English Language Fund	Title II Teacher Quality Fund
<b>Revenues:</b>					
<b>Federal sources:</b>					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	5,788	30,541	109,060
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
<b>Total federal revenues</b>	<u>-</u>	<u>-</u>	<u>5,788</u>	<u>30,541</u>	<u>109,060</u>
<b>State sources:</b>					
State grant	-	-	-	-	-
<b>Local sources:</b>					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
<b>Total local revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenue</b>	<u>-</u>	<u>-</u>	<u>5,788</u>	<u>30,541</u>	<u>109,060</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	-	-	-	30,541	94,620
Support Services - Students	-	-	-	-	4,542
Support Services - Instruction	-	-	5,788	-	975
Support Services - General Administration	-	-	-	-	8,923
Support Services - School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>5,788</u>	<u>30,541</u>	<u>109,060</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources and financing uses:</b>					
Transfers in	-	-	-	-	-
Refunds	-	-	-	-	-
<b>Total other financing sources and financing uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-
Restatement	-	-	-	-	-
Fund balance (deficit) as restated	-	-	-	-	-
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. 62

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

	Special Revenue Funds				
	Safe & Drug Free Schools Fund	21st Century Community Living Centers Fund	Rural & Low-Income Schools Fund	Title I School Improvement Fund	Reading First Fund
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	12,634	146,730	18,977	11,109	74,019
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
	<u>12,634</u>	<u>146,730</u>	<u>18,977</u>	<u>11,109</u>	<u>74,019</u>
<b>Total federal revenues</b>					
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total local revenues</b>					
<b>Total revenue</b>	<u>12,634</u>	<u>146,730</u>	<u>18,977</u>	<u>11,109</u>	<u>74,019</u>
Expenditures:					
Current:					
Instruction	11,967	138,781	16,957	11,109	55,989
Support Services - Students	-	4,137	1,076	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	667	1,898	944	-	-
Support Services - School Administration	-	464	-	-	-
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	1,450	-	-	-
Capital outlay	-	-	-	-	-
	<u>11,967</u>	<u>138,781</u>	<u>16,957</u>	<u>11,109</u>	<u>55,989</u>
<b>Total expenditures</b>	<u>11,967</u>	<u>138,781</u>	<u>16,957</u>	<u>11,109</u>	<u>55,989</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,030</u>
Other financing sources and financing uses:					
Transfers in	-	-	-	-	-
Refunds	-	-	-	-	(18,030)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,030)</u>
<b>Total other financing sources and financing uses</b>					
Net change in fund balance	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-
Restatement	-	-	-	-	-
Fund balance (deficit) as restated	-	-	-	-	-
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. 62

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

	Special Revenue Funds				
	Headstart Fund	Johnson O'Malley Fund	Impact Aid Special Education Fund	Title XIX Medicaid Fund	Child & Adult Food Program Fund
Revenues:					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ 34,558	\$ -	\$ -
Federal flowthrough grants	-	39,112	-	-	-
Federal direct grants	-	-	-	29,354	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
Total federal revenues	-	39,112	34,558	29,354	-
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total local revenues	-	-	-	-	-
Total revenue	-	39,112	34,558	29,354	-
Expenditures:					
Current:					
Instruction	-	21,377	34,558	5,431	-
Support Services - Students	-	11,927	-	23,779	-
Support Services - Instruction	-	3,473	-	-	-
Support Services - General Administration	-	100	-	-	-
Support Services - School Administration	-	2,235	-	-	-
Central Services	-	-	-	144	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	39,112	34,558	29,354	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing sources and financing uses:					
Transfers in	-	-	-	-	-
Refunds	-	-	-	-	-
Total other financing sources and financing uses	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-
Restatement	-	-	-	-	-
Fund balance (deficit) as restated	-	-	-	-	-
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	Special Revenue Funds				
	Indian Ed Formula Grant Fund	Title V Indian Health Care Improvement Fund	Workforce Investment Act Fund	Dropout Prevention Demonstration Fund	Literacy through School Libraries Fund
<b>Revenues:</b>					
Federal sources:					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	107,321	11,138	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
<b>Total federal revenues</b>	<u>107,321</u>	<u>11,138</u>	<u>-</u>	<u>-</u>	<u>-</u>
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
<b>Total local revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenue</b>	<u>107,321</u>	<u>11,138</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Current:					
Instruction	98,855	11,138	-	-	-
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	8,466	-	-	-	-
Support Services - School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>107,321</u>	<u>11,138</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources and financing uses:</b>					
Transfers in	-	-	-	7,023	-
Refunds	-	-	-	-	-
<b>Total other financing sources and financing uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,023</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,023</u>	<u>-</u>
<b>Fund balance (deficit) at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restatement</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,023)</u>	<u>-</u>
<b>Fund balance (deficit) as restated</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,023)</u>	<u>-</u>
<b>Fund balance (deficit) at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	Special Revenue Funds				
	Native American Program Fund	LANL Foundation Fund	Indian Health Services Fund	Microsoft Settlement Fund	Technology for Education Fund
<b>Revenues:</b>					
<b>Federal sources:</b>					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	125,747	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total federal revenues</b>	<b>125,747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>State sources:</b>					
State grant	-	-	-	-	10,895
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Local sources:</b>					
Grant	-	1,496	-	219	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total local revenues</b>	<b>-</b>	<b>1,496</b>	<b>-</b>	<b>219</b>	<b>-</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total revenue</b>	<b>125,747</b>	<b>1,496</b>	<b>-</b>	<b>219</b>	<b>10,895</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	82,058	1,496	-	219	354
Support Services - Students	16,794	-	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	10,233	-	-	-	-
Support Services - School Administration	15,874	-	-	-	-
Central Services	788	-	-	-	10,541
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total expenditures</b>	<b>125,747</b>	<b>1,496</b>	<b>-</b>	<b>219</b>	<b>10,895</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
<b>Other financing sources and financing uses:</b>					
Transfers in	-	-	-	-	-
Refunds	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total other financing sources and financing uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Restatement	-	-	-	-	-
Fund balance (deficit) as restated	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
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. 62

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

	Special Revenue Funds				
	Obesity Program Fund	Physical Education Classes Fund	Truancy Initiative Fund	Statewide Computer Language Fund	Libraries GO Bond Fund
<b>Revenues:</b>					
<b>Federal sources:</b>					
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
Total federal revenues	-	-	-	-	-
<b>State sources:</b>					
State grant	9,690	-	-	-	2,431
Total state revenues	9,690	-	-	-	2,431
<b>Local sources:</b>					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total local revenues	-	-	-	-	-
Total revenue	9,690	-	-	-	2,431
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	8,423	-	-	-	-
Support Services - Students	756	-	-	-	-
Support Services - Instruction	511	-	-	-	2,431
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	9,690	-	-	-	2,431
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
<b>Other financing sources and financing uses:</b>					
Transfers in	-	-	1	-	-
Refunds	-	-	-	-	-
Total other financing sources and financing uses	-	-	1	-	-
Net change in fund balance	-	-	1	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-
Restatement	-	-	(1)	-	-
Fund balance (deficit) as restated	-	-	(1)	-	-
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	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
<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	-	39,378	-	11,148	13,290
Total local revenues	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total local revenues	-	-	-	-	-
Total revenue	-	39,378	-	11,148	13,290
<b>Expenditures:</b>					
Current:					
Instruction	-	39,230	-	11,148	-
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	-	148	-	-	-
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	13,290
Capital outlay	-	-	-	-	-
Total expenditures	-	39,378	-	11,148	13,290
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
<b>Other financing sources and financing uses:</b>					
Transfers in	1,230	-	3,113	-	-
Refunds	-	-	-	-	-
Total other financing sources and financing uses	1,230	-	3,113	-	-
Net change in fund balance	1,230	-	3,113	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-
Restatement	(1,230)	-	(3,113)	-	-
Fund balance (deficit) as restated	(1,230)	-	(3,113)	-	-
Fund balance (deficit) at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	Special Revenue Funds				
	Communities of Academic Partnership <u>Fund</u>	SINOI <u>Fund</u>	Schools on the Rise <u>Fund</u>	Pre- Kindergarten <u>Fund</u>	Libraries GO Bond <u>Fund</u>
<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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>State sources:</b>					
State grant	-	52,251	24,798	-	7,257
<b>Total state revenues</b>	<u>-</u>	<u>52,251</u>	<u>24,798</u>	<u>-</u>	<u>7,257</u>
<b>Local sources:</b>					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
<b>Total local revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenue</b>	<u>-</u>	<u>52,251</u>	<u>24,798</u>	<u>-</u>	<u>7,257</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	-	52,251	23,076	-	-
Support Services - Students	-	-	1,474	-	-
Support Services - Instruction	-	-	-	-	7,257
Support Services - General Administration	-	-	72	-	-
Support Services - School Administration	-	-	176	-	-
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>52,251</u>	<u>24,798</u>	<u>-</u>	<u>7,257</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources and financing uses:</b>					
Transfers in	-	-	-	-	-
Refunds	-	-	-	-	-
<b>Total other financing sources and financing uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance (deficit) at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restatement</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance (deficit) as restated</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance (deficit) at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	Special Revenue Funds				
	Nutrition Grant Fund	Youth Conservation Fund	AP New Mexico Incentive Funding Fund	Children's Medical Services Fund	Gear Up 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	-	12,389	-	-	10,309
<b>Local sources:</b>					
Grant	-	-	-	-	-
District school tax levy	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
<b>Total local revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>	<b>-</b>	<b>12,389</b>	<b>-</b>	<b>-</b>	<b>10,309</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	-	12,648	-	-	8,518
Support Services - Students	-	-	-	-	1,194
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	-	-	-	-	597
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Food Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>12,648</b>	<b>-</b>	<b>-</b>	<b>10,309</b>
Excess (deficiency) of revenues over expenditures	-	(259)	-	-	-
<b>Other financing sources and financing uses:</b>					
Transfers in	2,293	259	-	-	-
Refunds	-	-	-	-	-
<b>Total other financing sources and financing uses</b>	<b>2,293</b>	<b>259</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>2,293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance (deficit) at beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restatement</b>	<b>(2,293)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance (deficit) as restated</b>	<b>(2,293)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance (deficit) at end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(continued)



