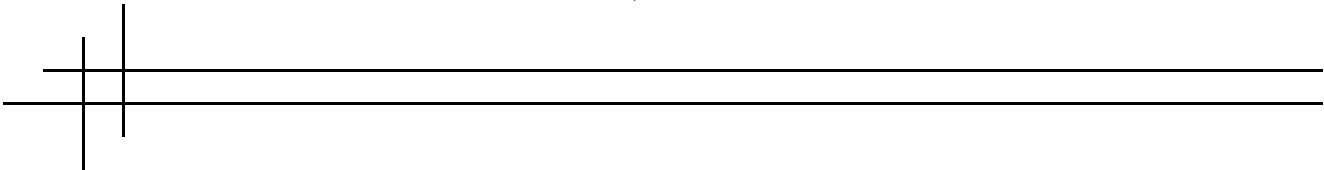




STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**

**ANNUAL FINANCIAL REPORT**  
June 30, 2008

**De'Aun Willoughby CPA, PC**  
Certified Public Accountant  
Melrose, New Mexico



STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 Table of Contents  
 For the Year Ended June 30, 2008

---

	<u>Page</u>
Official Roster.....	7
Independent Auditor's Report.....	8-9
<b>FINANCIAL SECTION</b>	
Basic Financial Statements	
Government Wide Financial Statements	
Statement of Net Assets.....	11
Statement of Activities.....	12
Fund Financial Statements	
Government Funds - Balance Sheet.....	13-15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	17-19
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.....	20
<b>MAJOR FUNDS</b>	
GENERAL FUNDS	
<b>Operational-11000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	21-23
<b>Teachergage-12000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	24
<b>Transportation-13000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	25
<b>Instructional Material-14000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	26
Statement of Fiduciary Net Assets and Liabilities-Agency Funds.....	27
Notes to Financial Statements.....	28-45

	<u>Page</u>
<b>SUPPLEMENTAL INFORMATION RELATED TO MAJOR FUNDS</b>	
<b>CAPITAL PROJECTS FUNDS</b>	
<b>Bond Building-31100</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	47
<b>Capital Improvements HB-33-31600</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	48
<b>DEBT SERVICE FUND</b>	
<b>Debt Service-41000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	49
<b>SUPPLEMENTAL INFORMATION RELATED TO NON MAJOR FUNDS</b>	
<b>Combining Non-Major Governmental Funds</b>	
Combining Balance Sheet - by Fund Type.....	55-66
Combining Statement of Revenues, Expenditures and Changes in Fund Balance and Changes in Fund Balance - by Fund Type.....	67-78
<b>Food Service-21000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis) .....	79
<b>Athletics-22000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis) .....	80
<b>Title I-24101</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis) .....	81
<b>IDEA, Part B Entitlement-24106</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	82
<b>IDEA, Part B Discretionary-24107</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	83
<b>IDEA, Part B Competitive-24108</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	84
<b>Enhancing Education Through Technology-24133</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	85
<b>Title V-24150</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	86

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 Table of Contents  
 For the Year Ended June 30, 2008

---

	<u>Page</u>
<b>English Language Acquisition-24153</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	87
<b>Title II A Teacher/Principal Training &amp; Recriting-24154</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	88
<b>Safe &amp; Drug Free Schools &amp; Communities-24157</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	89
<b>21st Century-24159</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	90
<b>Title I School Improvement-24162</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	91
<b>Reading First-24167</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	92
<b>Impact Aid-Indian Education-25145</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	93
<b>Impact Aid-Special Education-25147</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	94
<b>Rural Education Achievement Program-25233</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	95
<b>General Mills Foundation-26166</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	96
<b>Technology for Education-27117</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	97
<b>Physical Education Classes-27121</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	98
<b>Incentives For School Improvements-27138</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	99
<b>Library GO Bond-27145</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	100
<b>Native Language-27150</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	101

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 Table of Contents  
 For the Year Ended June 30, 2008

---

	<u>Page</u>
<b>Beginning Teacher Mentoring-27154</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	102
<b>Breakfast For Elementary Students-27155</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	103
<b>School in Need of Improvement-27163</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	104
<b>K-3 Plus-27166</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	105
<b>21st Century Learning Center-27167</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	106
<b>Science Engineer Fair-28138</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	107
<b>Medicaid-28144</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	108
<b>GEAR UP-28178</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	109
<b>School Based Health Center-29130</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	110
<b>Special Capital Outlay Federal-31500</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	111
<b>Senate Bill Nine-31700</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	112
<b>Public School Capital Outlay-20%-32100</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis) .....	113

**OTHER SUPPLEMENTAL INFORMATION**

<b>Activity</b>	
Schedule of Changes in Assets and Liabilities-Agency Funds.....	116-117

**OTHER SUPPLEMENTARY INFORMATION ON COMPONENT UNITS**

Cash Reconciliations-All Funds.....	118
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STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Table of Contents  
For the Year Ended June 30, 2008

---

	<u>Page</u>
<b>FEDERAL COMPLIANCE</b>	
Schedule of Expenditures of Federal Awards.....	120
Notes to the Schedule of Expenditures of Federal Awards.....	121
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i> .....	122-123
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	124-125
Schedule of Findings and Questioned Costs.....	126-131

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Official Roster  
June 30, 2008

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**BOARD OF EDUCATION**

David Montoya	President
Steve Cata	Vice-President
Clyde Vicenti	Secretary
Joanna Dykehouse	Member
Connie Gomes	Member

**SCHOOL OFFICIALS**

Dr. Ralph Friedly	Superintendent
Kevin Torres	Finance Director

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(505) 253-4313

## Independent Auditor's Report

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the Dulce Independent Schools

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DULCE INDEPENDENT SCHOOL DISTRICT NO. 21, (District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the District'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 District as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the General 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 District as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the major capital projects funds, debt service fund and all nonmajor 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 a report dated August 31, 2009, on our consideration of the District'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 *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The District has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements and the combining and individual financial statements and budgetary comparisons presented as supplemental information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by US 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.

*De'Ann Willoughby, CPA PC*

August 31, 2009

## **FINANCIAL SECTION**

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 Government-Wide Statement of Net Assets  
 June 30, 2008

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 12,256,883
Investments	8,876,482
Taxes Receivable	432,567
Due from Grantor	301,787
Inventory	3,540
Total Current Assets	<u>21,871,259</u>
Noncurrent Assets	
Capital Assets	51,251,355
Less: Accumulated Depreciation	<u>(14,681,432)</u>
Total Noncurrent Assets	<u>36,569,923</u>
Total Assets	<u>58,441,182</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	194,180
Accrued Interest	320,998
Current Portion of Long-Term Debt	2,760,000
Deferred Revenue	34,328
Total Current Liabilities	<u>3,309,506</u>
Noncurrent Liabilities	
Bonds and Notes, Net	27,465,084
Compensated Absences	69,257
Total Noncurrent Liabilities	<u>27,534,341</u>
Total Liabilities	<u>30,843,847</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	6,023,841
Restricted for:	
Capital Projects	18,678,796
Debt Service	(1,446,260)
Unrestricted	4,340,958
Total Net Assets	<u>\$ 27,597,335</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 Government-Wide Statement of Activities  
 For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 4,605,155	\$ 55,776	\$ 836,471	\$ 0	\$ (3,712,908)
Support Services-Students	1,323,877	0	792,180	0	(531,697)
Support Services-Instruction	262,742	0	26,653	0	(236,089)
General Administration	557,658	0	109,014	0	(448,644)
School Administration	674,221	0	5,951	0	(668,270)
Central Services	276,744	0	0	0	(276,744)
Operation of Plant	5,219,994	88,726	0	0	(5,131,268)
Student Transportation	179,850	0	240,795	0	60,945
Food Services Operations	479,614	9,781	217,308	0	(252,525)
Interest on Long-Term Obligations	1,203,882	0	0	0	(1,203,882)
Total Governmental Activities	<u>\$ 14,783,737</u>	<u>\$ 154,283</u>	<u>\$ 2,228,372</u>	<u>\$ 0</u>	<u>\$ (12,401,082)</u>
<b>General Revenues</b>					
Taxes					
Property Taxes, Levied for General Purposes				\$	753,306
Property Taxes, Levied for Capital Projects					1,868,466
Property Taxes, Levied for Debt Service					2,195,566
Federal and State aid not restricted to specific purpose					
General					5,329,037
Capital					0
Interest and investment earnings					1,099,743
Miscellaneous					65,142
Loss on Disposition of Capital Assets					(84,467)
Total General Revenues and Special Items					<u>11,226,793</u>
Change in Net Assets					
					(1,174,289)
Net Assets - beginning					
Restatement					26,862,272
Restated Beginning Net Assets					<u>1,909,352</u>
					<u>28,771,624</u>
Net Assets - ending					
				\$	<u>27,597,335</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL**  
**DISTRICT NO. 21**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2008

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 751,899	\$ 109,721	\$ 148,213
Investments	0	0	0
Receivables			
Taxes	37,896	0	0
Due From Grantor	0	0	0
Interfund Balance	300,097	0	0
Inventory	0	0	0
Total Assets	<u>\$ 1,089,892</u>	<u>\$ 109,721</u>	<u>\$ 148,213</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	59,011	9,309	6,259
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Deferred Revenue	773	0	0
Total Liabilities	<u>59,784</u>	<u>9,309</u>	<u>6,259</u>
<b>Fund Balances</b>			
Reserved for Inventory	0	0	0
Reserved For Capital Improvements	0	0	0
Reserved For Retirement Of			
Long Term Debt	0	0	0
Unreserved, Undesignated			
General Fund	1,030,108	100,412	141,954
Special Revenue Fund	0	0	0
Total Fund Balances	<u>1,030,108</u>	<u>100,412</u>	<u>141,954</u>
Total Liabilities and Fund Balances	<u>\$ 1,089,892</u>	<u>\$ 109,721</u>	<u>\$ 148,213</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL**  
**DISTRICT NO. 21**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2008

	<u>General Fund</u>			<u>Capital</u>
	Instructional		Bond	Outlay
	Materials		Building	HB-33
	14000		31100	31600
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 53,174	\$	4,497,366	\$ 3,859,494
Investments	0		4,000,000	4,876,482
Receivables				
Taxes	0		0	8,033
Due From Grantor	0		0	0
Interfund Balance	0		0	0
Inventory	0		0	0
Total Assets	<u>\$ 53,174</u>	\$	<u>8,497,366</u>	\$ <u>8,744,009</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Interfund Balance	\$ 0	\$	0	\$ 0
Accounts Payable	4,255		0	10,621
Current Portion Due				
Principal	0		0	0
Interest	0		0	0
Deferred Revenue	0		0	8,033
Total Liabilities	<u>4,255</u>		<u>0</u>	<u>18,654</u>
<b>Fund Balances</b>				
Reserved for Inventory	0		0	0
Reserved For Capital Improvements	0		8,497,366	8,725,355
Reserved For Retirement Of				
Long Term Debt	0		0	0
Unreserved, Undesignated				
General Fund	48,919		0	0
Special Revenue Fund	0		0	0
Total Fund Balances	<u>48,919</u>		<u>8,497,366</u>	<u>8,725,355</u>
Total Liabilities and Fund Balances	<u>\$ 53,174</u>	\$	<u>8,497,366</u>	\$ <u>8,744,009</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL**  
**DISTRICT NO. 21**  
GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2008

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 876,697	\$ 1,960,319	\$ 12,256,883
Investments	0	0	8,876,482
Receivables			
Taxes	229,487	157,151	432,567
Due From Grantor	0	301,787	301,787
Interfund Balance	0	0	300,097
Inventory	0	3,540	3,540
Total Assets	<u>\$ 1,106,184</u>	<u>\$ 2,422,797</u>	<u>\$ 22,171,356</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balance	\$ 0	\$ 300,097	\$ 300,097
Accounts Payable	0	104,725	194,180
Current Portion Due			
Principal	2,260,000	0	2,260,000
Interest	276,633	0	276,633
Deferred Revenue	15,811	9,711	34,328
Total Liabilities	<u>2,552,444</u>	<u>414,533</u>	<u>3,065,238</u>
<b>Fund Balances</b>			
Reserved for Inventory	0	3,540	3,540
Reserved For Capital Improvements	0	1,456,075	18,678,796
Reserved For Retirement Of			
Long Term Debt	(1,446,260)	0	(1,446,260)
Unreserved, Undesignated			
General Fund	0	0	1,321,393
Special Revenue Fund	0	548,649	548,649
Total Fund Balances	<u>(1,446,260)</u>	<u>2,008,264</u>	<u>19,106,118</u>
Total Liabilities and Fund Balances	<u>\$ 1,106,184</u>	<u>\$ 2,422,797</u>	<u>\$ 22,171,356</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 Reconciliation of the Governmental Funds  
 Balance Sheet to the Statement of Net Assets  
 June 30, 2008

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

Total Fund Balance - Governmental Funds	\$	19,106,118
---	----	------------

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$	51,251,355	
Accumulated depreciation is		<u>(14,681,432)</u>	36,569,923

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Bond payable	(28,055,000)	
Accrued interest on bonds	(44,365)	
Premium on Bonds	(40,152)	
Accumulated Amortization	8,978	
Bond Issue Costs	187,836	
Accumulated Amortization	(66,746)	
Compensated Absences	<u>(69,257)</u>	<u>(28,078,706)</u>

Total net assets - governmental activities	\$	<u><u>27,597,335</u></u>
--	----	--------------------------

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



STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL**  
**DISTRICT NO. 21**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2008

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
<b>Revenues</b>			
Property Taxes	\$ 753,306	\$ 0	\$ 0
Investment Income	38,366	1,818	3,135
Fees	7,958	88,726	0
Miscellaneous	49,658	0	0
State & Local Grants	2,737,042	0	234,690
Federal Grants	2,514,481	0	0
<b>Total Revenues</b>	<b>6,100,811</b>	<b>90,544</b>	<b>237,825</b>
<b>Expenditures</b>			
Current			
Instruction	3,088,914	0	0
Support Services-Student	575,665	0	0
Support Services-Instruction	224,093	0	0
Support Services-General Administration	363,689	0	32,408
Support Services-School Administration	577,020	0	0
Central Services	217,397	0	27,750
Operation & Maintenance	745,768	64,691	2,260
Student Transportation	212	0	142,523
Food Service	0	0	0
Capital Outlay	0	0	
Debt Service			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<b>5,792,758</b>	<b>64,691</b>	<b>204,941</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>308,053</b>	<b>25,853</b>	<b>32,884</b>
<b>Other Financing Sources</b>			
Transfers	(272,875)	0	0
<b>Total Other Financing Sources</b>	<b>(272,875)</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>35,178</b>	<b>25,853</b>	<b>32,884</b>
<b>Fund Balances at Beginning of Year</b>	<b>994,930</b>	<b>74,559</b>	<b>109,070</b>
Restatement	0	0	0
<b>Restated Beginning Fund Balance</b>	<b>994,930</b>	<b>74,559</b>	<b>109,070</b>
<b>Fund Balance End of Year</b>	<b>\$ 1,030,108</b>	<b>\$ 100,412</b>	<b>\$ 141,954</b>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL**  
**DISTRICT NO. 21**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2008

	General Fund		Capital
	Instructional	Bond	Outlay
	Materials	Building	HB-33
	14000	31100	31600
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 324,797
Investment Income	433	588,517	419,934
Fees	0	0	0
Miscellaneous	0	0	0
State & Local Grants	85,305	0	0
Federal Grants	0	0	0
Total Revenues	<u>85,738</u>	<u>588,517</u>	<u>744,731</u>
<b>Expenditures</b>			
Current			
Instruction	38,054	0	11,145
Support Services-Student	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	280
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance	0	0	1,281,762
Student Transportation	0	0	0
Food Service	0	0	0
Capital Outlay	0	9,248,383	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>38,054</u>	<u>9,248,383</u>	<u>1,293,187</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>47,684</u>	<u>(8,659,866)</u>	<u>(548,456)</u>
<b>Other Financing Sources</b>			
Transfers	0	0	0
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>47,684</u>	<u>(8,659,866)</u>	<u>(548,456)</u>
Fund Balances at Beginning of Year	1,235	17,157,232	9,273,811
Restatement	0	0	0
Restated Beginning Fund Balance	<u>1,235</u>	<u>17,157,232</u>	<u>9,273,811</u>
Fund Balance End of Year	<u>\$ 48,919</u>	<u>\$ 8,497,366</u>	<u>\$ 8,725,355</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL**  
**DISTRICT NO. 21**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2008

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes	\$ 2,221,769	\$ 1,543,669	\$ 4,843,541
Investment Income	2,234	45,306	1,099,743
Fees	0	57,599	154,283
Miscellaneous	0	15,484	65,142
State & Local Grants	0	402,313	3,459,350
Federal Grants	0	1,583,578	4,098,059
<b>Total Revenues</b>	<u>2,224,003</u>	<u>3,647,949</u>	<u>13,720,118</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	710,295	3,848,408
Support Services-Student	0	617,010	1,192,675
Support Services-Instruction	0	704	224,797
Support Services-General Administration	387	112,633	509,397
Support Services-School Administration	0	6,019	583,039
Central Services	0	0	245,147
Operation & Maintenance	0	2,695,671	4,790,152
Student Transportation	0	6,428	149,163
Food Service	0	421,744	421,744
Capital Outlay	0	0	9,248,383
<b>Debt Service</b>			
Principal	2,510,000	0	2,510,000
Interest	1,213,391	0	1,213,391
<b>Total Expenditures</b>	<u>3,723,778</u>	<u>4,570,504</u>	<u>24,936,296</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,499,775)</u>	<u>(922,555)</u>	<u>(11,216,178)</u>
<b>Other Financing Sources</b>			
Transfers	0	272,875	0
<b>Total Other Financing Sources</b>	<u>0</u>	<u>272,875</u>	<u>0</u>
<b>Net Change in Fund Balance</b>	<u>(1,499,775)</u>	<u>(649,680)</u>	<u>(11,216,178)</u>
<b>Fund Balances at Beginning of Year</b>	53,515	2,468,593	30,132,945
Restatement	0	189,351	189,351
<b>Restated Beginning Fund Balance</b>	<u>53,515</u>	<u>2,657,944</u>	<u>30,322,296</u>
<b>Fund Balance End of Year</b>	<u>\$ (1,446,260)</u>	<u>\$ 2,008,264</u>	<u>\$ 19,106,118</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 Reconciliation of the Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 To the Statement of Activities  
 June 30, 2008

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Net Change in Fund Balance-Governmental Funds \$ (11,216,178)

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

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities. (26,203)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. Buildings have been removed resulting in a loss on disposition that has no effect on the governmental funds but is an expense on the Statement of Activities.