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	Special Revenue Funds						Total Nonmajor Special Revenue Funds
	Career- Vocational Technical Education Fund	Life Link Fund	Substance Abuse Fund	City/County Grants Fund	School Based Health Center Fund	Value Option Fund	
<b>Revenues:</b>							
<b>Federal sources:</b>							
Public Law 874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,558
Federal flowthrough grants	-	-	-	-	-	-	1,302,490
Federal direct grants	-	-	-	-	-	-	273,560
Food and milk reimbursements	-	-	-	-	-	-	281,296
USDA Commodities	-	-	-	-	-	-	18,839
<b>Total federal revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,910,743</u>
<b>State sources:</b>							
State grant	-	-	-	-	116,843	16,129	326,808
<b>Local sources:</b>							
Grant	-	4,785	-	3,292	-	-	9,792
District school tax levy	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	93,047
Earnings from investments	-	-	-	-	-	-	2,042
<b>Total local revenues</b>	<u>-</u>	<u>4,785</u>	<u>-</u>	<u>3,292</u>	<u>-</u>	<u>-</u>	<u>104,881</u>
<b>Total revenue</b>	<u>-</u>	<u>4,785</u>	<u>-</u>	<u>3,292</u>	<u>116,843</u>	<u>16,129</u>	<u>2,342,432</u>
<b>Expenditures:</b>							
<b>Current:</b>							
Instruction	-	-	-	795	177	-	1,335,203
Support Services - Students	-	4,785	-	2,452	104,775	16,129	365,342
Support Services - Instruction	-	-	-	45	-	-	68,344
Support Services - General Administration	-	-	-	-	128	-	128,058
Support Services - School Administration	-	-	-	-	-	-	26,939
Central Services	-	-	-	-	-	-	12,667
Operations & Maintenance of Plant	-	-	-	-	11,763	-	11,763
Food Services	-	-	-	-	-	-	400,140
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>4,785</u>	<u>-</u>	<u>3,292</u>	<u>116,843</u>	<u>16,129</u>	<u>2,348,456</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,024)</u>
<b>Other financing sources and financing uses:</b>							
Transfers in	-	-	-	-	-	-	23,372
Refunds	-	-	-	-	-	-	(18,030)
<b>Total other financing sources and financing uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,342</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(682)</u>
<b>Fund balance (deficit) at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,328</u>
<b>Restatement</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,113)</u>
<b>Fund balance (deficit) as restated</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,215</u>
<b>Fund balance (deficit) at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,533</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Capital Projects Funds</u>				
	Ed Tech Debt Service Fund	Special Capital Outlay - State Fund	Special Capital Outlay - Federal Fund	Capital Improvements SB-9 Fund	Energy Efficiency Act Fund
<b>Revenues:</b>					
<b>Federal sources:</b>					
Public Law 874	\$ -	\$ -	\$ 2,886	\$ -	\$ -
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
<b>Total federal revenues</b>	<u>-</u>	<u>-</u>	<u>2,886</u>	<u>-</u>	<u>-</u>
<b>State sources:</b>					
State grant	-	-	-	-	-
<b>Local sources:</b>					
Grant	-	-	-	-	-
District school tax levy	1,090	-	-	95,808	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	70,170	-
<b>Total local revenues</b>	<u>1,090</u>	<u>-</u>	<u>-</u>	<u>165,978</u>	<u>-</u>
<b>Total revenue</b>	<u>1,090</u>	<u>-</u>	<u>2,886</u>	<u>165,978</u>	<u>-</u>
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	-	-	-	-	-
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	13	-	-	835	-
Support Services - School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	47,579	5,684
Food Services	-	-	-	-	-
Capital outlay	-	-	7,030	52,009	-
<b>Total expenditures</b>	<u>13</u>	<u>-</u>	<u>7,030</u>	<u>100,423</u>	<u>5,684</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,077</u>	<u>-</u>	<u>(4,144)</u>	<u>65,555</u>	<u>(5,684)</u>
<b>Other financing sources and financing uses:</b>					
Transfers in	-	-	-	-	27,746
Refunds	-	-	-	-	-
<b>Total other financing sources and financing uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,746</u>
<b>Net change in fund balance</b>	<u>1,077</u>	<u>-</u>	<u>(4,144)</u>	<u>65,555</u>	<u>22,062</u>
<b>Fund balance (deficit) at beginning of the year</b>	<u>30,505</u>	<u>(24,553)</u>	<u>132,806</u>	<u>(15,648)</u>	<u>(22,062)</u>
<b>Restatement</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance (deficit) as restated</b>	<u>30,505</u>	<u>(24,553)</u>	<u>132,806</u>	<u>(15,648)</u>	<u>(22,062)</u>
<b>Fund balance (deficit) at end of the year</b>	<u>\$ 31,582</u>	<u>\$ (24,553)</u>	<u>\$ 128,662</u>	<u>\$ 49,907</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Capital Projects Funds</u>			
	Ed Technology Equipment Act Fund	Public School Capital Outlay - 20% Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
<b>Federal sources:</b>				
Public Law 874	\$ -	\$ -	\$ 2,886	\$ 37,444
Federal flowthrough grants	-	-	-	1,302,490
Federal direct grants	-	-	-	273,560
Food and milk reimbursements	-	-	-	281,296
USDA Commodities	-	-	-	18,839
<b>Total federal revenues</b>	<u>-</u>	<u>-</u>	<u>2,886</u>	<u>1,913,629</u>
<b>State sources:</b>				
State grant	-	-	-	326,808
<b>Local sources:</b>				
Grant	-	-	-	9,792
District school tax levy	-	-	95,808	96,898
Fees and activities	-	-	-	93,047
Earnings from investments	-	-	70,170	72,212
<b>Total local revenues</b>	<u>-</u>	<u>-</u>	<u>165,978</u>	<u>271,949</u>
<b>Total revenue</b>	<u>-</u>	<u>-</u>	<u>168,864</u>	<u>2,512,386</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	-	-	-	1,335,203
Support Services - Students	-	-	-	365,342
Support Services - Instruction	-	-	-	68,344
Support Services - General Administration	-	-	835	128,906
Support Services - School Administration	-	-	-	26,939
Central Services	-	-	-	12,667
Operations & Maintenance of Plant	-	-	53,263	65,026
Food Services	-	-	-	400,140
Capital outlay	-	-	59,039	59,039
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>113,137</u>	<u>2,461,606</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>55,727</u>	<u>50,780</u>
<b>Other financing sources and financing uses:</b>				
Transfers in	-	-	27,746	51,118
Refunds	-	-	-	(18,030)
<b>Total other financing sources and financing uses</b>	<u>-</u>	<u>-</u>	<u>27,746</u>	<u>33,088</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>83,473</u>	<u>83,868</u>
<b>Fund balance (deficit) at beginning of the year</b>	<u>6,807</u>	<u>135,130</u>	<u>242,985</u>	<u>321,313</u>
<b>Restatement</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,113)</u>
<b>Fund balance (deficit) as restated</b>	<u>6,807</u>	<u>135,130</u>	<u>212,480</u>	<u>298,200</u>
<b>Fund balance (deficit) at end of the year</b>	<u>\$ 6,807</u>	<u>\$ 135,130</u>	<u>\$ 295,953</u>	<u>\$ 382,068</u>

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## **BUDGETARY PRESENTATION**

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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FOOD SERVICES

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

ATHLETICS

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

TITLE I

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

MIGRANT CHILDREN EDUCATION

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

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. 62

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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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. 62

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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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.

SAFE AND 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. 62

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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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. 62

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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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. 62

NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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OBESITY PROGRAM

To provide for physical activities before and after school.

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)

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.

STATE OF NEW MEXICO  
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NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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BREAKFAST FOR ELEMENTARY STUDENTS

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

COMMUNITIES OF ACADEMIC PARTNERSHIP

To improve academic achievement of students.

SINOI

To assist in the improvement of the Adequate Yearly Progress (AYP) goals.

SCHOOLS ON THE RISE

To provide schools with addition funds for education materials.

PRE-KINDERGARTEN

To provide students with a developmentally appropriate learning environment that will better prepare them for kindergarten.

LIBRARIES GO BOND

Funding made available to update and expand library collections.

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.

LIFE LINK

To assist in the assessment of behavior health needs.

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NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008

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SUBSTANCE ABUSE ED

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

CITY/COUNTY GRANTS

To implement science based curriculum.

SCHOOL BASED HEALTH CENTER

To enhance school based health centers infrastructure, develop and implement billing protocols, improve communication with school personnel, families, and outside agencies, and improve behavioral health programs.

VALUE OPTION

To assist in the enhancement of school based health centers.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal sources:				
Food and milk reimbursements	\$ 264,000	\$ 264,000	\$ 281,296	\$ 17,296
USDA Commodities	<u>21,036</u>	<u>21,036</u>	<u>18,839</u>	<u>(2,197)</u>
Total federal revenues	<u>285,036</u>	<u>285,036</u>	<u>300,135</u>	<u>15,099</u>
Local sources:				
Fees and activities	52,000	52,000	69,561	17,561
Earnings from investments	<u>-</u>	<u>-</u>	<u>1,827</u>	<u>1,827</u>
Total local revenues	<u>52,000</u>	<u>52,000</u>	<u>71,388</u>	<u>19,388</u>
Total revenues	337,036	337,036	371,523	34,487
<b>Expenditures:</b>				
Current:				
Food Services Operations	<u>386,745</u>	<u>423,143</u>	<u>402,417</u>	<u>20,726</u>
Excess (deficiency) of revenues over expenditures	(49,709)	(86,107)	(30,894)	55,213
Beginning cash balance budgeted	49,709	86,107	-	(86,107)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>68,559</u>	<u>68,559</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	37,665	<u>\$ 37,665</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in inventory			(582)	
Change in payables			<u>17,599</u>	
			<u>\$ 54,682</u>	