Depreciation expense	\$ (1,606,597)	
Loss of Disposition of Assets	(84,467)	
Capital Outlays	<u>9,248,383</u>	7,557,319

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 2,510,000

Bond issue costs are amortized in the Statement of Activities but are an expenditure in the governmental funds.

Amortization of Premiums	4,462	
Amortized Bond Issue Costs	<u>(26,806)</u>	(22,344)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 31,854

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (8,737)

Changes in Net Assets of Governmental Activities \$ (1,174,289)

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 OPERATIONAL-GENERAL FUND-11000  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 2,425,125	\$ 2,425,125	\$ 2,514,481	\$ 89,356
State Grants	2,797,775	2,797,775	2,737,042	(60,733)
Taxes	522,368	522,368	747,665	225,297
Investment Income	50,000	50,000	38,366	(11,634)
Fees	0	0	7,958	7,958
Miscellaneous	13,167	13,167	49,658	36,491
Total Revenues	<u>5,808,435</u>	<u>5,808,435</u>	<u>6,095,170</u>	<u>286,735</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	2,646,546	2,646,546	2,215,901	430,645
Employee Benefits	687,612	687,612	610,767	76,845
Professional & Tech Services	37,000	37,000	46,275	(9,275)
Purchased Services	72,457	72,457	41,919	30,538
Supplies	201,000	201,000	159,126	41,874
Total Instruction	<u>3,644,615</u>	<u>3,644,615</u>	<u>3,073,988</u>	<u>570,627</u>
<b>Support Services-Students</b>				
Personnel Services	395,056	395,056	403,495	(8,439)
Employee Benefits	132,815	132,815	107,736	25,079
Professional & Tech Services	101,491	101,491	63,689	37,802
Purchased Services	160	160	740	(580)
Supplies	5	5	5	0
Total Support Services-Students	<u>629,527</u>	<u>629,527</u>	<u>575,665</u>	<u>53,862</u>
<b>Support Services-Instruction</b>				
Personnel Services	118,520	118,520	119,812	(1,292)
Employee Benefits	33,232	33,232	38,370	(5,138)
Professional & Tech Services	17,950	17,950	18,038	(88)
Purchased Services	140	140	978	(838)
Supplies	47,708	47,708	46,895	813
Total Support Services-Instruction	<u>\$ 217,550</u>	<u>\$ 217,550</u>	<u>\$ 224,093</u>	<u>\$ (6,543)</u>

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 OPERATIONAL-GENERAL FUND-11000  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Support Services-General Administration				
Personnel Services	\$ 186,322	\$ 186,322	\$ 216,485	\$ (30,163)
Employee Benefits	50,367	50,367	60,827	(10,460)
Professional & Tech Services	34,062	34,062	46,247	(12,185)
Purchased Services	23,286	23,286	29,846	(6,560)
Supplies	15,971	15,971	9,233	6,738
Total Support Services-General Administration	<u>310,008</u>	<u>310,008</u>	<u>362,638</u>	<u>(52,630)</u>
Support Services-School Administration				
Personnel Services	429,239	429,239	430,706	(1,467)
Employee Benefits	117,761	117,761	115,905	1,856
Professional & Tech Services	260	260	15,338	(15,078)
Purchased Services	8,062	8,062	5,905	2,157
Supplies	26,000	26,000	9,166	16,834
Property	21,327	21,327	0	21,327
Total Support Services-School Administration	<u>602,649</u>	<u>602,649</u>	<u>577,020</u>	<u>25,629</u>
Central Services				
Personnel Services	162,053	162,053	158,803	3,250
Employee Benefits	53,898	53,898	42,171	11,727
Professional & Tech Services	10,577	10,577	2,568	8,009
Purchased Services	2,400	2,400	3,125	(725)
Supplies	25,000	25,000	9,470	15,530
Total Central Services	<u>253,928</u>	<u>253,928</u>	<u>216,137</u>	<u>37,791</u>
Operation & Maintenance of Plant				
Personnel Services	7,049	7,049	8,074	(1,025)
Employee Benefits	19,896	19,896	3,633	16,263
Professional & Tech Services	0	0	6,122	(6,122)
Purchased Property Services	887,855	887,855	562,232	325,623
Purchased Services	0	0	217,338	(217,338)
Supplies	35,000	35,000	25,673	9,327
Total Operation & Maintenance of Plant	<u>\$ 949,800</u>	<u>\$ 949,800</u>	<u>\$ 823,072</u>	<u>\$ 126,728</u>

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 OPERATIONAL-GENERAL FUND-11000  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Transportation				
Purchased Property Services	0	0	212	(212)
Total Transportation	0	0	212	(212)
 Total Expenditures	 6,608,077	 6,608,077	 5,852,825	 755,252
 Excess (Deficiency) of Revenues Over Expenditures	 (799,642)	 (799,642)	 242,345	 1,041,987
Other Financing Sources (Uses)				
Transfer to Food Service	0	0	(272,875)	(272,875)
Total Other Sources (Uses)	0	0	(272,875)	(272,875)
Net Change in Fund Balance	(799,642)	(799,642)	(30,530)	769,112
Cash Balance Beginning of Year	1,082,526	1,082,526	1,082,526	0
Cash Balance End of Year	\$ 282,884	\$ 282,884	\$ 1,051,996	\$ 769,112
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (30,530)	
Net Change in Taxes Receivable-Current			5,642	
Net Change in Taxes Receivable-Delinquent			53	
Net Change in Payables			60,066	
Net Change in Deferred Revenue			(53)	
Net Change in Fund Balance			\$ 35,178	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
TEACHERAGE-GENERAL FUND-12000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Investment Income	\$ 542	\$ 542	\$ 1,818	\$ 1,276
Rental Income	114,209	114,209	93,726	(20,483)
Total Revenues	<u>114,751</u>	<u>114,751</u>	<u>95,544</u>	<u>(19,207)</u>
<b>Expenditures</b>				
<b>Operation &amp; Maintenance of Plant</b>				
Personnel Services	30,300	30,300	18,675	11,625
Employee Benefits	5,673	5,673	5,559	114
Professional & Tech Services	3,925	3,925	2,020	1,905
Purchased Property Services	46,572	46,572	22,400	24,172
Other Purchased Services	60,090	60,090	600	59,490
Supplies	45,000	45,000	13,378	31,622
Total Operation & Maintenance of Plant	<u>191,560</u>	<u>191,560</u>	<u>62,632</u>	<u>128,928</u>
Total Expenditures	<u>191,560</u>	<u>191,560</u>	<u>62,632</u>	<u>128,928</u>
Excess (Deficiency) of Revenues Over Expenditures	(76,809)	(76,809)	32,912	109,721
Cash Balance Beginning of Year	<u>76,809</u>	<u>76,809</u>	<u>76,809</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 109,721</u>	<u>\$ 109,721</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 32,912	
Net Change in Payables			(2,059)	
Net Change in Deposits Held for Others			(5,000)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 25,853</u>	

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



STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
TRANSPORTATION-GENERAL FUND-13000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grants	\$ 206,680	\$ 206,680	\$ 234,690	\$ 28,010
Investment Income	0	0	3,135	3,135
Total Revenues	<u>206,680</u>	<u>206,680</u>	<u>237,825</u>	<u>31,145</u>
<b>Expenditures</b>				
<b>Support Services-General Administration</b>				
Personnel Services	20,300	20,300	25,428	(5,128)
Employee Benefits	<u>5,672</u>	<u>5,672</u>	<u>6,980</u>	<u>(1,308)</u>
Total Support Services-General Administration	<u>25,972</u>	<u>25,972</u>	<u>32,408</u>	<u>(6,436)</u>
<b>Central Services</b>				
Personnel Services	23,917	23,917	21,181	2,736
Employee Benefits	<u>6,520</u>	<u>6,520</u>	<u>6,569</u>	<u>(49)</u>
Total Central Services	<u>30,437</u>	<u>30,437</u>	<u>27,750</u>	<u>2,687</u>
<b>Operation &amp; Maintenance of Plant</b>				
Supplies	<u>2,500</u>	<u>2,500</u>	<u>2,260</u>	<u>240</u>
Total Operation & Maintenance of Plant	<u>2,500</u>	<u>2,500</u>	<u>2,260</u>	<u>240</u>
<b>Transportation</b>				
Personnel Services	75,653	75,653	84,952	(9,299)
Employee Benefits	26,934	26,934	29,089	(2,155)
Purchased Property Services	500	500	252	248
Other Purchased Services	4,900	4,900	2,408	2,492
Supplies	<u>39,284</u>	<u>39,284</u>	<u>19,563</u>	<u>19,721</u>
Total Transportation	<u>147,271</u>	<u>147,271</u>	<u>136,264</u>	<u>11,007</u>
Total Expenditures	<u>206,180</u>	<u>206,180</u>	<u>198,682</u>	<u>7,498</u>
Excess (Deficiency) of Revenues Over Expenditures	500	500	39,143	38,643
Cash Balance Beginning of Year	<u>109,070</u>	<u>109,070</u>	<u>109,070</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 109,570</u>	<u>\$ 109,570</u>	<u>\$ 148,213</u>	<u>\$ 38,643</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 39,143	
Net Change in Payables			<u>(6,259)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 32,884</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 INSTRUCTIONAL MATERIALS-GENERAL FUND-14000  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grants	\$ 64,179	\$ 64,179	\$ 85,305	\$ 21,126
Investment Income	0	0	433	433
Total Revenues	<u>64,179</u>	<u>64,179</u>	<u>85,738</u>	<u>21,559</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	64,179	64,179	37,134	27,045
Total Instruction	<u>64,179</u>	<u>64,179</u>	<u>37,134</u>	<u>27,045</u>
Total Expenditures	<u>64,179</u>	<u>64,179</u>	<u>37,134</u>	<u>27,045</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	48,604	48,604
Cash Balance Beginning of Year	<u>4,570</u>	<u>4,570</u>	<u>4,570</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,570</u>	<u>\$ 4,570</u>	<u>\$ 53,174</u>	<u>\$ 48,604</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 48,604	
Net Change in Payables			(920)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 47,684</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Statement of Fiduciary Net Assets and Liabilities-Agency Funds  
For the Year Ended June 30, 2008

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	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 94,629
Total Assets	<u>\$ 94,629</u>
Liabilities	
Deposits Held for Others	\$ 94,629
Total Liabilities	<u>\$ 94,629</u>

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

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Financial Reporting Entity**

The DULCE INDEPENDENT SCHOOL DISTRICT NO. 21 (District) has been in existence since the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education - superintendent form of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

The financial statements of the have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The District has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

### **Measurement Focus and Basis of Accounting**

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

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the government-wide Statement of Net Assets, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

***Fund Financial Statements (FFS)***

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of general long-term debt.

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

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

Debt Service Fund - The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Fiduciary Fund Type

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

Major Funds

Under the requirements of GASB #43, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following:

**GENERAL FUND (11000)(12000)(13000)(14000)**

The General Fund consist of four sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Teacherage fund rents housing to District personnel. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

**CAPITAL PROJECT FUNDS**

**Bond Building (31100)**

The revenues are derived from a School Building Bond Issue. The expenditures are restricted to major capital improvements.

**House Bill 33 (31600)**

To account for resources received through House Bill 33 and local tax levies obtained for the financing, construction and remodeling of various school buildings. Expenditures are restricted to Capital Improvements.

**DEBT SERVICE FUND (41000)**

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values. Expenditures are restricted to Debt Reduction.

**Assets, Liabilities and Net Assets and Fund Balances**

Cash and Cash Equivalents

The District'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.

The District is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the District may be invested in :

(a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or

(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Notes to the Financial Statements  
June 30, 2008

---

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventories and Prepaid Items

Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 (per Section 12-6-10 NMSA1978) and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings & Improvements	20-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 Years

Deferred Revenue

The District reports deferred revenues on its Statement of Net Assets and Fund Balance Sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

Compensated Absences

After a non-certified employee has been with the District for a period of at least six months, the employee is entitled to a one-week paid vacation; when employed twelve months, the employee is entitled to a two week paid vacation accumulative to no more than 20 contract days. Vacation is to be scheduled at an appropriate time and approved by the supervisor. If an employee is discharged because of lack of work, and through no fault of the employee, the employee shall receive commensurate vacation pay.

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Notes to the Financial Statements  
June 30, 2008

---

For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. The entire compensated absence liability is reported on the government-wide financial statements.

Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Contingent Liabilities

Receivables 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.

Fund Balances of Fund Financial Statements

Reserved fund balance indicates that portion of fund equity which has been segregated for specific purposes. Unreserved fund balance indicates that portion of fund equity which is available for budgeting in future periods.

Net Assets

Net Assets are presented on the Statement of Net Assets and may be presented in any of the three components.

1. Invested in Capital Assets, Net of Related Debt. This component of net assets consists of 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.
2. 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.
3. Unrestricted Net Assets. This component consist of net assets that do not meet the definition of the above two components.

Revenues

Taxes. The District's property taxes are levied each year on the assessed valuation of property located in the District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, Capital Improvement HB-33 Fund, Capital Improvements SB-9 fund and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days. Therefore, the 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 been collected. An allowance for refunds and uncollectables has not been recorded.



Grants. Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Revenue Recognition for Grants. Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.
4. Contingencies. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Other receipts. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Program Revenues. Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants which include SEG, Transportation, Instructional Materials and several federal and state grants as listed on the title pages, and 3) program specific capital grants which include capital grants received from the state for construction and improvements.

#### Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

#### Other Financing Sources (Uses) and Interfund Transfers

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur. In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

#### Estimates

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

### **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### Budgetary Information

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on the non-GAAP budgetary basis.

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Notes to the Financial Statements  
June 30, 2008

---

The District follows the following procedures in establishing data reflected in the financial statements:

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBFAU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBFAU.
7. Legal budget control for expenditures is by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

Reconciliation of Budgetary Basis to GAAP Basis Statements

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

Reconciliations are located at the bottom of each budget actual.

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Notes to the Financial Statements  
June 30, 2008

---

Budget Violations

The following line items were over expended.