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Fees and activities	\$ 39,710	\$ 39,710	\$ 23,486	\$ (16,224)
Earnings from investments	<u>          -</u>	<u>          -</u>	<u>          215</u>	<u>          215</u>
Total revenues	39,710	39,710	23,701	(16,009)
 Expenditures:				
Current:				
Instruction	<u>39,710</u>	<u>39,710</u>	<u>33,619</u>	<u>6,091</u>
Excess (deficiency) of revenues over expenditures	-	-	(9,918)	(9,918)
Fund balance at beginning of the year	<u>          -</u>	<u>          -</u>	<u>9,769</u>	<u>9,769</u>
Fund balance at end of the year	<u><u>          -</u></u>	<u><u>          -</u></u>	(149)	<u><u>          (149)</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>          -</u>	
			<u><u>          (149)</u></u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ 1,040,630	\$ 1,146,848	\$ 464,670	\$ (682,178)
<b>Expenditures:</b>				
Current:				
Instruction	999,761	1,028,329	412,435	615,894
Support Services - Students	4,000	37,500	61,049	(23,549)
Support Services - Instruction	186,622	189,122	46,662	142,460
Support Services - General Administration	4,000	42,950	96,940	(53,990)
Support Services - School Administration	4,000	5,500	6,904	(1,404)
Central Services	<u>-</u>	<u>1,200</u>	<u>1,003</u>	<u>197</u>
Total expenditures	<u>1,198,383</u>	<u>1,304,601</u>	<u>624,993</u>	<u>679,608</u>
Excess (deficiency) of revenues over expenditures	(157,753)	(157,753)	(160,323)	(2,570)
Beginning cash balance budgeted	157,753	157,753	-	(157,753)
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>	(160,323)	<u>\$ (160,323)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			159,274	
Change in payables			<u>1,049</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 162,202	\$ 187,640	\$ 25,438
Expenditures:				
Current:				
Instruction	-	104,626	73,376	31,250
Support Services - Students	-	57,576	88,826	(31,250)
Total expenditures	-	162,202	162,202	-
Excess of revenues over expenditures	-	-	25,438	25,438
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	25,438	\$ 25,438
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(25,438)	
			\$ -	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 45,984	\$ 24,901	\$ (21,083)
Expenditures:				
Current:				
Instruction	-	25,975	25,958	17
Support Services - Students	-	2,885	19,338	(16,453)
Support Services - School Administration	-	17,124	499	16,625
Total expenditures	-	45,984	45,795	189
Excess (deficiency) of revenues over expenditures	-	-	(20,894)	(20,894)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(20,894)	\$ (20,894)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			20,894	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 8,588	\$ 3,000	\$ (5,588)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>8,588</u>	<u>-</u>	<u>8,588</u>
Excess of revenues over expenditures	-	-	3,000	3,000
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,000	<u>\$ 3,000</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(3,000)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing sources:				
Transfers in	-	-	8,195	8,195
Net change in fund balance	-	-	8,195	8,195
Fund balance as previously reported	-	-	-	-
Restatement	-	-	(8,195)	(8,195)
Fund balance as restated	-	-	(8,195)	(8,195)
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62  
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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 13,500	\$ 12,568	\$ (932)
Expenditures:				
Current:				
Instruction	-	11,078	9,478	1,600
Support Services - Students	-	2,380	2,309	71
Support Services - School Administration	-	42	42	-
Total expenditures	-	13,500	11,829	1,671
Excess of revenues over expenditures	-	-	739	739
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	739	<u>\$ 739</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(739)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<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	\$ -	\$ 10,799	\$ 25,587	\$ 14,788
Expenditures:				
Current:				
Instruction	-	9,300	9,358	(58)
Support Services - Instruction	-	1,499	1,244	255
Central Services	-	-	191	(191)
Total expenditures	-	10,799	10,793	6
Excess of revenues over expenditures	-	-	14,794	14,794
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	14,794	<u>\$ 14,794</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			41	
Change in deferred revenue			<u>(14,835)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62  
CLASS SIZE REDUCTION ACT SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing sources:				
Transfers in	-	-	1,258	1,258
Net change in fund balance	-	-	1,258	1,258
Fund balance as previously reported	-	-	-	-
Restatement	-	-	(1,258)	(1,258)
Fund balance as restated	-	-	(1,258)	(1,258)
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 4,747	\$ 9,146	\$ 8,505	\$ (641)
 Expenditures:				
Current:				
Support Services - Instruction	<u>4,747</u>	<u>9,146</u>	<u>4,643</u>	<u>4,503</u>
Excess of revenues over expenditures	-	-	3,862	3,862
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	3,862	<u>\$ 3,862</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(2,717)	
Change in payables			<u>(1,145)</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62  
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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Federal sources:				
Federal grant	\$ 23,712	\$ 30,634	\$ 24,921	\$ (5,713)
 Expenditures:				
Current:				
Instruction	<u>23,712</u>	<u>30,634</u>	<u>30,541</u>	<u>93</u>
Excess (deficiency) of revenues over expenditures	-	-	(5,620)	(5,620)
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>	(5,620)	<u>\$ (5,620)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>5,620</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ 176,854	\$ 387,420	\$ 89,240	\$ (298,180)
<b>Expenditures:</b>				
Current:				
Instruction	135,354	255,920	93,884	162,036
Support Services - Students	-	60,000	4,542	55,458
Support Services - Instruction	10,500	40,500	975	39,525
Support Services - General Administration	28,500	28,500	8,923	19,577
Central Services	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total expenditures	<u>176,854</u>	<u>387,420</u>	<u>108,324</u>	<u>279,096</u>
Excess (deficiency) of revenues over expenditures	-	-	(19,084)	(19,084)
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>	(19,084)	<u>\$ (19,084)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			19,820	
Change in payables			<u>(736)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62  
SAFE & DRUG FREE SCHOOLS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>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	\$ 13,334	\$ 18,160	\$ 5,091	\$ (13,069)
Expenditures:				
Current:				
Instruction	13,334	18,160	11,967	6,193
Support Services - General Administration	-	-	667	(667)
Total expenditures	<u>13,334</u>	<u>18,160</u>	<u>12,634</u>	<u>5,526</u>
Excess (deficiency) of revenues over expenditures	-	-	(7,543)	(7,543)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(7,543)	<u>\$ (7,543)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>7,543</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62  
RURAL & LOW-INCOME SCHOOLS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ 18,891	\$ 21,845	\$ 12,005	\$ (9,840)
<b>Expenditures:</b>				
Current:				
Instruction	13,447	17,401	16,957	444
Support Services - Students	-	1,000	1,076	(76)
Support Services - Instruction	4,500	2,500	-	2,500
Support Services - General Administration	<u>944</u>	<u>944</u>	<u>944</u>	<u>-</u>
Total expenditures	<u>18,891</u>	<u>21,845</u>	<u>18,977</u>	<u>2,868</u>
Excess (deficiency) of revenues over expenditures	-	-	(6,972)	(6,972)
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>	(6,972)	<u>\$ (6,972)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			1,468	
Change in deferred revenue			<u>5,504</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal sources:				
Federal grant	\$ 134,736	\$ 224,104	\$ 114,897	\$ (109,207)
<b>Expenditures:</b>				
Current:				
Instruction	134,736	216,554	138,965	77,589
Support Services - Students	-	5,050	4,137	913
Support Services - General Administration	-	-	1,898	(1,898)
Support Services - School Administration	-	-	464	(464)
Food Services Operations	-	2,500	1,450	1,050
<u>Total expenditures</u>	<u>134,736</u>	<u>224,104</u>	<u>146,914</u>	<u>77,190</u>
Excess (deficiency) of revenues over expenditures	-	-	(32,017)	(32,017)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(32,017)	<u>\$ (32,017)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			31,833	
Change in payables			<u>184</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62  
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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 32,686	\$ 17,003	\$ (15,683)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>32,686</u>	<u>11,109</u>	<u>21,577</u>
Excess of revenues over expenditures	-	-	5,894	5,894
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>	5,894	<u>\$ 5,894</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(5,894)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 60,918	\$ -	\$ (60,918)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>60,918</u>	<u>57,139</u>	<u>3,779</u>
Excess (deficiency) of revenues over expenditures	-	-	(57,139)	(57,139)
Other financing uses:				
Refunds	<u>-</u>	<u>-</u>	<u>(18,030)</u>	<u>(18,030)</u>
Net change in fund balance	-	-	(75,169)	(75,169)
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>(75,169)</u>	<u>\$ (75,169)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			1,150	
Change in deferred revenue			<u>74,019</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal direct grant	\$ -	\$ 39,663	\$ 19,580	\$ (20,083)
<b>Expenditures:</b>				
Current:				
Instruction	-	21,984	21,377	607
Support Services - Students	-	2,000	11,927	(9,927)
Support Services - Instruction	-	11,048	3,473	7,575
Support Services - General Administration	-	-	100	(100)
Support Services - School Administration	-	2,631	2,235	396
Central Services	-	2,000	-	2,000
<b>Total expenditures</b>	<b>-</b>	<b>39,663</b>	<b>39,112</b>	<b>551</b>
Excess (deficiency) of revenues over expenditures	-	-	(19,532)	(19,532)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(19,532)	\$ (19,532)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			4,403	
Change in deferred revenue			15,129	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Public Law 874	\$ 28,350	\$ 62,302	\$ 42,096	\$ (20,206)
 Expenditures:				
Current:				
Instruction	<u>28,350</u>	<u>62,302</u>	<u>34,558</u>	<u>27,744</u>
Excess of revenues over expenditures	-	-	7,538	7,538
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>	7,538	<u>\$ 7,538</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(7,538)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Federal sources:				
Federal direct grant	\$ -	\$ 18,951	\$ 47,061	\$ 28,110
<b>Expenditures:</b>				
Current:				
Instruction	13,124	13,124	3,361	9,763
Support Services - Students	15,000	33,701	23,779	9,922
Central Services	-	250	144	106
Total expenditures	<u>28,124</u>	<u>47,075</u>	<u>27,284</u>	<u>19,791</u>
Excess (deficiency) of revenues over expenditures	(28,124)	(28,124)	19,777	47,901
Beginning cash balance budgeted	28,124	28,124	-	(28,124)
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>	19,777	<u>\$ 19,777</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			(2,069)	
Change in deferred revenue			<u>(17,708)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
<b>Revenues:</b>				
Federal sources:				
Federal direct grant	\$ -	\$ 81,876	\$ 105,497	\$ 23,621
<b>Expenditures:</b>				
Current:				
Instruction	-	99,696	98,955	741
Support Services - General Administration	-	3,317	8,466	(5,149)
Total expenditures	-	103,013	107,421	(4,408)
Excess (deficiency) of revenues over expenditures	-	(21,137)	(1,924)	19,213
Beginning cash balance budgeted	-	21,137	-	(21,137)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(1,924)	\$ (1,924)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			100	
Change in deferred revenue			1,824	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 22,516	\$ -	\$ (22,516)
Expenditures:				
Current:				
Support Services - Students	<u>-</u>	<u>22,516</u>	<u>11,378</u>	<u>11,138</u>
Excess (deficiency) of revenues over expenditures	-	-	(11,378)	(11,378)
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>	(11,378)	<u>\$ (11,378)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>11,378</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing sources:				
Transfers in	-	-	7,023	7,023
Net change in fund balance	-	-	7,023	7,023
Fund balance as previously reported	-	-	-	-
Restatement	-	-	(7,023)	(7,023)
Fund balance as restated	-	-	(7,023)	(7,023)
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Federal sources:				
Federal direct grant	\$ 61,336	\$ 208,860	\$ 113,884	\$ (94,976)
<b>Expenditures:</b>				
Current:				
Instruction	29,832	132,407	82,157	50,250
Support Services - Students	-	20,000	16,794	3,206
Support Services - Instruction	31,504	31,504	-	31,504
Support Services - General Administration	-	-	10,233	(10,233)
Support Services - School Administration	-	22,949	15,874	7,075
Central Services	-	2,000	788	1,212
	<u>61,336</u>	<u>208,860</u>	<u>125,846</u>	<u>83,014</u>
Excess (deficiency) of revenues over expenditures	-	-	(11,962)	(11,962)
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>	(11,962)	<u>\$ (11,962)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			99	
Change in deferred revenue			<u>11,863</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ 2,369	\$ 2,370	\$ 1
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>2,369</u>	<u>1,496</u>	<u>873</u>
Excess of revenues over expenditures	-	-	874	874
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>	874	<u>\$ 874</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(874)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ 533	\$ -	\$ (533)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>533</u>	<u>532</u>	<u>1</u>
 Excess (deficiency) of revenues over expenditures	-	-	(532)	(532)
 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>	(532)	<u>\$ (532)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			219	
Change in payables			<u>313</u>	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 34,258	\$ 34,345	\$ 87
<b>Expenditures:</b>				
Current:				
Instruction	-	11,923	354	11,569
Central Services	-	22,335	10,541	11,794
	-	34,258	10,895	23,363
Excess of revenues over expenditures	-	-	23,450	23,450
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	23,450	\$ 23,450
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in deferred revenue			(23,450)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 30,000	\$ 7,628	\$ (22,372)
<b>Expenditures:</b>				
Current:				
Instruction	-	22,000	8,423	13,577
Support Services - Students	-	8,000	756	7,244
Support Services - Instruction	-	-	511	(511)
	<u>-</u>	<u>30,000</u>	<u>9,690</u>	<u>20,310</u>
Excess (deficiency) of revenues over expenditures	-	-	(2,062)	(2,062)
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>	(2,062)	<u>\$ (2,062)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>2,062</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 17,380	\$ 17,380
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	17,380	17,380
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	17,380	<u>\$ 17,380</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(17,380)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing sources:				
Transfers in	-	-	1	1
Net change in fund balance	-	-	1	1
Fund balance as previously reported	-	-	-	-
Restatement	-	-	(1)	(1)
Fund balance as restated	-	-	(1)	(1)
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ 3,334	\$ 15,888	\$ 12,554
Expenditures:				
Current:				
Support Services - Instruction	-	3,334	3,105	229
Excess of revenues over expenditures	-	-	12,783	12,783
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	12,783	<u>\$ 12,783</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(11,103)	
Change in payables			674	
Change in deferred revenue			<u>(2,354)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-	-
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>1,230</u>	<u>1,230</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>1,230</u>	<u>1,230</u>
Fund balance as previously reported	-	-	-	-
Restatement	<u>-</u>	<u>-</u>	<u>(1,230)</u>	<u>(1,230)</u>
Fund balance as restated	<u>-</u>	<u>-</u>	<u>(1,230)</u>	<u>(1,230)</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>-</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 40,868	\$ 48,036	\$ 7,168
<b>Expenditures:</b>				
Current:				
Instruction	-	40,868	39,425	1,443
Support Services - School Administration	-	-	148	(148)
Total expenditures	-	40,868	39,573	1,295
Excess of revenues over expenditures	-	-	8,463	8,463
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	8,463	\$ 8,463
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(8,658)	
Change in payables			195	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing sources:				
Transfers in	-	-	3,113	3,113
Net change in fund balance	-	-	3,113	3,113
Fund balance as previously reported	-	-	-	-
Restatement	-	-	(3,113)	(3,113)
Fund balance as restated	-	-	(3,113)	(3,113)
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			-	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 11,147	\$ -	\$ (11,147)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>11,147</u>	<u>11,148</u>	<u>(1)</u>
Excess (deficiency) of revenues over expenditures	-	-	(11,148)	(11,148)
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>	(11,148)	<u>\$ (11,148)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			10,440	
Change in deferred revenue			<u>708</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ 13,290	\$ 13,290	\$ 13,290	\$ -
 Expenditures:				
Current:				
Food Services Operations	<u>13,290</u>	<u>13,290</u>	<u>13,290</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. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 6,990	\$ 6,990
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	6,990	6,990
Fund balance at beginning of the year	-	-	-	-
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			(6,990)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 60,000	\$ 32,461	\$ (27,539)
<b>Expenditures:</b>				
Current:				
Instruction	<u>-</u>	<u>60,000</u>	<u>52,250</u>	<u>7,750</u>
Excess (deficiency) of revenues over expenditures	-	-	(19,789)	(19,789)
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>	(19,789)	<u>\$ (19,789)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>19,789</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<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	\$ -	\$ 24,805	\$ 21,576	\$ (3,229)
<b>Expenditures:</b>				
Current:				
Instruction	-	23,082	23,076	6
Support Services - Students	-	1,476	1,474	2
Support Services - General Administration	-	71	72	(1)
Support Services - School Administration	-	176	176	-
Total expenditures	-	24,805	24,798	7
Excess (deficiency) of revenues over expenditures	-	-	(3,222)	(3,222)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(3,222)	\$ (3,222)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			3,222	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 2,571	\$ -	\$ (2,571)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>2,571</u>	<u>-</u>	<u>2,571</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. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 10,056	\$ -	\$ (10,056)
Expenditures:				
Current:				
Support Services - Instruction	<u>-</u>	<u>10,056</u>	<u>7,257</u>	<u>2,799</u>
Excess (deficiency) of revenues over expenditures	-	-	(7,257)	(7,257)
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>	(7,257)	<u>\$ (7,257)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>7,257</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<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	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing sources:				
Transfers in	-	-	2,293	2,293
Net change in fund balance	-	-	2,293	2,293
Fund balance as previously reported	-	-	-	-
Restatement	-	-	(2,293)	(2,293)
Fund balance as restated	-	-	(2,293)	(2,293)
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			-	
			<u>\$ -</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 58,669	\$ -	\$ (58,669)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>58,669</u>	<u>12,648</u>	<u>46,021</u>
Excess (deficiency) of revenues over expenditures	-	-	(12,648)	(12,648)
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>259</u>	<u>259</u>
Net change in fund balance	-	-	(12,389)	(12,389)
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>	(12,389)	<u>\$ (12,389)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>12,389</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 29,438	\$ 9,088	\$ (20,350)
Expenditures:				
Current:				
Instruction	-	27,620	8,518	19,102
Support Services - Students	-	1,550	1,194	356
Support Services - School Administration	-	268	597	(329)
Total expenditures	-	29,438	10,309	19,129
Excess (deficiency) of revenues over expenditures	-	-	(1,221)	(1,221)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(1,221)	\$ (1,221)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			1,221	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ -	\$ 11,887	\$ 11,887
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	11,887	11,887
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	11,887	<u>\$ 11,887</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(11,887)	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 5,000	\$ 5,000	\$ -
<b>Expenditures:</b>				
Current:				
Support Services - Students	<u>-</u>	<u>5,000</u>	<u>4,785</u>	<u>215</u>
Excess of revenues over expenditures	-	-	215	215
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>	215	<u>\$ 215</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in deferred revenue			<u>(215)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Local sources:</b>				
Miscellaneous	\$ -	\$ 15,251	\$ -	\$ (15,251)
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction	-	11,451	795	10,656
Support Services - Students	-	3,650	2,452	1,198
Support Services - Instruction	-	150	45	105
	<u>-</u>	<u>15,251</u>	<u>3,292</u>	<u>11,959</u>
Excess (deficiency) of revenues over expenditures	-	-	(3,292)	(3,292)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(3,292)	<u>\$ (3,292)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in deferred revenue			<u>3,292</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 317,309	\$ 66,650	\$ (250,659)
<b>Expenditures:</b>				
Current:				
Instruction	-	805	177	628
Support Services - Students	-	158,660	111,900	46,760
Support Services - General Administration	-	150	128	22
Operation & Maintenance of Plant	-	1,600	11,763	(10,163)
Total current expenses	-	161,215	123,968	37,247
Capital outlay:				
Construction in progress	-	156,094	-	156,094
Total expenditures	-	317,309	123,968	193,341
Excess (deficiency) of revenues				
over expenditures	-	-	(57,318)	(57,318)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(57,318)	\$ (57,318)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			21,233	
Change in payables			7,125	
Change in deferred revenue			28,960	
			<u>28,960</u>	
			\$ -	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
State sources:				
State grant	\$ -	\$ 28,200	\$ 40,022	\$ 11,822
<b>Expenditures:</b>				
Current:				
Support Services - Students	-	<u>28,200</u>	<u>16,129</u>	<u>12,071</u>
Excess of revenues over expenditures	-	-	23,893	23,893
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	23,893	<u>\$ 23,893</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in deferred revenue			<u>(23,893)</u>	
			<u>\$ -</u>	

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STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

CAPITAL PROJECTS FUNDS  
Year Ended June 30, 2008

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BOND BUILDING FUND

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

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. 62

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

	<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	\$ -	\$ 74,257	\$ 74,257	\$ -
Expenditures:				
Current:				
Operation & Maintenance of Plant	125,000	195,710	66,600	129,110
Capital outlay:				
Land and improvements	-	-	3,000	(3,000)
Equipment	-	45,000	836,696	(791,696)
Construction in progress	2,078,881	2,153,138	916,424	1,236,714
Total capital outlay	2,078,881	2,198,138	1,756,120	442,018
Total expenditures	2,203,881	2,393,848	1,822,720	571,128
Excess (deficiency) of revenues over expenditures	(2,203,881)	(2,319,591)	(1,748,463)	571,128
Other financing sources:				
Sale of bonds	325,000	440,710	580,000	139,290
Net change in fund balance	(1,878,881)	(1,878,881)	(1,168,463)	710,418
Beginning cash balance budgeted	1,878,881	1,878,881	-	(1,878,881)
Fund balance at beginning of the year	-	-	1,709,353	1,709,353
Fund balance at end of the year	\$ -	\$ -	540,890	\$ 540,890
RECONCILIATION TO GAAP BASIS:				
Change in receivables			(469)	
Change in payables			39,913	
			<u>\$ 580,334</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62  
PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 96,720	\$ -	\$ (96,720)
 Expenditures:				
Capital outlay:				
Land and improvements	-	96,720	-	96,720
Excess of revenues over expenditures	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	(245,267)	(245,267)
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(245,267)	<u>\$ (245,267)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ (245,267)</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Public Law 874	\$ -	\$ -	\$ 2,886	\$ 2,886
Expenditures:				
Capital outlay:				
Land and improvements	130,000	130,000	7,030	122,970
Construction in progress	<u>16,129</u>	<u>16,129</u>	<u>-</u>	<u>16,129</u>
Total expenditures	<u>146,129</u>	<u>146,129</u>	<u>7,030</u>	<u>139,099</u>
Excess (deficiency) of revenues over expenditures	(146,129)	(146,129)	(4,144)	141,985
Beginning cash balance budgeted	146,129	146,129	-	(146,129)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>132,806</u>	<u>132,806</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	128,662	<u>\$ 128,662</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 128,662</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62  
CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>State sources:</b>				
State grant	\$ -	\$ 110,939	\$ -	\$ (110,939)
<b>Local sources:</b>				
District school tax levy	87,007	87,007	98,200	11,193
Earnings from investments	<u>5,000</u>	<u>5,000</u>	<u>70,169</u>	<u>65,169</u>
Total local revenues	<u>92,007</u>	<u>92,007</u>	<u>168,369</u>	<u>76,362</u>
Total revenues	<u>92,007</u>	<u>202,946</u>	<u>168,369</u>	<u>(34,577)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Support Services - General Administration	735	735	835	(100)
Operation & Maintenance of Plant	<u>189,668</u>	<u>300,607</u>	<u>54,233</u>	<u>246,374</u>
Total current expenses	190,403	301,342	55,068	246,274
<b>Capital outlay:</b>				
Construction in progress	<u>-</u>	<u>-</u>	<u>52,009</u>	<u>(52,009)</u>
Total expenditures	<u>190,403</u>	<u>301,342</u>	<u>107,077</u>	<u>194,265</u>
Excess (deficiency) of revenues over expenditures	(98,396)	(98,396)	61,292	159,688
Beginning cash balance budgeted	98,396	98,396	-	(98,396)
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>(15,648)</u>	<u>(15,648)</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	45,644	<u>\$ 45,644</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			13,539	
Change in due from other governments			(3,853)	
Change in payables			6,655	
Change in deferred property taxes			<u>(12,078)</u>	
			<u>\$ 49,907</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ -	\$ -
 Expenditures:				
Current:				
Operation & Maintenance of Plant	<u>5,683</u>	<u>5,683</u>	<u>5,684</u>	<u>(1)</u>
Excess (deficiency) of revenues over expenditures	(5,683)	(5,683)	(5,684)	(1)
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>27,746</u>	<u>27,746</u>
Net change in fund balance	(5,683)	(5,683)	22,062	27,745
Beginning cash balance budgeted	5,683	5,683	-	(5,683)
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>(22,062)</u>	<u>(22,062)</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. 62