OPERATIONAL-GENERAL FUND-11000

Instruction

Professional & Tech Services \$ (9,275)

Support Services-Students

Personnel Services (8,439)

Purchased Services (580)

Support Services-Instruction

Personnel Services (1,292)

Employee Benefits (5,138)

Professional & Tech Services (88)

Purchased Services (838)

Support Services-General Administration

Personnel Services (30,163)

Employee Benefits (10,460)

Professional & Tech Services (12,185)

Purchased Services (6,560)

Support Services-School Administration

Personnel Services (1,467)

Professional & Tech Services (15,078)

Central Services

Purchased Services (725)

Operation & Maintenance of Plant

Personnel Services (1,025)

Professional & Tech Services (6,122)

Purchased Services (217,338)

Transportation

Purchased Property Services (212)

TRANSPORTATION-GENERAL FUND-13000

Support Services-General Administration

Personnel Services (5,128)

Employee Benefits (1,308)

Central Services

Employee Benefits (49)

Transportation

Personnel Services (9,299)

Employee Benefits (2,155)

CAPITAL PROJECTS FUND-BOND BUILDING-31100

Capital Outlay

Other Services (1,131,818)

Construction Services (1,887,562)

Fixed Assets (33,370)

CAPITAL PROJECTS FUND-CAPITAL IMPROVEMENTS HB-33

Support Services-General

Administration

Professional & Tech Services (280)

Operation & Maintenance of Plant

Purchased Property Services \$ (1,393,123)

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Notes to the Financial Statements  
June 30, 2008

---

DEBT SERVICE-41000	
Debt Service	
Interest	\$ (15,499)
SPECIAL REVENUE FUND-FOOD SERVICE-21000	
Food Service Operations	
Other Purchased Services	(40,873)
Supplies	(1,514)
SPECIAL REVENUE FUND-ATHLETICS-22000	
Instruction	
Supplies	(760)
SPECIAL REVENUE FUND-TITLE I-24101	
Instruction	
Personnel Services	(5,066)
Employee Benefits	(275)
Support Services-General Administration	
Employee Benefits	(95)
Support Services-School Administration	
Other Contract Services	(1,172)
SPECIAL REVENUE FUND-IDEA, PART B ENTITLEMENT-24106	
Instruction	
Other Purchased Services	(104)
SPECIAL REVENUE FUND-ENHANCING ED THRU TECH-24133	
Instruction	
Supply Assets	(735)
SPECIAL REVENUE FUND-ENGLISH LANGUAGE ACQUISITION-24153	
Support Services-School Administration	
Other Purchased Services	(115)
SPECIAL REVENUE FUND-TITLE II TEACHER/PRINCIPAL TRAINING & RECRUITING-24154	
Instruction	
Employee Benefits	(62)
Professional & Tech Services	(2,734)
Other Purchased Services	(21,533)
Supplies	(42)
Support Services-Students	
Professional & Tech Services	(3,649)
Support Services-General Administration	
Other Purchased Services	(297)
Support Services-School Administration	
Other Purchased Services	(3,841)
SPECIAL REVENUE FUND-SAFE & DRUG FREE SCHOOLS & COMMUNITIES-24157	
Instruction	
Supplies	(590)
Support Services-General Administration	
Other Contract Services	(208)
Support Services-School Administration	
Other Contract Services	\$ (70)

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Notes to the Financial Statements  
June 30, 2008

---

SPECIAL REVENUE FUND-TITLE I SCHOOL IMPROVEMENT-24162		
Instruction		
Personnel Services	\$	(10,519)
Employee Benefits		(5,008)
SPECIAL REVENUE FUND-READING FIRST-24167		
Instruction		
Other Purchased Services		(504)
General Supplies/Software		(1,893)
Support Services-General Administration		
Other Purchased Services		(100)
SPECIAL REVENUE FUND-IMPACT AID SPECIAL EDUCATION-25145		
Support Services-Students		
Personnel Services		(9,562)
SPECIAL REVENUE FUND-IMPACT AID-INDIAN EDUCATION-25147		
Support Services-Students		
Personnel Services		(38,706)
Employee Benefits		(11,298)
Support Services-General Administration		
Salaries Expense		(31,306)
Employee Benefits		(6,297)
Support Services-School Administration		
Other Purchased Services		(68)
SPECIAL REVENUE FUND-RURAL EDUCATION ACHIEVEMENT-25233		
Support Services-Students		
Other Purchased Services		(89)
SPECIAL REVENUE FUND-GENERAL MILLS FOUNDATION-26166		
Instruction		
Professional & Tech Services		(645)
Supplies		(7,985)
Support Services-Students		
Personnel Services		(890)
Employee Benefits		(73)
SPECIAL REVENUE FUND-BREAKFAST FOR ELEMENTARY STUDENTS-27155		
Food Services Operations		
Supplies		(16,300)
SPECIAL REVENUE FUND-SCHOOL IN NEED OF IMPROVEMENTS-27163		
Instruction		
Personnel Services		(36,861)
Employee Benefits		(22)
Professional & Tech Services		(1,239)
SPECIAL REVENUE FUND-K-3 PLUS-27166		
Transportation		
Employee Benefits		(53)
SPECIAL REVENUE FUND-21ST CENTURY LEARNING CENTER-27167		
Instruction		
Personnel Services		(1,614)
SPECIAL REVENUE FUND-SCIENCE ENGINEER FAIR-28138		
Instruction		
Personnel Services		(209)
Employee Benefits		(40)
Supplies	\$	(1,046)

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Notes to the Financial Statements  
June 30, 2008

SPECIAL REVENUE FUND-MEDICAID-28144	
Support Services-Instruction	
Supplies	\$ (704)
SPECIAL REVENUE FUND-GEAR UP-28178	
Instruction	
Personnel Services	(4,547)
Employee Benefits	(952)
General Supplies/Software	(2,320)
Support Services-Students	
Employee Benefits	(47)
Transportation	
Personnel Services	(4,580)
Employee Benefits	(1,001)
SPECIAL REVENUE FUND-SCHOOL BASED HEALTH CENTER-29130	
Support Services-Students	
Personnel Services	(26,463)
Employee Benefits	(8,955)
Other Charges	(9,120)
Other Purchased Services	(68,122)
Supplies	(4,055)
CAPITAL PROJECT FUND-SENATE BILL NINE-31700	
Support Services-General Administration	
Professional & Tech Services	(7,718)
Operation & Maintenance of Plant	
Purchased Property Services	(2,190,956)
Supplies	(29,970)
CAPITAL PROJECTS FUND-PUBLIC SCHOOL CAPITAL OUTLAY-20%-32100	
Operation & Maintenance of Plant	
Purchased Property Services	\$ (14,550)

Deficit Fund Equity

The Debt Service fund has a deficit fund balance at year end of \$(1,446,260). The Debt Service Fund does not have an adequate cash balance to meet their debt payments due in July. The fund has and will continue to borrow the money to make the debt payments from other District funds.

**DETAILED NOTES**

Cash and Investments

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

Wells Fargo Bank

<u>Name of Account</u>	Balance Per Bank	Reconciled Balance	<u>Type</u>
Dulce Independent School District	\$ 95,066	\$ 94,629	Checking
Dulce Independent School District-Repo Account	12,682,442	12,256,883	Checking
TOTAL Deposited	12,777,508	\$ 12,351,512	
Less: FDIC Coverage	(100,000)		
Uninsured Amount	12,677,508		
50% collateral requirement	47,533		
102% collateral requirement	12,936,091		
Pledged securities	13,156,213		
Over (Under) requirement	\$ 172,589		

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Notes to the Financial Statements  
June 30, 2008

---

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

The following securities are pledged at Wells Fargo Bank:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>
FNCL 884348	31410BP99	\$ 1,006,232	5/1/2036
FNCL 00947752	31413KL90	1,992,262	10/1/2037
		\$ 2,998,494	

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

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>
REPURCHASE	99HICR003	10,157,719	5/1/2036
		\$ 10,157,719	

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

**Custodial Credit Risk-Deposits**

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 100,000
Collateralized:	
Collateral held by the pledging bank in District's name	12,677,508
Uninsured and uncollateralized	0
Total Deposits	\$ 12,777,508

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of the end of the fiscal year none of the District's bank balance of \$12,777,508 was exposed to custodial credit risk.

**New Mexico State Treasurer**

<u>Name of Account</u>	<u>Balance Per Bank</u>	<u>Reconciled Balance</u>	<u>Type</u>
Dulce Independent School District	\$ 8,876,482	\$ 8,876,482	Investment
TOTAL Deposited	\$ 8,876,482	\$ 8,876,482	

The investments with the State Treasurer are valued at fair value based on quoted market prices as of valuation date.

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments;

The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested; and

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Notes to the Financial Statements  
June 30, 2008

Participation in the local government investment pool is voluntary.

**Interest Rate Risk**

Interest rate risk is the risk that interest rate variations may adversely affect an investment's fair value. The prices of securities fluctuate with market interest rates and the securities held in a portfolio will decline if market interest rates rise. The portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investments to rising interest rates. The WAM for this investment is 24 days. The investment is rated AAAM and the rate is 5.1185%.

Interfund Receivables, Payables, Transfers and Deferred Revenues

The composition of interfund balances is as follows:

Receivable Funds	Payable Funds	
	Non Major Funds	Total
General Fund	\$ 300,097	\$ 300,097
Totals	\$ 300,097	\$ 300,097

The above interfund balances resulted from reimbursement grants. The shortfalls were covered by the General Fund. All transactions will be repaid within one year.

Interfund transfers during the year were as follows:

General Fund to:	
Non Major Funds	\$ 272,875
Totals	\$ 272,875

The above transfer was made from the General fund to the Food Service fund to cover shortfalls. This transaction will not be repaid by the Food Service fund.

Receivables

Following is a schedule of property taxes receivable:

	General	House Bill 33	Debt Service	Non Major Funds
Property Taxes Receivable:				
Available	\$ 37,896	\$ 8,033	\$ 229,487	\$ 157,151
Unavailable	0	0	0	0
TOTAL Property Taxes Receivable	\$ 37,896	\$ 8,033	\$ 229,487	\$ 157,151

Amounts due from other agencies and units of government were as follows:

Federal Agencies	\$ 227,246
State Agencies	74,541
Total	\$ 301,787

Deferred Revenue

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. The following deferred revenues are measurable but do not represent available expendable resources for the fund financial statements.



STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Notes to the Financial Statements  
June 30, 2008

	General	House Bill 33	Debt Service	Non Major Funds
Property Taxes	\$ 37,896	\$ 8,033	\$ 152,742	\$ 157,151
Federal Revenues	0	0	0	0
TOTAL Deferred Revenues	<u>\$ 37,896</u>	<u>\$ 8,033</u>	<u>\$ 152,742</u>	<u>\$ 157,151</u>

Capital Assets

Capital assets balances and activity for the year is as follows:

	Balance 6/30/07	Increases	Decreases	Balance 6/30/08
Capital Assets not being Depreciated				
Land	\$ 70,141	\$ 0	\$ 0	\$ 70,141
Construction in Progress	462,334	8,281,544	324,670	8,419,208
Total Capital Assets not being Depreciated	<u>532,475</u>	<u>8,281,544</u>	<u>324,670</u>	<u>8,489,349</u>
Capital Assets, being Depreciated				
Buildings & Improvement	37,924,514	134,931	0	38,059,445
Land Improvements	667,846	798,539	0	1,466,385
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	4,112,499	33,370	909,693	3,236,176
Total Capital Assets being Depreciated	<u>42,704,859</u>	<u>966,840</u>	<u>909,693</u>	<u>42,762,006</u>
Total Capital Assets	<u>43,237,334</u>	<u>9,248,384</u>	<u>1,234,363</u>	<u>51,251,355</u>
Less Accumulated Depreciation				
Buildings & Improvements	11,286,022	1,225,747	209,357	12,302,412
Land Improvements	162,112	43,017	0	205,129
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	2,776,597	337,833	940,539	2,173,891
Total Accumulated Depreciation	<u>14,224,731</u>	<u>1,606,597</u>	<u>1,149,896</u>	<u>14,681,432</u>
Capital Assets, net	<u>\$ 29,012,603</u>	<u>\$ 7,641,787</u>	<u>\$ 84,467</u>	<u>\$ 36,569,923</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 755,540
Unallocated	851,057
Total depreciation expenses	<u>\$ 1,606,597</u>

Commitments

The District is involved in a major construction project that is anticipated to cost \$ 28,921,949 .

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Notes to the Financial Statements  
June 30, 2008

Long Term Debt

A summary of activity in the long term debt is as follows:

	Balance 6/30/08	Additions	Reductions	Balance 6/30/08	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 30,565,000	\$ 0	\$ 250,000	\$ 30,315,000	\$ 2,760,000
Total Bonds	<u>30,565,000</u>	<u>0</u>	<u>250,000</u>	<u>30,315,000</u>	<u>2,760,000</u>
Other Liabilities					
Compensated					
Absences	60,520	34,373	25,636	69,257	0
Total Other					
Liabilities	<u>60,520</u>	<u>34,373</u>	<u>25,636</u>	<u>69,257</u>	<u>0</u>
Long-Term	<u>\$ 30,625,520</u>	<u>\$ 34,373</u>	<u>\$ 275,636</u>	<u>\$ 30,384,257</u>	<u>\$ 2,760,000</u>

Payments on the general obligation bonds are made by the Debt Service Funds. The compensated absences liability will ultimately be liquidated by several of the District's governmental funds, with most being paid by the General Fund, Food Service Fund and Title I Fund.

The current portion of the compensated absences is estimated at zero since there are no anticipated retirements or terminations.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

Date of Issue	Balance 6/30/2007	Restatement	Restated Balance 6/30/2007	Balance 6/30/2008	Due within One Year
1/1/2001	\$ 3,900,000	\$ (710,000)	\$ 3,190,000	\$ 3,190,000	\$ 740,000
10/15/2001	970,000	(225,000)	745,000	745,000	235,000
6/15/2002	3,240,000	(480,000)	2,760,000	2,760,000	500,000
1/15/2003	3,210,000	(305,000)	2,905,000	2,905,000	315,000
7/15/2003	4,215,000	0	4,215,000	4,215,000	470,000
5/15/2006	6,750,000	0	6,750,000	6,500,000	250,000
6/1/2007	10,000,000	0	10,000,000	10,000,000	250,000
	<u>\$ 32,285,000</u>	<u>\$ (1,720,000)</u>	<u>\$ 30,565,000</u>	<u>\$ 30,315,000</u>	<u>\$ 2,760,000</u>

Date of Issue	Interest Rates
1/1/2001	4.5% to 6.00%
10/15/2001	2.95% to 4.35%
6/15/2002	4.00% to 4.125%
1/15/2003	3.85% to 4.35%
7/15/2003	3.00% to 3.65%
5/15/2006	3.65% to 4.00%
6/1/2007	4.00% to 4.25%

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Notes to the Financial Statements  
June 30, 2008

The annual requirements to amortize the general obligation bonds, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 2,760,000	\$ 1,173,151	\$ 3,933,151
2010	3,115,000	1,060,757	4,175,757
2011	3,810,000	932,217	4,742,217
2012	4,305,000	780,565	5,085,565
2013	4,000,000	626,513	4,626,513
2014-2017	12,325,000	1,114,243	13,439,243
	<u>\$ 30,315,000</u>	<u>\$ 5,687,446</u>	<u>\$ 36,002,446</u>

Reconciliation of Long-Term Debt disclosed above to the Long-Term Debt reported in the Statement of Net Assets.

Above Balance of Long-Term Debts	\$ 30,315,000
Net Issue Costs/Premium/Discounts on Bond Issues	(89,916)
Statement of Net Assets	<u>\$ 30,225,084</u>
Long-Term Per Government Wide Financial Statements	\$ 27,465,084
Current Portion	2,760,000
Statement of Net Assets	<u>\$ 30,225,084</u>

Reconciliation of principal paid on the above note and the amount paid in the Statement of Revenues, Expenditures and Changes in Fund Balance

Above amount of principal	\$ 250,000
Current Amount Due on the Balance Sheet	2,260,000
Amount of principal paid on the Statement of Revenues, Expenditures and Changes in Fund Balance	<u>\$ 2,510,000</u>

**OTHER INFORMATION**

Retirement Plan

Substantially all of the (name of employer'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 financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Notes to the Financial Statements  
June 30, 2008

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Plan members are required to contribute 7.825% of their gross salary. The 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 State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2008, 2007, and 2006, were \$489,505, \$460,103 and \$370,763 respectively, which equal the amount of the required contributions for each fiscal year.

Post-Retirement Health Care Benefits

The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

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 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
Notes to the Financial Statements  
June 30, 2008

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The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The District's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$58,381, \$58,998 and \$51,273, respectively, which equal the required contributions for each year.

Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Workers Compensation
- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime
- Surety Bond

Restatements

The State of Net Assets was restated by 1,909,352 and Fund Balance was restated by \$189,351 consisting of the following:

The total outstanding bonds were reduced by \$1,720,000 increasing the Statement of Net Assets by the same amount. The bond payments due July 1, 2007 were paid in June, 2007. The outstanding bonds were not reduced by the payments made early before the 2007 year end.

The Statement of Net Assets was increased by the fund balances reclassified from deferred revenue for funds 25145-Impact Aid-Special Education of \$23,449 and 25147-Impact Aid-Indian Education of \$74,308, 27138-Incentives for School Improvement of \$18,847, 27155-Breakfast for Elementary Students of \$9,320 and 28144-Medicaid of \$18,413 and 29130-School Based Health of \$45,014 for a total of \$189,351. The revenue received for Impact Aid is earned when received rather than when spent. The funds do not have to be returned and may be carried over and budgeted. The deferred revenue classification is incorrect.

**SUPPLEMENTAL INFORMATION RELATED TO  
MAJOR FUNDS**

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
CAPITAL PROJECTS FUND-BOND BUILDING-31100  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Investment Income	\$ 0	\$ 0	\$ 588,517	\$ 588,517
Total Revenues	<u>0</u>	<u>0</u>	<u>588,517</u>	<u>588,517</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Other Services	23,936	23,936	1,155,754	(1,131,818)
Construction Services	29,785	29,785	1,917,347	(1,887,562)
Improvements	16,911,440	16,911,440	6,141,912	10,769,528
Fixed Assets	0	0	33,370	(33,370)
Total Capital Outlay	<u>16,965,161</u>	<u>16,965,161</u>	<u>9,248,383</u>	<u>7,716,778</u>
Total Expenditures	<u>16,965,161</u>	<u>16,965,161</u>	<u>9,248,383</u>	<u>7,716,778</u>
Excess (Deficiency) of Revenues Over Expenditures	(16,965,161)	(16,965,161)	(8,659,866)	8,305,295
Cash Balance Beginning of Year	<u>17,157,232</u>	<u>17,157,232</u>	<u>17,157,232</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 192,071</u>	<u>\$ 192,071</u>	<u>\$ 8,497,366</u>	<u>\$ 8,305,295</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (8,659,866)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (8,659,866)</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 CAPITAL PROJECTS FUND-CAPITAL IMPROVEMENTS House Bill-33-31600  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 0	\$ 0	\$ 336,985	\$ 336,985
Investment Income	460,000	460,000	419,934	(40,066)
Total Revenues	<u>460,000</u>	<u>460,000</u>	<u>756,919</u>	<u>(40,066)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	453,331	453,331	11,145	442,186
Total Instruction	<u>453,331</u>	<u>453,331</u>	<u>11,145</u>	<u>442,186</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	0	0	280	(280)
Total Support Services- General Administration	<u>0</u>	<u>0</u>	<u>280</u>	<u>(280)</u>
<b>Operation &amp; Maintenance of Plant</b>				
Purchased Property Services	0	0	1,393,123	(1,393,123)
Total Operation & Maintenance of Plant	<u>0</u>	<u>0</u>	<u>1,393,123</u>	<u>(1,393,123)</u>
<b>Capital Outlay</b>				
Improvements	9,340,274	9,340,274	0	9,340,274
Fixed Assets	50,000	50,000	0	50,000
Total Capital Outlay	<u>9,390,274</u>	<u>9,390,274</u>	<u>0</u>	<u>9,390,274</u>
Total Expenditures	<u>9,843,605</u>	<u>9,843,605</u>	<u>1,404,548</u>	<u>8,439,057</u>
Excess (Deficiency) of Revenues Over Expenditures	(9,383,605)	(9,383,605)	(647,629)	(8,479,123)
Cash Balance Beginning of Year	<u>9,383,605</u>	<u>9,383,605</u>	<u>9,383,605</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>8,735,976</u>	\$ <u>(8,479,123)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (647,629)	
Net Change in Taxes Receivable-Current			(1,567)	
Net Change in Taxes Receivable-Delinquent			550	
Net Change in Payables			100,740	
Net Change in Deferred Revenue			(550)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(548,456)</u>	

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



STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
DEBT SERVICE-41000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 3,723,329	\$ 3,723,329	\$ 2,147,054	\$ (1,576,275)
Investment Income	0	0	2,234	2,234
Total Revenues	<u>3,723,329</u>	<u>3,723,329</u>	<u>2,149,288</u>	<u>(1,574,041)</u>
<b>Expenditures</b>				
Support Services-General Administration				
Professional & Tech Services	3,100	3,100	387	2,713
Total Support Services-General Administration	<u>3,100</u>	<u>3,100</u>	<u>387</u>	<u>2,713</u>
Debt Service				
Principal	250,000	250,000	250,000	0
Interest	951,259	921,259	936,758	(15,499)
Total Debt Service	<u>1,201,259</u>	<u>1,171,259</u>	<u>1,186,758</u>	<u>(15,499)</u>
Total Expenditures	<u>1,204,359</u>	<u>1,174,359</u>	<u>1,187,145</u>	<u>(12,786)</u>
Excess (Deficiency) of Revenues Over Expenditures	2,518,970	2,548,970	962,143	(1,586,827)
Cash Balance Beginning of Year	<u>(85,446)</u>	<u>(85,446)</u>	<u>(85,446)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,433,524</u>	<u>\$ 2,463,524</u>	<u>\$ 876,697</u>	<u>\$ (1,586,827)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 962,143	
Net Change in Taxes Receivables-Current			74,715	
Net Change in Taxes Receivables-Delinquent			1,878	
Net Change in Current Portion Due Principal			(2,260,000)	
Net Change in Current Portion Due Interest			(276,633)	
Net Change in Deferred Revenue			(1,878)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,499,775)</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO  
NON MAJOR FUNDS**

**NONMAJOR FUNDS**

**NONMAJOR SPECIAL REVENUE FUNDS**

**Food Services (21000).** To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

**Athletics (22000).** To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

**Title I (24101).** To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

**IDEA Part B, Entitlement, Discretionary, Competitive (24106) (24107) (24108).** To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

**Enhancing Education Through Technology (24133).** To account for a Federal grant designed to strengthen teacher learning in the field of technology. The fund was created by the authority of federal grant provisions. (PL 103-382).

**Title V (24150).** To account for State and Local educational agencies in the reform of elementary and secondary education. Authorized by Elementary and Secondary Education Act of 1965, Title VI, as amended, 20 U.S.C. 7301-7373.

**English Language Acquisition (24153).** 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 related to 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 & Principal Training & Recruiting (24154)** 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 student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

**NONMAJOR FUNDS**

**Safe & Drug Free Schools & Communities (24157).** 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. Elementary and Secondary Education Act , Title IV, Part A, Subpart 1, as amended. 20 USC 7111-7118.

**21st Century (24159)** To account for revenues and expenditures for a collaborative consortium of education, health, culture enrichment and social support system in rural communities. The fund was created by grant provisions.

**Title I School Improvement (24162).** 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.

**Reading First (24167)** The purpose of this grant is to ensure that all children can read at grade level or above by the end of third grade. The Reading First program is authorized by Title I, Part B, Subpart 1 of the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001 (20 USC 6361 et seq.).

**Impact Aid - Indian and Special Education (25145 and 25147).** 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 assistartce 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.

**Rural Education Achievement Program (25233).** 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 of 1965 (ESEA), Title VI, Part B, as amended.

**General Mills Foundation (26166).** A comprehensive initiative to help youth improve their nutrition and fitness behaviors through grants that develop innovative programs. The fund was created by state grant provisions.

**Technology for Education (27117)** To account for funds used 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.

**Physical Education Classes (27121).** To account for funds received from the Carol M. White Physical Education Program. The purpose of the fund is to initiate, expand and improve physical education programs in order to help them make progress toward meeting state standards for physical education.

**NONMAJOR FUNDS**

**Incentives for School Improvement (27138).** To account for revenues and expenditures from a state grant as part of the Incentives for School Improvement Act: awarded based on the improvement in CTBS 5/Terra Nova or New Mexico High School Competency Examination scores. The fund was created by state grant provisions. (NMSA 22-13 A-1).

**Library GO Bonds (27145).** To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

**Native Language (27150)** To account for a State Flow Through Grant for Native American Student Enrichment Program. The fund was created by State Grant provisions.

**Beginning Teacher Mentoring (27154).** To account for revenues and expenditures from a state grant provided for beginning teacher mentoring programs. The fund was created by state grant provisions.

**Breakfast for Elementary Students (27155).** To account for revenues and expenditures from a state grant for the purpose of providing a free breakfast to elementary students. The fund was created by state grant provisions.

**School in Need of Improvement (27163).** To account for revenues and expenditures from a state grant to improve the District's academic performance of the students. The fund was created by state grant provisions.

**Kindergarten 3-Plus (27166)** To account for the revenues and expenditures from a state grant to extend kindergarten and preschool hours. The fund was created by state grant provisions.

**21st Century Learning Center (27167)** To account for revenues and expenditures to provide services for students after school hours. The fund was created by state grant provisions.

**Science Engineering Fair (28138).** To account for the revenues and expenditures from a state grant to provide and promote Science and Engineering. The fund was created by state grant provisions.

**Medicaid (28144).** To assist schools in offering key health and health-related services that are designed to integrate and maintain active learning in Medicaid-eligible children with disabilities and special health care needs.

**Gear Up (28178).** To encourage eligible entities to provide or maintain a guarantee to eligible low-income students who obtain a secondary diploma, of the financial assistance necessary to permit the student to attend an institution of higher education; and provide additional support services to students who are at risk of dropping out of school. The fund was created by state grant provisions.

**School Based Health Center (29130).** To account for funds to provide health services to students. The fund is provided by PED and the State Grants.

**NONMAJOR FUNDS**

**NONMAJOR CAPITAL PROJECTS FUNDS**

**Special Capital Outlay-Federal (31500)**

To maintain school facilities owned by the Department of Education and operated by the 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.

**Senate Bill Nine (31700)**

The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

**Public School Capital Outlay-20% (32100)**

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 improvements of building and land, and the purchase of equipment.

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2008

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I 24101
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 73,599	\$ 10,730	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	13,176
Inventory	3,540	0	0
Total Assets	<u>\$ 77,139</u>	<u>\$ 10,730</u>	<u>\$ 13,176</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 12,593
Accounts Payable	21,900	0	583
Deferred Revenue	0	0	0
Total Liabilities	<u>21,900</u>	<u>0</u>	<u>13,176</u>
Fund Balance			
Reserved for Inventory	3,540	0	0
Reserved For Capital Improvements	0	0	0
Unreserved, Undesignated			
Special Revenue	51,699	10,730	0
Total Fund Balance	<u>55,239</u>	<u>10,730</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 77,139</u>	<u>\$ 10,730</u>	<u>\$ 13,176</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2008

	Special Revenue Funds		
	IDEA, Part B Entitlement 24106	IDEA, Part B Discretionary 24107	IDEA, Part B Competitive 24108
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	40,381	35,079	1,908
Inventory	0	0	0
Total Assets	<u>\$ 40,381</u>	<u>\$ 35,079</u>	<u>\$ 1,908</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 40,381	\$ 35,079	\$ 1,908
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>40,381</u>	<u>35,079</u>	<u>1,908</u>
Fund Balance			
Reserved for Inventory	0	0	0
Reserved For Capital Improvements	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 40,381</u>	<u>\$ 35,079</u>	<u>\$ 1,908</u>

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



STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2008

	Special Revenue Funds		
	Enhancing Ed Thru Tech 24133	Title V 24150	English Language Acquisition 24153
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,302	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	270	12,225
Inventory	0	0	0
Total Assets	<u>\$ 5,302</u>	<u>\$ 270</u>	<u>\$ 12,225</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 0	\$ 270	\$ 12,225
Accounts Payable	0	0	0
Deferred Revenue	5,302	0	0
Total Liabilities	<u>5,302</u>	<u>270</u>	<u>12,225</u>
Fund Balance			
Reserved for Inventory	0	0	0
Reserved For Capital Improvements	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 5,302</u>	<u>\$ 270</u>	<u>\$ 12,225</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2008

	Special Revenue Funds		
	Teacher/ Principal Training 24154	Safe & Drug Free School 24157	21st Century 24159
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	5,179	3,975	11,622
Inventory	0	0	0
Total Assets	<u>\$ 5,179</u>	<u>\$ 3,975</u>	<u>\$ 11,622</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 5,149	\$ 3,975	\$ 11,622
Accounts Payable	30	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>5,179</u>	<u>3,975</u>	<u>11,622</u>
Fund Balance			
Reserved for Inventory	0	0	0
Reserved For Capital Improvements	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 5,179</u>	<u>\$ 3,975</u>	<u>\$ 11,622</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2008

	Special Revenue Funds		
	Title I	Reading	Impact Aid
	Improvement 24162	First 24167	Indian Education 25145
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 86,851
Receivables			
Taxes	0	0	0
Due From Grantor	92,444	10,987	0
Inventory	0	0	0
Total Assets	<u>\$ 92,444</u>	<u>\$ 10,987</u>	<u>\$ 86,851</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 92,444	\$ 10,987	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>92,444</u>	<u>10,987</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Reserved For Capital Improvements	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	86,851
Total Fund Balance	<u>0</u>	<u>0</u>	<u>86,851</u>
Total Liabilities and Fund Balance	<u>\$ 92,444</u>	<u>\$ 10,987</u>	<u>\$ 86,851</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2008

	Special Revenue Funds		
	Impact Aid Special Education 25147	Rural Education Achievement Program 25233	General Mills Foundation 26166
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 226,138	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	9,593
Inventory	0	0	0
Total Assets	<u>\$ 226,138</u>	<u>\$ 0</u>	<u>\$ 9,593</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 9,593
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>9,593</u>
Fund Balance			
Reserved for Inventory	0	0	0
Reserved For Capital Improvements	0	0	0
Unreserved, Undesignated			
Special Revenue	226,138	0	0
Total Fund Balance	<u>226,138</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 226,138</u>	<u>\$ 0</u>	<u>\$ 9,593</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2008

	Special Revenue Funds		
	Technology for Education 27117	Physical Education 27121	Incentives for School Improvements 27138
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 37,254	\$ 0	\$ 35,072
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 37,254</u>	<u>\$ 0</u>	<u>\$ 35,072</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Reserved For Capital Improvements	0	0	0
Unreserved, Undesignated			
Special Revenue	37,254	0	35,072
Total Fund Balance	<u>37,254</u>	<u>0</u>	<u>35,072</u>
Total Liabilities and Fund Balance	<u>\$ 37,254</u>	<u>\$ 0</u>	<u>\$ 35,072</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2008

	Special Revenue Funds		
	Libraries GO Bonds 27145	Native Language 27150	Beginning Teachers Mentoring 27154
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 4,137
Receivables			
Taxes	0	0	0
Due From Grantor	3,521	4,200	0
Inventory	0	0	0
Total Assets	<u>\$ 3,521</u>	<u>\$ 4,200</u>	<u>\$ 4,137</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 3,521	\$ 4,200	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>3,521</u>	<u>4,200</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Reserved For Capital Improvements	0	0	0
Unreserved, Undesignated			
Special Revenue	0	0	4,137
Total Fund Balance	<u>0</u>	<u>0</u>	<u>4,137</u>
Total Liabilities and Fund Balance	<u>\$ 3,521</u>	<u>\$ 4,200</u>	<u>\$ 4,137</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2008

	Special Revenue Funds		
	Breakfast for Elementary Students <u>27155</u>	Schools in Need of Improvement <u>27163</u>	K 3 Plus <u>27166</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 45,798
Receivables			
Taxes	0	0	0
Due From Grantor	0	684	0
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 0</u>	<u>\$ 684</u>	<u>\$ 45,798</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 0	\$ 684	\$ 0
Accounts Payable	0	0	461
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>684</u>	<u>461</u>
Fund Balance			
Reserved for Inventory	0	0	0
Reserved For Capital Improvements	0	0	0
Unreserved, Undesignated			
Special Revenue	<u>0</u>	<u>0</u>	<u>45,337</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>45,337</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 684</u>	<u>\$ 45,798</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2008