DEBT SERVICE FUNDS  
Year Ended June 30, 2008

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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. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
Local sources:				
District school tax levy	\$ 400,995	\$ 400,995	\$ 498,020	\$ 97,025
Expenditures:				
Current:				
Support Services - General Administration	3,328	3,328	4,237	(909)
Debt service:				
Principal retirement	340,000	340,000	385,000	(45,000)
Bond interest paid	60,995	60,995	51,372	9,623
Reserves	377,237	377,237	-	377,237
Total debt service	778,232	778,232	436,372	341,860
Total expenditures	781,560	781,560	440,609	340,951
Excess (deficiency) of revenues over expenditures	(380,565)	(380,565)	57,411	437,976
Other financing sources:				
Transfers in	-	-	58,803	58,803
Net change in fund balance	(380,565)	(380,565)	116,214	496,779
Beginning cash balance budgeted	380,565	380,565	-	(380,565)
Fund balance at beginning of the year	-	-	439,805	439,805
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	556,019	<u>\$ 556,019</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			62,847	
Change in due from other governments			(18,665)	
Change in deferred property taxes			<u>(55,108)</u>	
			<u>\$ 545,093</u>	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <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	\$ -	\$ -	\$ 1,345	\$ 1,345
Expenditures:				
Current:				
Support Services - General Administration	-	20	13	7
Debt service:				
Reserves	<u>29,528</u>	<u>29,508</u>	<u>-</u>	<u>29,508</u>
Total expenditures	<u>29,528</u>	<u>29,528</u>	<u>13</u>	<u>29,515</u>
Excess (deficiency) of revenues over expenditures	(29,528)	(29,528)	1,332	30,860
Beginning cash balance budgeted	29,528	29,528	-	(29,528)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>30,505</u>	<u>30,505</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	31,837	<u>\$ 31,837</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			4,154	
Change in due from other governments			(59)	
Change in deferred property taxes			<u>(4,350)</u>	
			<u>\$ 31,582</u>	

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**OTHER SUPPLEMENTAL INFORMATION**

**STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

**SCHEDULE OF CAPITAL ASSETS - BY SOURCE**

June 30, 2008

Capital assets:

Land and improvements	\$ 452,431
Buildings and improvements	14,821,668
Equipment (software)	5,191,303
Construction in progress	<u>6,626,889</u>
 Total Capital assets	 <u><u>\$ 27,092,291</u></u>

Investment in Capital assets from:

General Fund	\$ 2,592,541
Special revenue funds:	
Federal Projects	604,179
State Projects	920,733
Cafeteria	2,850
Athletics	10,284
Capital projects funds:	
Bond Building	10,240,750
Public School Capital Outlay	10,709,019
Special Capital Outlay - Federal	7,030
Capital Improvements SB-9	431,072
Energy Efficiency Act	34,683
Public School Capital Outlay - 20%	80,829
Not allocated as to source	<u>1,458,321</u>
 Total investment in Capital assets	 <u><u>\$ 27,092,291</u></u>

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2008</u>
901	HS Arts & Crafts	\$ 394	\$ -	\$ 213	\$ 181
902	CAP Activity	798	-	111	687
903	Dine Club Pageant Committee	-	850	745	105
904	HS Honor Society	1,105	730	1,680	155
905	Cheerleaders	1,027	2,121	1,938	1,210
906	Truancy Court	120	-	120	-
907	Ala Cart Sales	1,128	-	1,128	-
908	Adult Vocational Ed	51	-	-	51
909	AutoCAD	505	-	143	362
910	Dine Education	226	-	213	13
911	Class of 2008	1,309	798	1,609	498
912	HS General	1,059	4,758	5,073	744
913	MESA	-	3,388	3,388	-
914	Boys Basketball	210	4,890	1,470	3,630
915	HS Library	744	583	-	1,327
916	Girls Basketball	275	3,524	1,000	2,799
917	HS Indian Club	1,729	871	1,849	751
918	Cuba SADD	-	50	-	50
919	Baile Latino de Cuba Elementary	-	400	-	400
920	HS Science	176	-	-	176
921	Class of 2011	-	261	-	261
922	Swimming Pool	13,027	2,594	584	15,037
923	HS Student Council	998	324	143	1,179
924	HS Woodwork	1,793	2,144	2,463	1,474
925	HS Yearbook	2,675	5,692	4,730	3,637
926	HS Welding	1,782	812	1,224	1,370
927	Talent Show	513	-	500	13
928	MS General	4,189	8,019	8,937	3,271
929	Administration	1,741	771	2,512	-
930	MS Incentive	-	198	24	174
931	MS Library	579	332	-	911
934	MS Student Council	172	-	-	172
935	8th Grade Boys Basketball	710	618	564	764
936	Elementary Fund	3,916	902	3,018	1,800
938	Elementary PTSO	951	-	194	757
940	Track	(270)	270	-	-
941	HS Special Ed	1,612	449	394	1,667
942	HS Candy Machine	457	-	457	-
945	Character Counts	(155)	155	-	-
947	HS Football	3,246	927	2,701	1,472
948	MS 8th Grade Girls Basketball	160	234	213	181
949	Administration	\$ 2,626	\$ 7,049	\$ 5,243	\$ 4,432

(continued)

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2008</u>
951	School Board Scholarship	\$ 2,631	\$ -	\$ 2,631	\$ -
952	Class of 2009	385	5,668	4,460	1,593
955	HS Secretary	12	-	12	-
958	Fun Fund	15	-	-	15
959	HS Concession	3,928	9,291	6,779	6,440
961	Class of 2006	1,924	-	-	1,924
965	Class of 2007	1,790	-	448	1,342
976	Elementary Yearbook	436	485	436	485
980	Summer School	1,380	-	-	1,380
985	Headstart	342	-	-	342
987	HS Baseball	17	-	-	17
988	Red Ribbon	(96)	96	-	-
990	Lost Books	530	-	-	530
991	Class of 2004	254	-	-	254
992	Navajo Language	198	-	-	198
993	Elementary Library	31	115	-	146
994	HS Travel Academy	3,070	-	-	3,070
998	MS Volleyball	187	385	21	551
999	MS Softball	-	261	-	261
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	Pooled cash and investments	<u>\$ 68,612</u>	<u>\$ 71,015</u>	<u>\$ 69,368</u>	<u>\$ 70,259</u>
	 <u>LIABILITIES</u>				
	Deposits held for others	<u>\$ 68,612</u>	<u>\$ 71,015</u>	<u>\$ 69,368</u>	<u>\$ 70,259</u>

**STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

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

	<u>Bank of Albuquerque</u>	<u>Wells Fargo Bank Repo Account</u>	<u>Wells Fargo Bank</u>
Cash on deposit at June 30, 2008	\$ 81,323	\$ 77,521	\$ 2,650,093
Less FDIC coverage	<u>81,323</u>	<u>-</u>	<u>100,000</u>
Uninsured funds	<u>\$ -</u>	<u>\$ 77,521</u>	<u>\$ 2,550,093</u>
50% collateral requirement	\$ -	\$ -	\$ 1,275,047
102% collateral requirement (Repo Account)	<u>-</u>	<u>79,072</u>	<u>-</u>
Amount requiring pledged collateral	-	77,521	1,275,046
Pledged collateral	<u>-</u>	<u>77,790</u>	<u>499,837</u>
Excess of pledged collateral	<u>\$ -</u>	<u>\$ (1,282)</u>	<u>\$ (775,210)</u>

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

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
Wells Fargo Bank (Repo):			
FNCL	4/1/2036	31408H2P9	<u>\$ 77,790</u>

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

Wells Fargo Bank:			
FNCL	7/1/2036	31371MVU8	<u>\$ 499,837</u>

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

CASH RECONCILIATION  
June 30, 2008

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 715,569	\$ 6,934,111	\$ (6,906,966)	\$ 90,778	\$ 833,492	\$ -	\$ 833,492
Teachergage	38,605	19,213	(10,913)	(13,803)	33,102	-	33,102
Transportation	141,833	938,847	(984,862)	(94,994)	824	-	824
Instructional Materials	54,844	90,330	(58,665)	-	86,509	-	86,509
Food Services	86,107	352,684	(383,578)	-	55,213	-	55,213
Athletics	9,941	23,701	(33,619)	-	23	-	23
Federal Flowthrough Funds	(128,183)	990,030	(1,245,893)	(8,577)	(392,623)	-	(392,623)
Federal Direct Funds	493,746	684,098	(655,466)	(14,851)	507,527	-	507,527
Local Grants	(26,401)	2,369	(2,028)	-	(26,060)	-	(26,060)
State Flowthrough Funds	(44,302)	197,595	(172,006)	2,846	(15,867)	-	(15,867)
State Direct Funds	(115,432)	20,975	(22,958)	2,552	(114,863)	-	(114,863)
Local/State	254,786	111,672	(148,174)	(165,928)	52,356	-	52,356
Bond Building	1,744,350	654,257	(1,822,720)	-	575,887	81,323	657,210
Public School Capital Outlay	(245,267)	-	-	-	(245,267)	-	(245,267)
Special Capital Outlay - State	(24,703)	-	-	30,150	5,447	-	5,447
Special Capital Outlay - Federal	132,061	2,886	(7,030)	-	127,917	-	127,917
Capital Improvements SB-9	66,899	168,369	(107,076)	-	128,192	-	128,192
Energy Efficiency Act	5,684	-	(5,684)	-	-	-	-
Public School Capital Outlay - 20%	115,124	-	-	-	115,124	-	115,124
Debt Services	374,231	498,020	(440,609)	58,803	490,445	-	490,445
Ed Tech Debt Service	50,691	1,344	(13)	-	52,022	-	52,022
Agency Funds	-	-	-	-	-	70,259	70,259
<b>Total</b>	<b>\$ 3,700,183</b>	<b>\$ 11,690,501</b>	<b>\$ (13,008,260)</b>	<b>\$ (113,024)</b>	<b>\$ 2,269,400</b>	<b>\$ 151,582</b>	<b>\$ 2,420,982</b>

Account Name	Account Type	Bank Name	Bank Amount	Adjustments to report:	
Operational	Checking	Wells Fargo Bank	\$ 577,521	Clearing accounts	\$ 81,323
Activities	Checking	Wells Fargo Bank	68,787	Agency funds	70,259
Federal funds	Checking	Wells Fargo Bank	228,328	Total adjustment to the report	<u>\$ 151,582</u>
Capital projects	Checking	Wells Fargo Bank	1,851,478		
Capital projects	Escrow	Bank of Albuquerque	81,323	Adjustments to cash:	
Payable clearing	Checking	Wells Fargo Bank	500	Bank Balance	\$ 2,808,937
Payroll clearing	Checking	Wells Fargo Bank	1,000	Oustanding checks	(319,382)
Total			<u>\$ 2,808,937</u>	Reconciliation errors	(68,573)
				Total adjustment to cash	<u>\$ 2,420,982</u>



**SINGLE AUDIT SECTION**

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

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# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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. 62

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. 62, as of and for the year ended June 30, 2008, and have issued our report thereon dated March 10, 2010. 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. 62'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. 62's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Cuba Independent School District No. 62'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. 62's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. Findings 2008 – 1 through 2008 – 11.