	Special Revenue Funds		
	21st Century 27167	Science Engineering Fair 28138	Medicaid 28144
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 705	\$ 44,362
Receivables			
Taxes	0	0	0
Due From Grantor	25,188	0	0
Inventory			
Total Assets	<u>\$ 25,188</u>	<u>\$ 705</u>	<u>\$ 44,362</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 24,111	\$ 0	\$ 0
Accounts Payable	1,077	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>25,188</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Reserved For Capital Improvements	0	0	0
Unreserved, Undesignated			
Special Revenue	0	705	44,362
Total Fund Balance	<u>0</u>	<u>705</u>	<u>44,362</u>
Total Liabilities and Fund Balance	<u>\$ 25,188</u>	<u>\$ 705</u>	<u>\$ 44,362</u>

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



STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2008

	<u>Special Revenue Funds</u>		<u>Capital Projects</u>
	Gear Up	School Based Health	Special Capital Outlay Federal
	<u>28178</u>	<u>29130</u>	<u>31500</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 6,364	\$ 396,112
Receivables			
Taxes	0	0	0
Due From Grantor	31,355	0	0
Inventory	0	0	0
Total Assets	<u>\$ 31,355</u>	<u>\$ 6,364</u>	<u>\$ 396,112</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 31,355	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>31,355</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Inventory	0	0	0
Reserved For Capital Improvements	0	0	396,112
Unreserved, Undesignated			
Special Revenue	0	6,364	0
Total Fund Balance	<u>0</u>	<u>6,364</u>	<u>396,112</u>
Total Liabilities and Fund Balance	<u>\$ 31,355</u>	<u>\$ 6,364</u>	<u>\$ 396,112</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Balance Sheet  
June 30, 2008

	<u>Capital Projects</u>		
	<u>Senate Bill 9 31700</u>	<u>20% Capital Oulay 32100</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 793,248	\$ 194,647	\$ 1,960,319
Receivables			
Taxes	157,151	0	157,151
Due From Grantor	0	0	301,787
Inventory	0	0	3,540
Total Assets	<u>\$ 950,399</u>	<u>\$ 194,647</u>	<u>\$ 2,422,797</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 300,097
Accounts Payable	80,674	0	104,725
Deferred Revenue	4,409	0	9,711
Total Liabilities	<u>85,083</u>	<u>0</u>	<u>414,533</u>
Fund Balance			
Reserved for Inventory	0	0	3,540
Reserved For Capital Improvements	865,316	194,647	1,456,075
Unreserved, Undesignated			
Special Revenue	0	0	548,649
Total Fund Balance	<u>865,316</u>	<u>194,647</u>	<u>2,008,264</u>
Total Liabilities and Fund Balance	<u>\$ 950,399</u>	<u>\$ 194,647</u>	<u>\$ 2,422,797</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I 24101
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	347	0
Fees	9,781	47,818	0
Miscellaneous	0	0	0
State Grants	0	0	0
Federal Grants	210,328	0	255,482
Total Revenues	<u>220,109</u>	<u>48,165</u>	<u>255,482</u>
<b>Expenditures</b>			
Current			
Instruction	0	58,973	234,092
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	19,465
Support Services-School Administration	0	0	1,925
Transportation	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	405,444	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>405,444</u>	<u>58,973</u>	<u>255,482</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(185,335)</u>	<u>(10,808)</u>	<u>0</u>
<b>Other Financing Sources</b>			
Transfer from General	272,875	0	0
Total Other Financing Sources	<u>272,875</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>87,540</u>	<u>(10,808)</u>	<u>0</u>
Fund Balances at Beginning of Year	(32,301)	21,538	0
Restatement	0	0	0
Restated Beginning Fund Balance	<u>(32,301)</u>	<u>21,538</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 55,239</u>	<u>\$ 10,730</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Special Revenue Funds		
	IDEA, Part B Entitlement 24106	IDEA, Part B Discretionary 24107	IDEA, Part B Competitive 24108
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
Miscellaneous	0	0	0
State Grants	0	0	0
Federal Grants	88,109	48,036	0
<b>Total Revenues</b>	<u>88,109</u>	<u>48,036</u>	<u>0</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	88,109	0	0
Support Services-Students	0	20,704	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	27,332	0
Support Services-School Administration	0	0	0
Transportation	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
<b>Total Expenditures</b>	<u>88,109</u>	<u>48,036</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources</b>			
Transfer from General	0	0	0
<b>Total Other Financing Sources</b>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Enhancing Ed Thru Tech 24133	Title V 24150	English Language Acquisition 24153
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
Miscellaneous	0	0	0
State Grants	0	0	0
Federal Grants	735	1,824	115
Total Revenues	<u>735</u>	<u>1,824</u>	<u>115</u>
<b>Expenditures</b>			
Current			
Instruction	735	1,824	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	115
Transportation	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>735</u>	<u>1,824</u>	<u>115</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources</b>			
Transfer from General	0	0	0
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Teacher/ Principal Training 24154	Safe & Drug Free School 24157	21st Century 24159
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
Miscellaneous	0	0	0
State Grants	0	0	0
Federal Grants	32,188	4,566	65,964
Total Revenues	<u>32,188</u>	<u>4,566</u>	<u>65,964</u>
<b>Expenditures</b>			
Current			
Instruction	24,401	591	47,354
Support Services-Students	3,649	3,697	0
Support Services-Instruction	0	0	0
Support Services-General Administration	297	208	18,610
Support Services-School Administration	3,841	70	0
Transportation	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>32,188</u>	<u>4,566</u>	<u>65,964</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<b>Other Financing Sources</b>			
Transfer from General	0	0	0
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Title I	Reading	Impact Aid
	Improvement 24162	First 24167	Indian Education 25145
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
Miscellaneous	0	0	218
State Grants	0	0	0
Federal Grants	15,527	59,571	100,005
Total Revenues	<u>15,527</u>	<u>59,571</u>	<u>100,223</u>
<b>Expenditures</b>			
Current			
Instruction	15,527	59,471	0
Support Services-Students	0	0	50,009
Support Services-Instruction	0	0	0
Support Services-General Administration	0	100	37,603
Support Services-School Administration	0	0	68
Transportation	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>15,527</u>	<u>59,571</u>	<u>87,680</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>12,543</u>
<b>Other Financing Sources</b>			
Transfer from General	0	0	0
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>12,543</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	74,308
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>74,308</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 86,851</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Impact Aid Special Education 25147	Rural Education Achievement Program 25233	General Mills Foundation 26166
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
Miscellaneous	0	0	0
State Grants	0	0	9,593
Federal Grants	623,525	89	0
Total Revenues	623,525	89	9,593
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	0	8,630
Support Services-Students	420,836	89	963
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Transportation	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	420,836	89	9,593
Excess (Deficiency) of Revenues Over Expenditures	202,689	0	0
<b>Other Financing Sources</b>			
Transfer from General	0	0	0
Total Other Financing Sources	0	0	0
Net Change in Fund Balance	202,689	0	0
Fund Balances at Beginning of Year	0	0	0
Restatement	23,449	0	0
Restated Beginning Fund Balance	23,449	0	0
Fund Balance End of Year	\$ 226,138	\$ 0	\$ 0

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



STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Technology for Education <u>27117</u>	Physical Education <u>27121</u>	Incentives for School Improvement <u>27138</u>
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
Miscellaneous	0	0	0
State Grants	37,254	0	16,225
Federal Grants	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>37,254</u>	<u>0</u>	<u>16,225</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Transportation	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>37,254</u>	<u>0</u>	<u>16,225</u>
<b>Other Financing Sources</b>			
Transfer from General	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>37,254</u>	<u>0</u>	<u>16,225</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	<u>0</u>	<u>0</u>	<u>18,847</u>
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>18,847</u>
Fund Balance End of Year	<u>\$ 37,254</u>	<u>\$ 0</u>	<u>\$ 35,072</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Libraries GO Bonds 27145	Native Language 27150	Beginning Teachers Mentoring 27154
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
Miscellaneous	0	0	0
State Grants	0	0	4,137
Federal Grants	0	0	0
Total Revenues	0	0	4,137
<b>Expenditures</b>			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Transportation	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	4,137
<b>Other Financing Sources</b>			
Transfer from General	0	0	0
Total Other Financing Sources	0	0	0
Net Change in Fund Balance	0	0	4,137
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	0	0	0
Fund Balance End of Year	\$ 0	\$ 0	\$ 4,137

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Special Revenue Funds		
	Breakfast for Elementary Students 27155	Schools in Need of Improvement 27163	K 3 Plus 27166
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
Miscellaneous	0	0	0
State Grants	6,980	72,735	53,081
Federal Grants	0	0	0
<b>Total Revenues</b>	<b>6,980</b>	<b>72,735</b>	<b>53,081</b>
<b>Expenditures</b>			
Current			
Instruction	0	72,735	7,421
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Transportation	0	0	323
Operation of Maintenance of Plant	0	0	0
Food Service Operations	16,300	0	0
Capital Outlay	0	0	0
<b>Total Expenditures</b>	<b>16,300</b>	<b>72,735</b>	<b>7,744</b>
Excess (Deficiency) of Revenues Over Expenditures	(9,320)	0	45,337
<b>Other Financing Sources</b>			
Transfer from General	0	0	0
<b>Total Other Financing Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(9,320)</b>	<b>0</b>	<b>45,337</b>
Fund Balances at Beginning of Year	0	0	0
Restatement	9,320	0	0
Restated Beginning Fund Balance	9,320	0	0
<b>Fund Balance End of Year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 45,337</b>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Special Revenue Funds		
	21st Century 27167	Science Engineering Fair 28138	Medicaid 28144
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
Miscellaneous	0	0	0
State Grants	66,220	2,000	26,653
Federal Grants	0	0	0
<b>Total Revenues</b>	<b>66,220</b>	<b>2,000</b>	<b>26,653</b>
<b>Expenditures</b>			
Current			
Instruction	66,220	1,295	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	704
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Transportation	0	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
<b>Total Expenditures</b>	<b>66,220</b>	<b>1,295</b>	<b>704</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>0</b>	<b>705</b>	<b>25,949</b>
<b>Other Financing Sources</b>			
Transfer from General	0	0	0
<b>Total Other Financing Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>0</b>	<b>705</b>	<b>25,949</b>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	18,413
<b>Restated Beginning Fund Balance</b>	<b>0</b>	<b>0</b>	<b>18,413</b>
<b>Fund Balance End of Year</b>	<b>\$ 0</b>	<b>\$ 705</b>	<b>\$ 44,362</b>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Special Revenue Funds		Capital Projects
	Gear Up 28178	School Based Health 29130	Special Capital Outlay Federal 31500
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	8,357
Fees	0	0	0
Miscellaneous	0	0	0
State Grants	29,370	78,065	0
Federal Grants	0	0	77,514
<b>Total Revenues</b>	<b>29,370</b>	<b>78,065</b>	<b>85,871</b>
<b>Expenditures</b>			
Current			
Instruction	22,917	0	0
Support Services-Students	348	116,715	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Transportation	6,105	0	0
Operation of Maintenance of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
<b>Total Expenditures</b>	<b>29,370</b>	<b>116,715</b>	<b>0</b>
Excess (Deficiency) of Revenues Over Expenditures	0	(38,650)	85,871
<b>Other Financing Sources</b>			
Transfer from General	0	0	0
<b>Total Other Financing Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>0</b>	<b>(38,650)</b>	<b>85,871</b>
Fund Balances at Beginning of Year	0	0	310,241
Restatement	0	45,014	0
<b>Restated Beginning Fund Balance</b>	<b>0</b>	<b>45,014</b>	<b>310,241</b>
<b>Fund Balance End of Year</b>	<b>\$ 0</b>	<b>\$ 6,364</b>	<b>\$ 396,112</b>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
NONMAJOR FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	<u>Capital Projects</u>		
	Sentate Bill 9 31700	20% Capital Outlay 32100	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues</b>			
Property Taxes	\$ 1,543,669	\$ 0	\$ 1,543,669
Investment Income	32,139	4,463	45,306
Fees	0	0	57,599
Miscellaneous	15,266	0	15,484
State Grants	0	0	402,313
Federal Grants	0	0	1,583,578
<b>Total Revenues</b>	<u>1,591,074</u>	<u>4,463</u>	<u>3,647,949</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	0	710,295
Support Services-Students	0	0	617,010
Support Services-Instruction	0	0	704
Support Services-General Administration	9,018	0	112,633
Support Services-School Administration	0	0	6,019
Transportation	0	0	6,428
Operation of Maintenance of Plant	2,681,690	13,981	2,695,671
Food Service Operations	0	0	421,744
Capital Outlay	0	0	0
<b>Total Expenditures</b>	<u>2,690,708</u>	<u>13,981</u>	<u>4,570,504</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,099,634)</u>	<u>(9,518)</u>	<u>(922,555)</u>
<b>Other Financing Sources</b>			
Transfer from General	0	0	272,875
<b>Total Other Financing Sources</b>	<u>0</u>	<u>0</u>	<u>272,875</u>
Net Change in Fund Balance	<u>(1,099,634)</u>	<u>(9,518)</u>	<u>(649,680)</u>
Fund Balances at Beginning of Year	1,964,950	204,165	2,468,593
Restatement	0	0	189,351
Restated Beginning Fund Balance	<u>1,964,950</u>	<u>204,165</u>	<u>2,657,944</u>
Fund Balance End of Year	<u>\$ 865,316</u>	<u>\$ 194,647</u>	<u>\$ 2,008,264</u>

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-FOOD SERVICE-21000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 314,000	\$ 314,000	\$ 195,631	\$ (118,369)
Fees	8,000	8,000	9,781	1,781
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>322,000</u>	<u>322,000</u>	<u>205,412</u>	<u>(116,588)</u>
<b>Expenditures</b>				
<b>Food Service Operations</b>				
Other Purchased Services	325,666	325,666	366,539	(40,873)
Supplies	<u>600</u>	<u>600</u>	<u>2,114</u>	<u>(1,514)</u>
Total Food Service Operations	<u>326,266</u>	<u>326,266</u>	<u>368,653</u>	<u>(42,387)</u>
Total Expenditures	<u>326,266</u>	<u>326,266</u>	<u>368,653</u>	<u>(42,387)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,266)</u>	<u>(4,266)</u>	<u>(163,241)</u>	<u>(158,975)</u>
<b>Other Financing Sources (Uses)</b>				
Loan from General	<u>40,301</u>	<u>40,301</u>	<u>272,875</u>	<u>232,574</u>
Total Other Sources (Uses)	<u>40,301</u>	<u>40,301</u>	<u>272,875</u>	<u>232,574</u>
Net Change in Fund Balance	36,035	36,035	109,634	73,599
Cash Balance Beginning of Year	<u>(36,035)</u>	<u>(36,035)</u>	<u>(36,035)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>73,599</u>	\$ <u>73,599</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ 109,634	
Net Change in Inventory			(194)	
Net Change in Payables			(21,900)	
Net Change in Reserved for Inventory			194	
Net Change in Fund Balance			(194)	
Net Change in Fund Balance			<u>\$ 87,540</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-ATHLETICS-22000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Fees	\$ 56,000	\$ 56,000	47,818	\$ (8,182)
Investment Income	800	800	347	(453)
Total Revenues	<u>56,800</u>	<u>56,800</u>	<u>48,165</u>	<u>(8,635)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Employee Benefits	1,892	1,892	1,890	2
Professional & Tech Services	35,000	35,000	29,915	5,085
Purchased Property Services	26,800	26,800	15,782	11,018
Supplies	10,626	10,626	11,386	(760)
Total Instruction	<u>74,318</u>	<u>74,318</u>	<u>58,973</u>	<u>15,345</u>
Total Expenditures	<u>74,318</u>	<u>74,318</u>	<u>58,973</u>	<u>15,345</u>
Excess (Deficiency) of Revenues Over Expenditures	(17,518)	(17,518)	(10,808)	6,710
Cash Balance Beginning of Year	<u>21,538</u>	<u>21,538</u>	<u>21,538</u>	<u>0</u>
Cash Balance End of Year	\$ <u>4,020</u>	\$ <u>4,020</u>	\$ <u>10,730</u>	\$ <u>6,710</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (10,808)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(10,808)</u>	

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



STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-TITLE I-24101  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 510,171	\$ 535,074	\$ 455,354	\$ (79,720)
Total Revenues	<u>510,171</u>	<u>535,074</u>	<u>455,354</u>	<u>(79,720)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	111,917	111,917	116,983	(5,066)
Employee Benefits	19,653	19,653	19,928	(275)
Other Charges	10,000	10,000	3,970	6,030
Other Purchased Services	63,643	63,643	21,401	42,242
Supplies	92,031	92,031	71,347	20,684
Total Instruction	<u>297,244</u>	<u>297,244</u>	<u>233,629</u>	<u>63,615</u>
<b>Support Services-General Administration</b>				
Personnel Services	0	14,581	14,580	1
Employee Benefits	0	4,681	4,776	(95)
Professional & Tech Services	0	4,777	0	4,777
Other Purchased Services	0	110	109	1
Total Support Services-General Administration	<u>0</u>	<u>24,149</u>	<u>19,465</u>	<u>4,684</u>
<b>Support Services-School Administration</b>				
Other Contract Services	0	754	1,926	(1,172)
Total Support Services-School Administration	<u>\$ 0</u>	<u>\$ 754</u>	<u>\$ 1,926</u>	<u>\$ (1,172)</u>
Total Expenditures	<u>297,244</u>	<u>322,147</u>	<u>255,020</u>	<u>67,127</u>
Excess (Deficiency) of Revenues Over Expenditures	212,927	212,927	200,334	(12,593)
Cash Balance Beginning of Year	<u>(212,927)</u>	<u>(212,927)</u>	<u>(212,927)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (12,593)</u>	<u>\$ (12,593)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 200,334	
Net Change in Due From Grantor			(199,872)	
Net Change in Payables			(462)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-IDEA, PART B ENTITLEMENT-24106  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 170,538	\$ 170,538	\$ 92,402	\$ (78,136)
Total Revenues	<u>170,538</u>	<u>170,538</u>	<u>92,402</u>	<u>(78,136)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	125,862	125,862	63,307	62,555
Employee Benefits	0	0	24,696	(24,696)
Other Purchased Services	<u>1</u>	<u>1</u>	<u>105</u>	<u>(104)</u>
Total Instruction	<u>125,863</u>	<u>125,863</u>	<u>88,108</u>	<u>37,755</u>
Total Expenditures	<u>125,863</u>	<u>125,863</u>	<u>88,108</u>	<u>37,755</u>
Excess (Deficiency) of Revenues Over Expenditures	44,675	44,675	4,294	(40,381)
Cash Balance Beginning of Year	<u>(44,675)</u>	<u>(44,675)</u>	<u>(44,675)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (40,381)</u>	<u>\$ (40,381)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,294	
Net Change in Due From Grantor			<u>(4,294)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-IDEA, PART B DISCRETIONARY-24107  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances Positive (Negative) Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Federal Grants	\$ 965,219	\$ 965,219	\$ 38,641	\$ (926,578)
Total Revenues	<u>965,219</u>	<u>965,219</u>	<u>38,641</u>	<u>(926,578)</u>
<b>Expenditures</b>				
<b>Support Services-Students</b>				
Personnel Services	395,056	395,056	17,191	377,865
Employee Benefits	<u>132,815</u>	<u>132,815</u>	<u>3,514</u>	<u>129,301</u>
Total Support Services-Students	<u>527,871</u>	<u>527,871</u>	<u>20,705</u>	<u>507,166</u>
<b>Support Services-General Administration</b>				
Personnel Services	186,322	186,322	22,778	163,544
Employee Benefits	<u>50,367</u>	<u>50,367</u>	<u>4,553</u>	<u>45,814</u>
Total Support Services-General Administration	<u>236,689</u>	<u>236,689</u>	<u>27,331</u>	<u>209,358</u>
Total Expenditures	<u>764,560</u>	<u>764,560</u>	<u>48,036</u>	<u>716,524</u>
Excess (Deficiency) of Revenues Over Expenditures	200,659	200,659	(9,395)	(210,054)
Cash Balance Beginning of Year	<u>(25,684)</u>	<u>(25,684)</u>	<u>(25,684)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 174,975</u>	<u>\$ 174,975</u>	<u>\$ (35,079)</u>	<u>\$ (210,054)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (9,395)	
Net Change in Due From Grantor			<u>9,395</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-IDEA, PART B COMPETITIVE-24108  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 1,908	\$ 1,908	\$ 0	\$ (1,908)
Total Revenues	<u>1,908</u>	<u>1,908</u>	<u>0</u>	<u>(1,908)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,908	1,908	0	(1,908)
Cash Balance Beginning of Year	<u>(1,908)</u>	<u>(1,908)</u>	<u>(1,908)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,908)</u>	<u>\$ (1,908)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-ENHANCING EDUCATION THRU TECH-24133  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 0	\$ 0	\$ 6,037	\$ 6,037
Total Revenues	<u>0</u>	<u>0</u>	<u>6,037</u>	<u>6,037</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	0	0	0
Supply Assets	<u>0</u>	<u>0</u>	<u>735</u>	<u>(735)</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>735</u>	<u>(735)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>735</u>	<u>(735)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	5,302	5,302
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,302</u>	<u>\$ 5,302</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,302	
Net Change in Deferred Revenue			<u>(5,302)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-TITLE V-24150  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 10,203	\$ 10,203	\$ 6,682	\$ (3,521)
Total Revenues	<u>10,203</u>	<u>10,203</u>	<u>6,682</u>	<u>(3,521)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Other Purchased Services	5,076	5,076	1,825	3,251
Total Instruction	<u>5,076</u>	<u>5,076</u>	<u>1,825</u>	<u>3,251</u>
Total Expenditures	<u>5,076</u>	<u>5,076</u>	<u>1,825</u>	<u>3,251</u>
Excess (Deficiency) of Revenues Over Expenditures	5,127	5,127	4,857	(270)
Cash Balance Beginning of Year	<u>(5,127)</u>	<u>(5,127)</u>	<u>(5,127)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (270)</u>	<u>\$ (270)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,857	
Net Change in Due From Grantor			<u>(4,857)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-ENGLISH LANGUAGE ACQUISITION-24153  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 12,110	\$ 12,110	\$ 0	\$ (12,110)
Total Revenues	<u>12,110</u>	<u>12,110</u>	<u>0</u>	<u>(12,110)</u>
<b>Expenditures</b>				
Support Services-School Administration				
Other Purchased Services	0	0	115	(115)
Total Support Services-School Administration	<u>0</u>	<u>0</u>	<u>115</u>	<u>(115)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>115</u>	<u>(115)</u>
Excess (Deficiency) of Revenues Over Expenditures	12,110	12,110	(115)	(12,225)
Cash Balance Beginning of Year	<u>(12,110)</u>	<u>(12,110)</u>	<u>(12,110)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (12,225)</u>	<u>\$ (12,225)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (115)	
Net Change in Due From Grantor			<u>115</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-TITLE II TEACHER/PRINCIPAL TRAINING & RECRUITING-24154  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 28,832	\$ 28,832	\$ 55,841	\$ 27,009
Total Revenues	<u>28,832</u>	<u>28,832</u>	<u>55,841</u>	<u>27,009</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	0	0
Employee Benefits	0	0	62	(62)
Professional & Tech Services	0	0	2,734	(2,734)
Other Purchased Services	0	0	21,533	(21,533)
Supplies	0	0	42	(42)
Total Instruction	<u>0</u>	<u>0</u>	<u>24,371</u>	<u>(24,371)</u>
<b>Support Services-Students</b>				
Professional & Tech Services	0	0	3,649	(3,649)
Total Support Services-Students	<u>0</u>	<u>0</u>	<u>3,649</u>	<u>(3,649)</u>
<b>Support Services-General Administration</b>				
Other Purchased Services	0	0	297	(297)
Total Support Services-General Administration	<u>0</u>	<u>0</u>	<u>297</u>	<u>(297)</u>
<b>Support Services-School Administration</b>				
Other Purchased Services	0	0	3,841	(3,841)
Total Support Services-School Administration	<u>0</u>	<u>0</u>	<u>3,841</u>	<u>(3,841)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>32,158</u>	<u>(32,158)</u>
Excess (Deficiency) of Revenues Over Expenditures	28,832	28,832	23,683	(5,149)
Cash Balance Beginning of Year	<u>(28,832)</u>	<u>(28,832)</u>	<u>(28,832)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,149)</u>	<u>\$ (5,149)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 23,683	
Net Change in Due from Grantor			(23,653)	
Net Change in Payables			<u>(30)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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



STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-SAFE & DRUG FREE SCHOOLS & COMMUNITIES-24157  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 2,481	\$ 9,689	\$ 3,071	\$ (6,618)
Total Revenues	<u>2,481</u>	<u>9,689</u>	<u>3,071</u>	<u>(6,618)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	0	590	(590)
Total Instruction	<u>0</u>	<u>0</u>	<u>590</u>	<u>(590)</u>
<b>Support Services-Students</b>				
Professional & Tech Services	0	7,208	3,697	3,511
Total Support Services-Students	<u>0</u>	<u>7,208</u>	<u>3,697</u>	<u>3,511</u>
<b>Support Services-General Administration</b>				
Other Contract Services	0	0	208	(208)
Total Support Services-General Administration	<u>0</u>	<u>0</u>	<u>208</u>	<u>(208)</u>
<b>Support Services-School Administration</b>				
Other Contract Services	0	0	70	(70)
Total Support Services-School Administration	<u>0</u>	<u>0</u>	<u>70</u>	<u>(70)</u>
Total Expenditures	<u>0</u>	<u>7,208</u>	<u>4,565</u>	<u>2,643</u>
Excess (Deficiency) of Revenues Over Expenditures	2,481	2,481	(1,494)	(3,975)
Cash Balance Beginning of Year	<u>(2,481)</u>	<u>(2,481)</u>	<u>(2,481)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(3,975)</u>	\$ <u>(3,975)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,494)	
Net Change in Due from Grantor			1,494	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-21ST CENTURY-24159  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 36,035	\$ 173,315	\$ 90,377	\$ (82,938)
Total Revenues	<u>36,035</u>	<u>173,315</u>	<u>90,377</u>	<u>(82,938)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	94,879	39,462	55,417
Employee Benefits	0	12,862	7,842	5,020
Other Purchased Services	0	100	50	50
Total Instruction	<u>0</u>	<u>107,841</u>	<u>47,354</u>	<u>60,487</u>
<b>Support Services-General Administration</b>				
Personnel Services	0	20,387	14,028	6,359
Employee Benefits	0	5,053	4,582	471
Professional & Tech Services	0	3,999	0	3,999
Total Support Services-General Administration	<u>0</u>	<u>29,439</u>	<u>18,610</u>	<u>10,829</u>
Total Expenditures	<u>0</u>	<u>137,280</u>	<u>65,964</u>	<u>71,316</u>
Excess (Deficiency) of Revenues Over Expenditures	36,035	36,035	24,413	(11,622)
Cash Balance Beginning of Year	<u>(36,035)</u>	<u>(36,035)</u>	<u>(36,035)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (11,622)</u>	<u>\$ (11,622)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 24,413	
Net Change in Due from Grantor			<u>(24,413)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-TITLE I SCHOOL IMPROVEMENT-24162  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 76,917	\$ 76,917	\$ 0	\$ (76,917)
Total Revenues	<u>76,917</u>	<u>76,917</u>	<u>0</u>	<u>(76,917)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	10,519	(10,519)
Employee Benefits	<u>0</u>	<u>0</u>	<u>5,008</u>	<u>(5,008)</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>15,527</u>	<u>(15,527)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>15,527</u>	<u>(15,527)</u>
Excess (Deficiency) of Revenues Over Expenditures	76,917	76,917	(15,527)	(92,444)
Cash Balance Beginning of Year	<u>(76,917)</u>	<u>(76,917)</u>	<u>(76,917)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (92,444)</u>	<u>\$ (92,444)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (15,527)	
Net Change in Due from Grantor			<u>15,527</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-READING FIRST-24167  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 48,389	\$ 116,781	\$ 96,972	\$ (19,809)
Total Revenues	<u>48,389</u>	<u>116,781</u>	<u>96,972</u>	<u>(19,809)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	57,470	46,255	11,215
Employee Benefits	0	9,502	9,398	104
Other Purchased Services	0	1,420	1,924	(504)
General Supplies/Software	<u>0</u>	<u>0</u>	<u>1,893</u>	<u>(1,893)</u>
Total Instruction	<u>0</u>	<u>68,392</u>	<u>59,470</u>	<u>8,922</u>
<b>Support Services-General Administration</b>				
Other Purchased Services	<u>0</u>	<u>0</u>	<u>100</u>	<u>(100)</u>
Total Support Services-General Administration	<u>0</u>	<u>0</u>	<u>100</u>	<u>(100)</u>
Total Expenditures	<u>0</u>	<u>68,392</u>	<u>59,570</u>	<u>8,822</u>
Excess (Deficiency) of Revenues Over Expenditures	48,389	48,389	37,402	(10,987)
Cash Balance Beginning of Year	<u>(48,389)</u>	<u>(48,389)</u>	<u>(48,389)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (10,987)</u>	<u>\$ (10,987)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 37,402	
Net Change in Due from Grantor			<u>(37,402)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-IMPACT AID-INDIAN EDUCATION-25145  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 0	\$ 0	\$ 100,005	\$ 100,005
Other	0	0	218	218
Total Revenues	<u>0</u>	<u>0</u>	<u>100,223</u>	<u>100,223</u>
<b>Expenditures</b>				
<b>Support Services-Students</b>				
Personnel Services	0	0	38,706	(38,706)
Employee Benefits	5	5	11,303	(11,298)
Total Support Services-Students	<u>5</u>	<u>5</u>	<u>50,009</u>	<u>(11,298)</u>
<b>Support Services-General Administration</b>				
Salaries Expense	0	0	31,306	(31,306)
Employee Benefits	0	0	6,297	(6,297)
Total Support Services-General Administration	<u>0</u>	<u>0</u>	<u>37,603</u>	<u>(6,297)</u>
<b>Support Services-School Administration</b>				
Other Purchased Services	0	0	68	(68)
Total Support Services-School Administration	<u>0</u>	<u>0</u>	<u>68</u>	<u>(68)</u>
Total Expenditures	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 87,680</u>	<u>\$ (17,663)</u>
Excess (Deficiency) of Revenues Over Expenditures	(5)	(5)	12,543	12,548
Cash Balance Beginning of Year	<u>74,308</u>	<u>74,308</u>	<u>74,308</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 74,303</u>	<u>\$ 74,303</u>	<u>\$ 86,851</u>	<u>\$ 12,548</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 12,543	
Net Change in Deferred Revenue			74,308	
Net Change in Fund Balance			(74,308)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 12,543</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-IMPACT AID SPECIAL EDUCATION-25147  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 482,205	\$ 482,205	\$ 623,525	\$ 141,320
Total Revenues	<u>482,205</u>	<u>482,205</u>	<u>623,525</u>	<u>141,320</u>
<b>Expenditures</b>				
<b>Support Services-Students</b>				
Personnel Services	313,322	313,332	322,894	(9,562)
Employee Benefits	192,322	192,322	97,942	94,380
Supplies	30,366	30,366	0	30,366
Total Food Service Operations	<u>536,010</u>	<u>536,020</u>	<u>420,836</u>	<u>115,184</u>
Total Expenditures	<u>536,010</u>	<u>536,020</u>	<u>420,836</u>	<u>115,184</u>
Excess (Deficiency) of Revenues Over Expenditures	(53,805)	(53,815)	202,689	256,504
Cash Balance Beginning of Year	<u>23,449</u>	<u>23,449</u>	<u>23,449</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(30,356)</u>	\$ <u>(30,366)</u>	\$ <u>226,138</u>	\$ <u>256,504</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 202,689	
Net Change in Deferred Revenue			23,449	
Net Change in Fund Balance			(23,449)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 202,689</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-RURAL EDUCATION ACHIEVEMENT PROGRAM-25233  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Federal Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
Support Services-Students				
Other Purchased Services	0	0	89	(89)
Total Support Services- Students	<u>0</u>	<u>0</u>	<u>89</u>	<u>(89)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>89</u>	<u>(89)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(89)	(89)
Cash Balance Beginning of Year	<u>89</u>	<u>89</u>	<u>89</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 89</u>	<u>\$ 89</u>	<u>\$ 0</u>	<u>\$ (89)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (89)	
Net Change in Deferred Revenue			<u>89</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-GENERAL MILLS FOUNDATION-26166  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Local Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	0	0	645	(645)
Supplies	<u>0</u>	<u>0</u>	<u>7,985</u>	<u>(7,985)</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>8,630</u>	<u>(8,630)</u>
<b>Support Services-Students</b>				
Personnel Services	0	0	890	(890)
Employee Benefits	<u>0</u>	<u>0</u>	<u>73</u>	<u>(73)</u>
Total Support Services- Students	<u>0</u>	<u>0</u>	<u>963</u>	<u>(73)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>9,593</u>	<u>(8,703)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(9,593)	(9,593)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(9,593)</u>	\$ <u>(9,593)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (9,593)	
Net Change in Due from Grantor			<u>9,593</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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



STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-TECHNOLOGY FOR EDUCATION-27117  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State Grants	\$ 0	\$ 0	\$ 37,254	\$ 37,254
Total Revenues	<u>0</u>	<u>0</u>	<u>37,254</u>	<u>37,254</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Other Purchased Services	0	0	0	0
Supply Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	37,254	37,254
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>37,254</u></u>	<u><u>37,254</u></u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 37,254</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 37,254</u></u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-PHYSICAL EDUCATION CLASSES-27121  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State Grants	\$ 42,582	\$ 42,582	\$ 42,582	\$ 0
Total Revenues	<u>42,582</u>	<u>42,582</u>	<u>42,582</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	42,582	42,582	42,582	0
Cash Balance Beginning of Year	<u>(42,582)</u>	<u>(42,582)</u>	<u>(42,582)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 42,582	
Net Change in Due from Grantor			<u>(42,582)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENT ACT PE-27138  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State Grants	\$ 0	\$ 0	\$ 16,225	\$ 16,225
Total Revenues	<u>0</u>	<u>0</u>	<u>16,225</u>	<u>16,225</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	16,225	16,225
Cash Balance Beginning of Year	<u>18,847</u>	<u>18,847</u>	<u>18,847</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 18,847</u>	<u>\$ 18,847</u>	<u>\$ 35,072</u>	<u>\$ 16,225</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 16,225	
Net Change in Deferred Revenue			18,847	
Net Change in Fund Balance			<u>(18,847)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 16,225</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-LIBRARY GO BONDS-27145  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State Grants	\$ 3,521	\$ 3,521	\$ 0	\$ (3,521)
Total Revenues	<u>3,521</u>	<u>3,521</u>	<u>0</u>	<u>(3,521)</u>
<b>Expenditures</b>				
Support Services-Instruction				
Supplies	0	0	0	0
Total Support Services-Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	3,521	3,521	0	(3,521)
Cash Balance Beginning of Year	<u>(3,521)</u>	<u>(3,521)</u>	<u>(3,521)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,521)</u>	<u>\$ (3,521)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-NATIVE LANGUAGE-27150  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State Grants	\$ 4,200	\$ 4,200	\$ 0	\$ (4,200)
Total Revenues	<u>4,200</u>	<u>4,200</u>	<u>0</u>	<u>(4,200)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	0	0
Employee Benefits	0	0	0	0
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	4,200	4,200	0	(4,200)
Cash Balance Beginning of Year	<u>(4,200)</u>	<u>(4,200)</u>	<u>(4,200)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (4,200)</u>	<u>\$ (4,200)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-BEGINNING TEACHER MENTORING-27154  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State Grants	\$ 5,152	\$ 5,152	\$ 9,289	\$ 4,137
Total Revenues	<u>5,152</u>	<u>5,152</u>	<u>9,289</u>	<u>4,137</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	0	0
Employee Benefits	0	0	0	0
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	5,152	5,152	9,289	4,137
Cash Balance Beginning of Year	<u>(5,152)</u>	<u>(5,152)</u>	<u>(5,152)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,137</u>	<u>\$ 4,137</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9,289	
Net Change in Due From Grantor			<u>(5,152)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 4,137</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-BREAKFAST FOR ELEMENTARY STUDENTS-27155  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State Grants	\$ 0	\$ 0	\$ 6,980	\$ 6,980
Total Revenues	<u>0</u>	<u>0</u>	<u>6,980</u>	<u>6,980</u>
<b>Expenditures</b>				
<b>Food Services Operations</b>				
Supplies	0	0	16,300	(16,300)
Total Food Services Operations	<u>0</u>	<u>0</u>	<u>16,300</u>	<u>(16,300)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>16,300</u>	<u>(16,300)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(9,320)	(9,320)
Cash Balance Beginning of Year	<u>9,320</u>	<u>9,320</u>	<u>9,320</u>	<u>0</u>
Cash Balance End of Year	\$ <u>9,320</u>	\$ <u>9,320</u>	\$ <u>0</u>	\$ <u>(9,320)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (9,320)	
Net change in Deferred Revenue			9,320	
Net change in Fund Balance			<u>(9,320)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(9,320)</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-SCHOOL IN NEED OF IMPROVEMENTS-27163  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 296,224	\$ 296,224	\$ 333,662	\$ 37,438
Total Revenues	<u>296,224</u>	<u>296,224</u>	<u>333,662</u>	<u>37,438</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	22,969	22,969	59,830	(36,861)
Employee Benefits	11,574	11,574	11,596	(22)
Professional & Tech Services	0	0	1,239	(1,239)
Supplies	168	168	168	0
Total Instruction	<u>34,711</u>	<u>34,711</u>	<u>72,833</u>	<u>(38,122)</u>
Total Expenditures	<u>34,711</u>	<u>34,711</u>	<u>72,833</u>	<u>(38,122)</u>
Excess (Deficiency) of Revenues Over Expenditures	261,513	261,513	260,829	(684)
Cash Balance Beginning of Year	<u>(261,513)</u>	<u>(261,513)</u>	<u>(261,513)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(684)</u>	\$ <u>(684)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 260,829	
Net Change in Due From Grantor			(260,927)	
Net Change in Payables			98	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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



STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-K-3 PLUS-27166  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 55,813	\$ 53,081	\$ (2,732)
Total Revenues	<u>0</u>	<u>55,813</u>	<u>53,081</u>	<u>(2,732)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	30,349	5,750	24,599
Employee Benefits	0	5,290	1,141	4,149
Other Purchased Services	0	7,000	69	6,931
Supply Assets	0	5,000	0	5,000
Total Instruction	<u>0</u>	<u>47,639</u>	<u>6,960</u>	<u>40,679</u>
<b>Support Services-Instruction</b>				
Other Services	0	1,300	0	1,300
Total Support Service- Instruction	<u>0</u>	<u>1,300</u>	<u>0</u>	<u>1,300</u>
<b>Support Services-School Administration</b>				
Personnel Services	0	2,070	0	2,070
Employee Benefits	0	404	0	404
Total Support Services- School Administration	<u>0</u>	<u>2,474</u>	<u>0</u>	<u>2,474</u>
<b>Transportation</b>				
Personnel Services	0	4,400	270	4,130
Employee Benefits	0	0	53	(53)
Total Transportation	<u>0</u>	<u>4,400</u>	<u>323</u>	<u>4,077</u>
Total Expenditures	<u>0</u>	<u>55,813</u>	<u>7,283</u>	<u>48,530</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	45,798	45,798
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 45,798</u>	<u>\$ 45,798</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 45,798	
Net Change in Payables			(461)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 45,337</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-21ST CENTURY LEARNING CENTER-27167  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State Grants	\$ 0	\$ 2,800	\$ 41,033	\$ 38,233
Total Revenues	<u>0</u>	<u>2,800</u>	<u>41,033</u>	<u>38,233</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	52,210	53,824	(1,614)
Employee Benefits	0	10,590	10,030	560
Other Purchased Services	0	1,087	273	814
Supply Assets	<u>0</u>	<u>2,800</u>	<u>1,017</u>	<u>1,783</u>
Total Instruction	<u>0</u>	<u>66,687</u>	<u>65,144</u>	<u>1,543</u>
Total Expenditures	<u>0</u>	<u>66,687</u>	<u>65,144</u>	<u>1,543</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(63,887)	(24,111)	39,776
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ (63,887)</u>	<u>\$ (24,111)</u>	<u>\$ 39,776</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (24,111)	
Net Change in Due From Grantor			25,188	
Net Change in Payables			(1,077)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-SCIENCE ENGINEER FAIR-28138  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 0	\$ 2,000	\$ 2,000
Total Revenues	<u>0</u>	<u>0</u>	<u>2,000</u>	<u>2,000</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	0	209	(209)
Employee Benefits	0	0	40	(40)
Supplies	0	0	1,046	(1,046)
Total Instruction	<u>0</u>	<u>0</u>	<u>1,295</u>	<u>(1,295)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>1,295</u>	<u>(1,295)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	705	705
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 705</u>	<u>\$ 705</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>705</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>705</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-MEDICAID-28144  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 0	\$ 26,653	\$ 26,653
Total Revenues	<u>0</u>	<u>0</u>	<u>26,653</u>	<u>26,653</u>
<b>Expenditures</b>				
Support Services-Instruction				
Supplies	0	0	704	(704)
Total Support Services-Instruction	<u>0</u>	<u>0</u>	<u>704</u>	<u>(704)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>704</u>	<u>(704)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	25,949	25,949
Cash Balance Beginning of Year	<u>18,413</u>	<u>18,413</u>	<u>18,413</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 18,413</u>	<u>\$ 18,413</u>	<u>\$ 44,362</u>	<u>\$ 25,949</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>25,949</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>25,949</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-GEAR UP-28178  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 18,345	\$ 49,695	\$ 16,426	\$ (33,269)
Total Revenues	<u>18,345</u>	<u>49,695</u>	<u>16,426</u>	<u>(33,269)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	9,025	13,572	(4,547)
Employee Benefits	0	2,043	2,995	(952)
Other Purchased Services	0	2,448	363	2,085
General Supplies/Software	0	1,060	3,380	(2,320)
Supply Assets	0	4,129	2,673	1,456
Total Instruction	<u>0</u>	<u>18,705</u>	<u>22,983</u>	<u>(4,278)</u>
<b>Support Services-Students</b>				
Personnel Services	0	2,000	300	1,700
Employee Benefits	0	0	47	(47)
Total Support Services-Students	<u>0</u>	<u>2,000</u>	<u>347</u>	<u>1,653</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	0	10,120	0	10,120
Total Support Services-General Administration	<u>0</u>	<u>10,120</u>	<u>0</u>	<u>10,120</u>
<b>Transportation</b>				
Personnel Services	0	525	5,105	(4,580)
Employee Benefits	0	0	1,001	(1,001)
Total Support Services-Transportation	<u>0</u>	<u>525</u>	<u>6,106</u>	<u>(5,581)</u>
Total Expenditures	<u>0</u>	<u>31,350</u>	<u>29,436</u>	<u>1,914</u>
Excess (Deficiency) of Revenues Over Expenditures	18,345	18,345	(13,010)	(31,355)
Cash Balance Beginning of Year	<u>(18,345)</u>	<u>(18,345)</u>	<u>(18,345)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (31,355)</u>	<u>\$ (31,355)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (13,010)	
Net Change in Due From Grantor			12,944	
Net Change in Payables			66	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
SPECIAL REVENUE FUND-SCHOOL BASED HEALTH CENTER-29130  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 0	\$ 78,065	\$ 78,065
Total Revenues	<u>0</u>	<u>0</u>	<u>78,065</u>	<u>78,065</u>
<b>Expenditures</b>				
<b>Support Services-Students</b>				
Personnel Services	0	0	26,463	(26,463)
Employee Benefits	0	0	8,955	(8,955)
Other Charges	0	0	9,120	(9,120)
Other Purchased Services	0	0	68,122	(68,122)
Supplies	<u>0</u>	<u>0</u>	<u>4,055</u>	<u>(4,055)</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>116,715</u>	<u>(116,715)</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>116,715</u>	<u>(116,715)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(38,650)	(38,650)
Cash Balance Beginning of Year	<u>45,014</u>	<u>45,014</u>	<u>45,014</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 45,014</u>	<u>\$ 45,014</u>	<u>\$ 6,364</u>	<u>\$ (38,650)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (38,650)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (38,650)</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 CAPITAL PROJECT FUND-SPECIAL CAPITAL OUTLAY FEDERAL-31500  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Investment Income	\$ 0	\$ 0	\$ 8,357	\$ 8,357
Federal Grant	<u>0</u>	<u>0</u>	<u>77,514</u>	<u>77,514</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>85,871</u>	<u>85,871</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Fixed Assets	<u>308,472</u>	<u>308,472</u>	<u>0</u>	<u>308,472</u>
Total Capital Outlay	<u>308,472</u>	<u>308,472</u>	<u>0</u>	<u>308,472</u>
Total Expenditures	<u>308,472</u>	<u>308,472</u>	<u>0</u>	<u>308,472</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(308,472)</u>	<u>(308,472)</u>	<u>85,871</u>	<u>394,343</u>
Cash Balance Beginning of Year	<u>310,241</u>	<u>310,241</u>	<u>310,241</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,769</u>	<u>\$ 1,769</u>	<u>\$ 396,112</u>	<u>\$ 394,343</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 85,871</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 85,871</u>	

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

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 CAPITAL PROJECT FUND-SENATE BILL NINE-31700  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 2,094,749	\$ 2,094,749	\$ 1,517,538	\$ (577,211)
Investment Income	5,800	5,800	32,139	26,339
Miscellaneous	0	0	15,266	15,266
Total Revenues	<u>2,100,549</u>	<u>2,100,549</u>	<u>1,564,943</u>	<u>(550,872)</u>
<b>Expenditures</b>				
<b>Support Services-General Administration</b>				
Professional & Tech Services	1,300	1,300	9,018	(7,718)
Total Support Services-General Administration	<u>1,300</u>	<u>1,300</u>	<u>9,018</u>	<u>(7,718)</u>
<b>Operation &amp; Maintenance of Plant</b>				
Purchased Property Services	400,000	400,000	2,590,956	(2,190,956)
Supplies	10,000	10,000	39,970	(29,970)
Total Operation & Maintenance of Plant	<u>410,000</u>	<u>410,000</u>	<u>2,630,926</u>	<u>(2,220,926)</u>
<b>Capital Outlay</b>				
Purchased Property Services	3,213,592	3,213,592	0	3,213,592
Fixed Assets	343,906	343,906	0	343,906
Total Capital Outlay	<u>3,557,498</u>	<u>3,557,498</u>	<u>0</u>	<u>3,557,498</u>
Total Expenditures	<u>3,968,798</u>	<u>3,968,798</u>	<u>2,639,944</u>	<u>1,328,854</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,868,249)	(1,868,249)	(1,075,001)	793,248
Cash Balance Beginning of Year	<u>1,868,249</u>	<u>1,868,249</u>	<u>1,868,249</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 793,248</u>	<u>\$ 793,248</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,075,001)	
Net Change in Taxes Receivables-Current			26,131	
Net Change in Taxes Receivables-Delinquent			342	
Net Change in Payables			(50,764)	
Net Change in Deferred Revenue			(342)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,099,634)</u>	

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



STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 CAPITAL PROJECTS FUND-PUBLIC SCHOOL CAPITAL OUTLAY-20%-32100  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Investment Income	\$ 0	\$ 0	\$ 4,463	\$ 4,463
Total Revenues	<u>0</u>	<u>0</u>	<u>4,463</u>	<u>4,463</u>
<b>Expenditures</b>				
Operation & Maintenance of Plant				
Purchased Property Services	0	0	14,550	(14,550)
Total Operation & Maintenance of Plant	<u>0</u>	<u>0</u>	<u>14,550</u>	<u>(14,550)</u>
Capital Outlay				
Property	204,734	204,734	0	204,734
Total Capital Outlay	<u>204,734</u>	<u>204,734</u>	<u>0</u>	<u>204,734</u>
Total Expenditures	<u>204,734</u>	<u>204,734</u>	<u>14,550</u>	<u>204,734</u>
Excess (Deficiency) of Revenues Over Expenditures	(204,734)	(204,734)	(10,087)	194,647
Cash Balance Beginning of Year	<u>204,734</u>	<u>204,734</u>	<u>204,734</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 194,647</u>	<u>\$ 194,647</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (10,087)	
Net Change in Payables			569	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (9,518)</u>	

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

**OTHER SUPPLEMENTAL INFORMATION**

**FIDUCIARY FUND**

**Activity Trust Fund**

To account for funds of various student groups that are custodial in nature.