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. 62

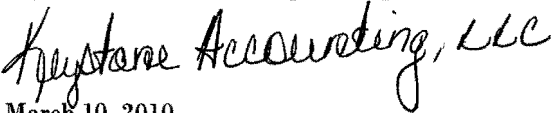
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2008 – 1, 2008 – 3, 2008 – 5 through 2008 – 7, and 2008 – 9 to be material weaknesses.

### Compliance and other matters

As part of obtaining reasonable assurance about whether Cuba Independent School District No. 62's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items findings 2008 – 1 through 2008 – 10 and 2008 – 12C.

Cuba Independent School District No. 62'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. 62'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. 62, the audit committee, the State Auditor, the New Mexico Legislature, New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

  
March 10, 2010

**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. 62

### Compliance

We have audited the compliance of Cuba Independent School District No. 62 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement (Revised May, 2008) that are applicable to each of its major federal programs for the year ended June 30, 2008. 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. 62'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. 62's compliance with those requirements. As described in item 2008 – 12C in the accompanying schedule of findings and questioned costs, Cuba Independent School District No. 62 did not comply with requirements regarding Reporting that are applicable to its Title I Basic Education CFDA #84.010 and P.L. 81-874 Special/Indian Education CFDA #84.041. Compliance with such requirements is necessary, in our opinion, for Cuba Independent School District No. 62 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. 62 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

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Hector H. Balderas, State Auditor  
And the Board of Education of  
Cuba Independent School District No. 62

## Internal Control Over Compliance

The management of Cuba Independent School District No. 62 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. 62'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. 62's internal control over compliance.

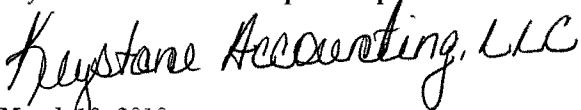
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed 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 2008 – 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. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Cuba Independent School District No. 62'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. 62'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. 62, the audit committee, the State Auditor, the New Mexico Legislature, New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

  
March 10, 2010

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2008

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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 2008 – 3.

2006 – B ACTIVITY FUND HAS A DEFICIT CASH BALANCE

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

2006 – C DELINQUENT AUDIT REPORT

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

2006 – K UNALLOWABLE COSTS

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

2007 – 1 PREPARATION OF FINANCIAL STATEMENTS

Current Status: Not resolved. Repeated in the current year as finding 2008 – 1.

2007 – 5 MISSING INFORMATION FROM THE EMPLOYEE FILES

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

2007 – 6 UNTIMELY PAYMENT OF PURCHASES

Current Status: Not resolved. Repeated in the current year as finding 2008 – 11.

2007 – 7 PAYMENT FOR SERVICES NOT RENDERED

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

2007 – 8 DISBURSEMENTS TESTED WERE MISSING ADEQUATE DOCUMENTATION

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

2007 – 10C LATE FILING OF FEDERAL CLEARING HOUSE REPORTING

Current Status: Not resolved. Repeated in the current year as finding 2008 – 12C.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

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A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Cuba Independent School District No. 62.
2. There were 11 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. Six of the significant deficiencies were reported as material weaknesses.
3. There were six instances of noncompliance material to the financial statements of Cuba Independent School District No. 62 were disclosed during the audit.
4. There was one significant deficiency 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. There were no significant deficiencies reported as a material weakness.
5. The auditors' report on compliance for the major federal award programs for Cuba Independent School District No. 62 expresses a qualified opinion.
6. There was one audit finding relative to the major federal award programs for Cuba Independent School District No. 62 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 and P.L. 81-874 Special/Indian Education CFDA 84.041.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Cuba Independent School District No. 62 was determined to be a high-risk auditee.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2008 – 1 PREPARATION OF FINANCIAL STATEMENTS  
(Repeat of Prior Year Finding 2007-1)

*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. 62

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

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 2 LATE AUDIT REPORT  
(Repeat of Prior Year Finding 2006-C)

*Condition:* The June 30, 2008 audit report was not submitted to the New Mexico State Auditor's Office by the due date of November 15, 2008. The Audit was submitted to the New Mexico State Auditor's Office on April 20, 2010.

*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, 2008.

*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, 2008 until after the required reporting deadline of November 15, 2008.

*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. 62

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

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 3 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 of 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	\$ (69,884)	47
Transportation Fund	(21,168)	49
Title I Special Revenue Fund	(78,943)	88
Entitlement IDEA-B Special Revenue Fund	(31,250)	89
Discretionary IDEA-B Special Revenue Fund	(16,453)	90
Enhancing Education Special Revenue Fund	(249)	94
Safe & Drug Free Schools Special Revenue Fund	(667)	99
Rural & Low-Income Schools Special Revenue Fund	(76)	100
21st Century Community Living Centers Special Revenue Fund	(2,362)	101
Johnson O'Malley Special Revenue Fund	(10,027)	104
Indian Formula Grant Special Revenue Fund	(5,149)	107
Native American Program Special Revenue Fund	(10,233)	110
Obesity Program Special Revenue Fund	(511)	114
Pre-K Initiative Special Revenue Fund	(148)	119
Beginning Teacher Mentoring Special Revenue Fund	(1)	121
Schools on the Rise Special Revenue Fund	(1)	125
Gear-Up Special Revenue Fund	(329)	130
School Based Health Center Special Revenue Fund	(10,163)	134
Bond Building Capital Projects Fund	(794,696)	138
Capital Improvements SB-9 Capital Projects Fund	(52,109)	141
Energy Efficiency Act Capital Projects Fund	(1)	142
Debt Service Fund	(45,909)	144

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 3 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. 62

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

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 4 PUBLIC MONIES WERE NOT ADEQUATELY COLLATERALIZED

*Condition:* The securities held by Wells Fargo Bank, one of the district's depository banks, did not provide adequate collateral security as required by state statute for deposits of public monies. The amount of collateral provided was \$776,492 less than that required by 1978 NMSA 6-10-17.

*Criteria:* According to New Mexico State Statute (NMSA 1978) 6-10-17, "Any bank or savings and loan association designated as a depository of public money shall deliver securities of the kind specified in Section 6-10-16 NMSA 1978 to a custodial bank described in Section 6-10-21 NMSA 1978 and shall then deliver a joint safekeeping receipt issued by the custodial bank to the public official from whom or the public board from which the public money is received for deposit. The securities delivered shall have an aggregate value equal to one-half the amount of public money to be received in accordance with Subsection B of Section 6-10-16 NMSA 1978. However, any such bank or savings and loan association may deliver a depository bond executed by a surety company as provided in Section 6-10-15 NMSA 1978 as security for any portion of a deposit of public money."

*Effect of condition:* The District's deposits were excessively exposed to risk of loss and the District is not in compliance with 1978 NMSA 6-10-17.

*Recommendation:* It is the responsibility of management to insure that adequate safekeeping of the district's assets is maintained. As part of its fiscal responsibility, management should work closely with its depository banks to closely monitor types and amounts of collateral to meet the state requirements.

*Management's response:* Resolved by the Business Office is responsible of managing to insure that adequate safekeeping of the district's assets is maintained. As part of its fiscal responsibility, management should work closely with its depository banks to closely monitor types and amounts of collateral to meet the state requirements.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 5 BANK ACCOUNTS WERE NOT RECONCILED TO GENERAL LEDGER

*Condition:* The reconciliations for bank accounts did not balance to the amounts in the general ledger with a difference of \$68,572.

*Criteria:* Bank statements should be reconciled to the balances in the general ledger and subsidiary accounts as required by 1978 NMSA 6-10-2 and 6-NMAC-2.2.1.14.11.

*Effect of condition:* The district is not in compliance with 1978 NMSA 6-10-2 and is lacking a significant control over cash which is a violation of 1978 NMSA 6-10-2 and 6-NMAC-2.2.1.14.11.

*Cause:* The accounting software is not setup properly in which the cash accounts in the general ledger are not connected to the correct bank accounts. Additionally, there were recording errors in which the wrong general ledger cash account was used in drafting checks.