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 AGENCY FUNDS - ACTIVITY  
 Schedule of Changes in Net Assets and Liabilities-Agency Funds  
 For the Year Ended June 30, 2008

ASSETS	Beginning Balance	Net Change	Ending Balance
Class of 2011	\$ 1,729	\$ (178)	\$ 1,551
Class of 2012	798	0	798
Class of 2013	56	0	56
Class of 2010	3,464	1,575	5,039
Class of 2011	499	0	499
Class of 2003	1,289	0	1,289
Class of 2004	2,599	0	2,599
Class of 2005	1,276	0	1,276
Class of 2006	808	0	808
Class of 2007	3,603	(1,704)	1,899
Class of 2008	2,215	(1,343)	872
Class of 2009	3,842	(667)	3,175
Soccer	71	(56)	15
Coke	32	0	32
MS Activity	1,592	69	1,661
MS BB Shoes	429	(111)	318
MS Student Council	2,105	5,946	8,051
Earth Shuttle	251	0	251
Art Club	443	10	453
Closeup	2,912	11	2,923
French Club	(779)	1,510	731
FFA	2,655	1,236	3,891
HS Library	5,765	(2,264)	3,501
HS Cheerleaders	369	915	1,284
Elementary Computer	1,565	0	1,565
HS Student Council	622	510	1,132
Home Ec	121	0	121
Elementary Library	7,314	(1,249)	6,065
Dreams Yearbook	90	2,181	2,271
Science Club HS	295	46	341
Ski Club Elementary	82	(58)	24
Tribal Donation	53	0	53
MS Water	1,539	60	1,599
Natural Helpers	310	0	310
Yearbook	2,724	(1,474)	1,250
Girls HS Track	2,355	(2,080)	275
Dreams Yearbook	152	108	260
Voc. Donantion	84	0	84
VSP	424	0	424
Honor Society	190	114	304
Empathy	2,015	(1,146)	869
Textbook	50	0	50
Football Club HS	3,863	2,321	6,184
Elementary Act	\$ 2,483	\$ (204)	\$ 2,279

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 AGENCY FUNDS - ACTIVITY  
 Schedule of Changes in Net Assets and Liabilities-Agency Funds  
 For the Year Ended June 30, 2008

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	Beginning	Net	Ending
HS Activity	\$ 2,217	\$ 1,355	\$ 3,572
Indian Club Elementary	25	0	25
Elementary Student Council	(117)	2,304	2,187
Journalism	1,200	387	1,587
HS Boys BB Shoes	18	844	862
Elementary Social	53	223	276
Elementary School Improvement	0	0	0
Tsunami	722	(218)	504
Cinco De Mayo	97	0	97
Admin	(26)	26	0
Chess Club	223	(100)	123
Hat Club	23	0	23
Mid School Band	150	0	150
Elementary School Perfect Attendance	0	1,200	1,200
Athl/Girls BB Shoes	110	(110)	0
HS Boys Basketball	5,329	227	5,556
HS Volleyball	300	(129)	171
HS Girls Basketball	(181)	2,207	2,026
Dedication	1,875	0	1,875
Catch the Dream	300	0	300
HS Ski	128	0	128
Rodeo	3,360	(3,360)	0
MS Science	1,901	0	1,901
HS Indian Club	1,707	0	1,707
HS Yearbook	910	778	1,688
MS Closeup	0	42	42
MS Ping Pong	0	197	197
Total Assets	<u>\$ 84,678</u>	<u>\$ 9,951</u>	<u>\$ 94,629</u>
<b>LIABILITIES</b>			
Deposits Held for Others	<u>\$ 84,678</u>	<u>\$ 9,951</u>	<u>\$ 94,629</u>
Total Liabilities	<u>\$ 84,678</u>	<u>\$ 9,951</u>	<u>\$ 94,629</u>

The receipts and expenditures by account were not available.

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

STATE OF NEW MEXICO

**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**

Cash Reconciliations - All Funds  
For the Year Ended June 30, 2008

		Beginning Cash Balance	Revenue	Expenditures	Transfer/ Loans	Ending Cash Balance
Operations	11000	\$ 1,082,526	\$ 6,095,169	\$ 5,852,825	\$ (272,875)	\$ 1,051,995
Teacherage	12000	76,809	95,544	62,632	0	109,721
Transportation	13000	109,069	237,825	198,682	0	148,212
Instructional Materials	14000	4,570	85,738	37,134	0	53,174
Food Services	21000	(36,035)	205,412	368,653	272,875	73,599
Athletics	22000	21,538	48,166	58,974	0	10,730
Federal Flowthrough	24000	(488,321)	838,614	571,625	0	(221,332)
Federal Direct	25000	97,846	723,660	508,517	0	312,989
Local Grants	26000	0	0	9,593	0	(9,593)
State Flowthrough	27000	(288,801)	540,106	161,560	0	89,745
State Direct	28000	68	45,079	31,434	0	13,713
Local/State	29000	45,014	78,065	116,715	0	6,364
Bond Building	31100	17,157,232	588,518	9,248,383	0	8,497,367
Capital Outlay Federal	31500	310,241	85,871	0	0	396,112
HB-33 Capital Outlay	31600	9,383,605	756,920	1,404,548	0	8,735,977
SB-9	31700	1,868,249	1,564,943	2,639,945	0	793,247
PSCO-20%	32100	204,734	4,464	14,550	0	194,648
Debt Service	41000	(85,446)	2,149,288	1,187,145	0	876,697
Agency Funds		84,678	9,951	0	0	94,629
Total		\$ 29,547,576	\$ 14,153,333	\$ 22,472,915	\$ 0	\$ 21,227,994

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

## FEDERAL COMPLIANCE

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2008

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through Public Education Department:			
USDA National School Lunch Program	10.555	21000	\$ 155,739
USDA National School Breakfast Program	10.553	21000	39,892
Total Child Nutrition Cluster			<u>195,631</u>
Pass-through State Department of Human Services			
USDA Commodities Program	10.550	21000 (1)	14,696
Direct Program			
Forest Reserve	10.670	11000	20,527
Total U. S. Department of Agriculture			<u>230,854</u>
		(1) Non-cash assistance	
<u>U. S. Department of Education</u>			
Pass-Through Programs From:			
New Mexico Department of Education:			
Special Education Cluster			
IDEA, Part B, Entitlement	84.027	24106	88,109
IDEA, Part B, Discretionary	84.027	24107	48,036
			<u>136,145</u>
Title I Basic Education Grant	84.010	24101	255,482
Enhancing Ed Thru Tech	84.276	24133	735
Title V	84.332	24150	1,824
Title III English Language	84.365	24153	115
Title II Improving Teacher Quality	84.332	24154	32,188
Title IV Safe and Drug Free Schools	84.186	24157	4,566
21st Century	84.287	24159	65,964
Title I Improvement	84.010	24162	15,527
Reading First	84.357A	24167	59,571
Total Pass-Through Programs			<u>572,117</u>
Direct Program			
Rural Education Achievement Program	84.358A	25233	89
Impact Aid	84.041	24245	3,294,999
Total U. S. Department of Education			<u>3,867,205</u>
Total Federal Assistance			<u>\$ 4,098,059</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards



**Note 1: Significant Accounting Policies used in preparing the Schedule of Expenditure of Federal Awards**

The modified accrual basis was used to prepare the Schedule of Expenditures of Federal Awards

**Note 2: Insurance Requirements**

There are no insurance requirements on the federal awards disclosed on the Schedule of Expenditures of Federal Awards

**Note 3: Loans or Loan Guarantees**

There were no loans or loan guarantees outstanding at year end.

De'Aun Willoughby CPA, PC

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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*

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the Dulce Independent Schools

Mr. Balderas and Members of the Board

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 DULCE INDEPENDENT SCHOOL DISTRICT NO. 21, (District), as of and for the year ended June 30, 2008, and have issued our report thereon dated August 31, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing the auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of the 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 District'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 District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned cost to be significant deficiencies in internal control over financial reporting. 2007-11.

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 District's internal control.


Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 2007-1, 2007-3, 2007-4, 2007-6 and 2007-7.

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

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

 De'Aun Willoughby CPA PC

August 31, 2009

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(505) 253-4313

Report on Compliance with Requirements  
Applicable to Each Major Program and Internal Control  
Over Compliance in Accordance With OMB Circular A-133

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the Dulce Independent Schools

Mr. Balderas and Members of the Board

Compliance

We have audited the compliance of DULCE INDEPENDENT SCHOOL DISTRICT NO. 21 (District), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance.

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-Profits 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District 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. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items 2007-2.

### Internal Control Over Compliance

The management of the District, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control over compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

A control deficiency in an entity's internal control over compliance exists when the design or operation of 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.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than 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.

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

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

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*De'Aun Willoughby CPA PC*

August 31, 2009

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2008

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**A. SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting

\* Material Weakness(es) identified?      yes   X   no

\* Reportable condition(s) identified that are not considered to be material weaknesses?   X   yes      no

Noncompliance material to financial statements noted?   X   yes      no

Federal Awards

Internal control over major programs:

\* Material Weakness(es) identified?      yes   X   no

\* Reportable condition(s) identified that are not considered to be material weaknesses?      yes   X   no

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133   X   yes      no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
84.041	P.L. 81-874 Impact Aid

Dollar threshold used to distinguish between type A and type B programs: \$   300,000  

Auditee qualified as low risk auditee      yes   X   no

STATE OF NEW MEXICO  
**DULCE INDEPENDENT SCHOOL DISTRICT NO. 21**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2008

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**Federal Award Findings**

<b>Prior Year Audit Findings</b>	<u><b>Status</b></u>
<b>2007-2</b> Late Filed Data Collection Form and Reporting Package to the Federal Clearinghouse	Repeated

**Current Year Audit Findings**

**2007-2 Late Filed Data Collection Form and Reporting Package to the Federal Clearinghouse**

**Condition**

The audit report was filed after the due date. The State Auditors Office received the audit report on 9/02/09.

**Criteria**

As required by OMB Circular A-133.320, the reporting package is due nine months after the fiscal year end.

**Effect**

Late report filing is an instance of noncompliance in the District's internal controls over financial reporting.

**Cause**

The audit could not be completed timely because the District's did not contract with an auditor until after the due date of the audit. There was a change in business managers and it took time to correct and prepare the records for audit.

**Recommendation**

The data collection form and reporting package should be completed timely.

**Response**

Management is working on getting past audits current.

**Financial Statement Audit Findings**

<b>Prior Year Audit Findings</b>	<u><b>Status</b></u>
2007-1 Late Audit Report	<b>Repeated</b>
2007-3 Cash Not Reconciled	<b>Repeated</b>
2007-4 Lack of Timely Monitoring of Budget Line Items	<b>Repeated</b>
2007-5 Budget Over Expenditures	<b>Combined with 2007-4</b>
2007-6 Missing Information From Employee Files	<b>Repeated</b>
2007-7 Internal Controls Over Capital Assets	<b>Repeated</b>
2007-8 Collateral For Public Monies	<b>Resolved</b>
2007-9 Unauthorized Movement Of Agency Monies	<b>Resolved</b>
2007-10 Disbursements Made Without Purchase Order	<b>Resolved</b>
2007-11 Preparation Of Financial Statements	<b>Repeated</b>

## **Current Year Audit Findings**

### **2007-1 Late Audit Report**

#### **Condition**

The audit report was filed after the due date. The report was submitted on 9/02/09 to the State Auditor's Office.

#### **Criteria**

According to the State Auditor Rule 2.2.2.9 (d), the audit report due date for the District is November 15, 2008.

#### **Effect**

The users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, etc., do not have timely audit reports and financial statements for their review. Late audit report could have an effect on state and federal funding.

#### **Cause**

The District did not contract with the auditor until after the due date of the audit report.

#### **Recommendation**

The District should make every effort to hire an auditor and complete their audit timely.

#### **Response**

District staff will continue working with our external auditor's to ensure that audits are completed timely.

### **2007-3 Cash Not Reconciled**

#### **Condition**

The District did not reconcile the monthly bank statements for several months.

#### **Criteria**

In accordance with 1978 NMSA 6-10-2, all public monies are to be recoded in a cash record and balanced on a daily basis.

#### **Effect**

Cash that does not reconcile to the bank statements indicated improper cash records and a lack of control over the monies that the District holds and the District is in violation of state statute.

#### **Cause**

Deficient controls resulted in bank reconciliation reports not being printed and reviewed for accuracy, errors and reconciling items.

#### **Recommendation**

Management should develop a plan and system of controls that enables them to review the accuracy and completeness of the financial statements.

#### **Response**

The District has reconciled the bank statements monthly beginning with the 2008-09 year.



**2007-4 Lack of Timely Monitoring of Budget Line Items**

**Condition**

There were unfavorable variances between actual and budgeted line item expenditures. The following funds had unfavorable variances between budgeted amounts at fiscal year end as disclosed in notes on pages 35-38 listed as budget violations.

**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 have been approved.

**Effect**

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 New Mexico Public Education Department (when required) to receive approval to make necessary changes to the records prior to being presented for audit.

**Response**

Management has implemented a process to monitor all funds monthly. With Vision software procedures will be in place to sop over expending beginning with the 2008-09 school year.

**2007-6 Missing Information From Employee Files**

**Condition**

From a sample of 20, 16 I-9s were incomplete and 3 were missing.

**Criteria**

An employer is required by Immigration Reform and Control Act of 1986 (IRCA) to verify the citizenship or immigration status of all employees. In accordance with federal and state law all employees who have access to children are required to have a background check completed and approved.

**Effect**

The District is out of compliance with requirements for the Department of Labor and New Mexico Public Education Department.

**Cause**

The District is not maintaining adequate controls over employee hiring.

**Recommendation**

The District should not employ any individual without completion of the I-9 form.

**Response**

Management has created a checklist for all employees to monitor a document/processes on staff to prevent the from happening again beginning with the 2008-09 school year.

**2007-7 Internal Controls Over Capital Assets****Condition**

The District has not implemented proper controls over capital assets to reconcile capital asset records to beginning and ending balances.

**Criteria**

The District is required to maintain and reconcile its capital assets and depreciation for financial reporting purposes according to GASB 34.

**Effect**

The District is not in compliance with GASB 34 which requires the District to maintain and reconcile its capital assets and depreciation.

**Cause**

Management did not review the capital assets additions throughout the year and utilize the Visions software maintaining the depreciation schedule.

**Recommendation**

Management should develop a plan and system of controls that enable them to review the capital asset additions each year, and reconcile them with the beginning and ending balances to insure that the capital assets are properly recorded.

**Response**

Management has created a checklist for all employees to monitor a document/processes on staff to prevent the from happening again beginning with the 2008-09 school year.

**2007-11 Preparation Of Financial Statements****Condition**

The individuals responsible for the accounting functions for the District did not prepare the District's financial statements. The Financial statements were prepared by the auditor.

**Criteria**

Statement on Accounting Standards (SAS) 112, Communication of Internal Control Related Matters Identified in an Audit, requires that management clearly accept responsibility for preparing all financial information and District's financial statements.

**Effect**

Individuals, without the aid of its auditors, are unable to accurately prepare the District's financial statements in accordance with the accounting standards with the regard to apply generally accepted accounting principals.

**Cause**

Individuals responsible for the accounting and reporting functions for the District have not received training relating to the preparation of the District's financial statements in accordance with GASB (Governmental Accounting Standards Board) Statement No 34 and subsequent pronouncements.

**Recommendation**

We recommend the District's accounting management receive training relating to the preparation of the District's financial statements in accordance with generally accepted accounting principles. This would give the accounting management responsible for the accounting and reporting functions the skills and knowledge to apply generally accepted accounting principals to the financial statements.

**Response**

The District will continue to accept the assistance of the auditors in preparing the financial statements in accordance with GASB (Governmental Accounting Standards Board) Statement No 34 and subsequent pronouncements.

**Financial Statement Preparation**

The financial statements were prepared by De'Aun Willoughby CPA however they are the responsibility of management.

**Exit Conference**

An exit conference was held on August 31, 2009. Those present were David Montoya-Member, Joanna Dykehouse-Member, Dr. Rooth-Superintendent, Naomi Vicenti-Business Manager and De'Aun Willoughby, CPA.