*Recommendation:* The accounting software should be correctly setup and cash accounts within each fund should be limited to a single account as to prevent inadvertent recording errors while recording cash transactions.

*Management's Response:* Resolved by the Business Office make sure the accounting software should be correctly setup and cash accounts within each fund should be limited to a single account as to prevent inadvertent recording errors while recording cash transactions.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 6 COMPENSATED ABSENCES NOT CALCULATED

*Condition:* The District could not provide the necessary information to determine the compensated absences accrued during the year and used during the year ended June 30, 2008.

*Criteria:* GASB 34 requires the reporting of compensated absences as an expense on the Statement of Activities and the outstanding amounts on the Statement of Net Assets.

*Effect of condition:* The District's financials are not in compliance with the reporting established by GASB 34.

*Cause:* The administration relied on a single person to formulate the calculations for the disclosure of compensated absences. That has been on medical leave for an undetermined duration.

*Recommendation:* The District should not rely on a single individual for any one part of the administering of the school district. The District should implement a policy of cross training in order prevent deficient control, recording, and reporting functions within the school district.

*Management's response:* Resolved by the District should not rely on a single individual for any one part of the administering of the school district. The District should implement a policy of cross training in order to prevent deficient control, recording, and reporting functions within the school district.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 7 MISSING DOCUMENTATION FOR RECEIPTS

*Condition:* The District could not provide 13 of 30 receipts selected for testing of cash receipts.

*Criteria:* Records are to be filed and retained within the school district as prescribed in 1978 NMSA 14-3-13.

*Effect of condition:* The district cannot provide records for all transactions that took place during the year ended June 30, 2008.

*Cause:* The District did not have an adequate record keeping system that would allow for the retention and retrieval of financial documentation.

*Recommendation:* The District should ensure that a record keeping system is established and maintained that will allow for the retention and efficient retrieval of all documentation for the school district.

*Management's response:* Resolved by the District should ensure that a record keeping system is established and maintained that will allow for the retention and efficient retrieval of all documentation for the school district.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 8 PRENUMBERED RECEIPTS WERE NOT USED

*Condition:* The District did not use prenumbered receipts in numerical order thereby limiting the level of internal control over cash receipts.

*Criteria:* A system of internal controls designed to prevent and/or detect errors or violations of state and federal law is required as per 1978 NMSA 6-5-2, 6-NMAC-2.2.1.11 and 6-NMAC-2.2.1.14.

*Effect of condition:* The District's internal controls over cash receipts were limited in its ability to prevent and/or detect errors or violations of law due to the improper use of prenumbered documents.

*Cause:* The District is not controlling the issuance and collection of prenumbered receipt books.

*Recommendation:* The administration office should control the issue and collection of prenumbered receipt books to ensure that they are used in numerical order and are reviewed for any missing or suspicious receipts.

*Management's response:* Resolved by the Business Office should control the issue and collection of prenumbered receipt books to ensure that they are used in numerical order and are reviewed for any missing or suspicious receipts.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 9 PURCHASE ORDER DID NOT IDENTIFY ITEMS TO BE PURCHASED

*Condition:* Purchase order was approved and issued for \$2,000 without documentation indicating the items to be purchased and in what quantities. The items purchased on the purchase order totaled \$347.

*Criteria:* The District should not issue a purchase order for more than \$500 until all documentation is in the purchasing office as indicated in PSAB Supplement 13 Section 4.

*Effect of the Condition:* The District may have recording errors due to the items being purchased being recorded in inappropriate general ledger accounts since the purchase order is issued with a specific budgeted line item indicated. Additionally, the District is lacking controls in that it may not be able to verify the items after they are purchased.

*Cause:* The District is not exercising the proper procedures for purchasing as indicated in PSAB Supplement 13.

*Recommendation:* Purchase orders should not be issued without an absolute certainty as to what and how much is being purchased or ordered.

*Management's response:* Resolved by the Business Office to make sure purchase orders should not be issued without an absolute certainty as to what and how much is being purchased or ordered.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 10 PURCHASE ORDER APPROVED AFTER PURCHASE

*Condition:* Purchases were made prior to the approval of purchase orders. Purchase orders are used to control cash and to authorize the purchases in accordance with the authorized budget.

*Criteria:* Authorization for a purchase is acquired through the completion of a purchase order, which is signed by a person given authority over purchase control. The purchase order must be approved prior to the purchase or ordering of goods as per PSAB Supplement 13.

*Effect of the Condition:* Any purchases made without prior authorization have the potential to cause cash deficits in the funds from which they are made or violations of the approved budget.

*Cause:* Personnel decide that an immediate purchase is needed and forego the proper procedure for purchasing.

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

*Management's response:* Resolved by the Business Office making sure the importance of cash controls and adequate planning need to be made clear to all personnel that will be making purchases for the schools.

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

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B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 11 UNTIMELY PAYMENT OF PURCHASES

*Condition:* Out of 30 items tested, two disbursement checks amounting to \$14,899 were issued in excess of 30 days following the invoice date. One of those checks was 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 implemented to ensure that invoices are paid within a period not to exceed 30 days from the invoice date.

*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. 62

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

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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  
Title I Basic Education Grant CFDA # 84.010

2008 – 12C LATE FILING OF FEDERAL CLEARING HOUSE REPORTING  
(Repeat of Prior Year Finding 2007 – 10C)

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

*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.

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>			
Pass-Through Program From:			
New Mexico Department of Education:			
<u>Child Nutrition -- Cluster:</u>			
USDA National School Lunch Program	10.555	21000	\$ 184,721
USDA School Breakfast Program	10.553	21000	<u>96,575</u>
Total Child Nutrition Cluster			281,296
Direct Program:			
Forest Reserve	10.670	11000	1,890
Pass-Through Program From:			
New Mexico Human Service Department:			
USDA Commodities Program	10.550	21000	<u>18,839</u>
Total U.S. Department of Agriculture			<u>302,025</u>
<u>U.S. Department of Interior</u>			
Pass-Through Programs From:			
Office of the Navajo Nation:			
Johnson O'Malley	15.130	25131	<u>\$ 39,112</u>

(continued)

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Special Education -- Cluster:</u>			
<u>U.S. Department of Education:</u>			
Pass-Through Programs From:			
New Mexico Department of Education:			
IDEA-B Entitlement	84.027	24106	\$ 162,202
IDEA-B Discretionary	84.027	24107	<u>45,795</u>
Total U.S. Department of Education - Special Education (IDEA-B) Cluster			<u>207,997</u>
Direct Programs:			
P.L. 81-874 Special / Indian Education	84.041	25145	1,795,281
Indian Education Formula	84.060	25184	107,321
Native American Program	84.365C	25248	<u>125,747</u>
Subtotal Direct Programs			<u>2,028,349</u>
Pass-Through Programs From:			
New Mexico Department of Education:			
Title I Basic Education Grant	84.010	24101	635,053
Partnerships in Character	84.215V	24129	11,828
Technology Literacy Challenge	84.318	24133	10,751
Title V Innovative Education	84.298	24150	5,788
Title III English Language	84.365	24153	30,541
Title II Improving Teacher Quality	84.367	24154	109,060
Title IV - Safe and Drug-Free Schools	84.186	24157	12,634
21st Century Community Living Centers	84.287	24159	146,730
Title VI Rural Education	84.358	24160	18,977
Reading First	84.357	24167	<u>55,989</u>
Subtotal Pass-Through Programs			<u>1,037,351</u>
Total U.S. Department of Education			<u>3,273,697</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	29,354
Title V Indian Health Care Improvement	93.193	25209	<u>11,138</u>
Total U.S. Department of Health and Human Services			<u>40,492</u>
Total Expenditures of Federal Awards			<u>\$ 3,655,326</u>

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

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

All federal grant operations of Cuba Independent School District No. 62 (the "School District") are included in the scope of the Office of management and Budget ("OMB") Circular A-133 audit (the "Single Audit"). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised May 2008 the "Compliance Supplement"). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2008 cash and non-cash expenditures to ensure coverage of at least 50% (HIGH risk auditee) of federally granted funds. Actual coverage is approximately 67% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$3,633,154 and all non-cash expenditures amounted to \$18,839.

Major Federal Award Program Description	Fiscal 2008 <u>Expenditure</u>
Cash assistance:	
Title I	\$ 635,053
P.L.-874 Special / Indian Education	<u>1,795,281</u>
Total	<u>\$ 2,430,334</u>

The School District's federal programs Title I and P.L.-874 Special / Indian Education were considered high risk Type A programs for the 2008 audit.

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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

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2. Summary of significant accounting policies

Basis of presentation

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

Accrued and deferred reimbursements

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

3. Audits performed by other entities

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

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## REQUIRED DISCLOSURE

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STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

REQUIRED DISCLOSURES  
Year Ended June 30, 2008

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REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held April 13, 2010, during which the audit findings were discussed. The exit conference was attended by the following individuals:

CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

Marty Vigil	President
Victor V. Velarde	Superintendent
Higinia Cordova	Business Manager

KEYSTONE ACCOUNTING, LLC

Terry Ogle, CPA	Partner
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