

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
ANNUAL FINANCIAL REPORT
JUNE 30, 2010

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INTRODUCTORY SECTION

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ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010
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**OFFICIAL ROSTER
JUNE 30, 2010**

<u>Name</u>		<u>Title</u>
	<u>Board of Education</u>	
David M. Montoya		President
Joanna Dykehouse		Vice President
Clyde B. Vicenti		Secretary
Connie Gomez		Member
Bob Cooke		Member
	<u>School Officials</u>	
Dr. Rose Rooth		Superintendent
Karen Dixon		Associate Superintendent
Naomi Vicenti		Business Manager

FINANCIAL SECTION

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Griego Professional Services, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Dulce Independent Schools
Dulce, New Mexico

We have audited the accompanying basic financial statements consisting of the governmental activities, each major fund, and the aggregate remaining fund information consisting of the aggregate nonmajor governmental fund column and the fiduciary fund column in the fund financial statements and the budgetary comparisons of the general and major special revenue fund of Dulce Independent Schools, New Mexico, as of and for the year ended June 30, 2010, 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 and fiduciary funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of Dulce Independent Schools, New Mexico'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 the 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 Dulce Independent Schools, New Mexico, as of June 30, 2010, and the respective changes in financial position thereof and the respective budgetary comparisons for the general funds and major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Dulce Independent Schools, New Mexico, as of June 30, 2010 and the respective changes in financial position thereof and the respective budgetary comparisons of major capital project funds, the 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 our report dated December 3, 2010 on our consideration of Dulce Independent Schools, New Mexico'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

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reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Dulce Independent Schools has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the Dulce Independent School's basic financial statements and the combining and individual fund financial statements and budgetary comparisons presented as supplemental information. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governmental and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "Supporting Schedules" 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 financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Grigo Professional Services, LLC

Albuquerque, New Mexico
December 3, 2010

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
STATEMENT OF NET ASSETS
JUNE 30, 2010

Exhibit A-1
(Page 1 of 2)

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 12,960,208
Receivables (net of allowance for uncollectibles)	1,619,507
Inventory	4,720
Total current assets	<u>14,584,435</u>
Noncurrent assets	
Bond issuance costs (net of amortization of \$140,948)	256,321
Capital assets (net of accumulated depreciation):	
Construction in progress	67,680
Land and land improvements	1,549,672
Buildings and building improvements	68,356,529
Furniture, fixtures and equipment	3,283,912
Less: accumulated depreciation	<u>(13,507,411)</u>
Total noncurrent assets	<u>60,006,703</u>
Total assets	<u>\$ 74,591,138</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
STATEMENT OF NET ASSETS
JUNE 30, 2010

Exhibit A-1
(Page 2 of 2)

		<u>Governmental Activities</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$	102,422
Accrued payroll liabilities		169,926
Accrued compensated absences		19,318
Accrued interest		600,663
Deferred revenue		433,022
Current portion of long-term debt		<u>3,910,000</u>
Total current liabilities		5,235,351
Noncurrent liabilities:		
Bond underwriter premiums (net of amortization of \$16,353)		29,627
Compensated absences		59,076
Bonds due in more than one year		<u>38,530,000</u>
Total noncurrent liabilities		38,618,703
Total liabilities		43,854,054
Invested in capital assets, net of related debt		17,310,382
Restricted for:		
Debt service		(1,306,435)
Capital projects		10,533,759
Unrestricted		<u>4,199,378</u>
Total net assets		<u>30,737,084</u>
Total liabilities and net assets	\$	<u><u>74,591,138</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Service</u>
Primary Government		
Governmental activities:		
Instruction	\$ 5,453,334	\$ 51,278
Support services:		
Students	1,215,500	-
Instruction	211,056	-
General Administration	515,502	-
School Administration	538,786	-
Other Support Services	-	-
Central Services	226,497	-
Operation & Maintenance of Plant	4,169,617	-
Student Transportation	203,209	-
Food Services Operation	466,263	17,879
Community Services	-	-
Depreciation and amortization - unallocated	2,027,309	-
Interest on long-term debt	2,279,605	-
Total Primary Government	<u>\$ 17,306,678</u>	<u>\$ 69,157</u>

The accompanying notes are an integral part of these financial statements

Program Revenues		Net
Operating Grants and Contributions	Capital Grants and Contributions	(Expenses) Revenues and Changes in Net Assets
\$ 5,502,578	\$ -	\$ 100,522
469,943	-	(745,557)
20,401	-	(190,655)
7,340	-	(508,162)
-	-	(538,786)
-	-	-
-	-	(226,497)
145	126,198	(4,043,274)
167,472	-	(35,737)
379,548	-	(68,836)
-	-	-
-	-	(2,027,309)
-	-	(2,279,605)
<u>\$ 6,547,427</u>	<u>\$ 126,198</u>	<u>(10,563,896)</u>

General Revenues:

Property taxes:	
Levied for general purposes	\$ 75,129
Levied for debt service	813,305
Levied for capital projects	609,681
Oil & Gas Tax Revenue	7,077,724
State Equalization Guarantee	2,607,646
Unrestricted investment earnings	15,663
Depreciation of disposed assets	(231,994)
Miscellaneous	260,518
	<u>11,227,672</u>
Total general revenues	<u>11,227,672</u>
Change in net assets	663,776
Net assets - beginning	30,388,118
Restatement (Note 15)	(314,810)
Net assets beginning as restated	<u>30,073,308</u>
Net assets - ending	<u>\$ 30,737,084</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	Operational Fund			
	General	Teacherage	Transportation	Instructional
	11000	12000	13000	Materials 14000
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 509,658	\$ 63,868	\$ 132,600	\$ 34,152
Accounts receivable				
Taxes	55,935	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	638,885	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>1,204,478</u>	<u>63,868</u>	<u>132,600</u>	<u>34,152</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	45,076	10	-	-
Accrued payroll liabilities	162,490	-	2,228	-
Interfund payables	-	-	-	-
Deferred revenue - property taxes	37,432	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>244,998</u>	<u>10</u>	<u>2,228</u>	<u>-</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	621,450	59,405	-	-
Undesignated, reported in				
General Fund	338,030	4,453	130,372	34,152
Special Revenue Funds	-	-	-	-
<i>Total fund balance</i>	<u>959,480</u>	<u>63,858</u>	<u>130,372</u>	<u>34,152</u>
<i>Total liabilities and fund balance</i>	<u>\$ 1,204,478</u>	<u>\$ 63,868</u>	<u>\$ 132,600</u>	<u>\$ 34,152</u>

The accompanying notes are an integral part of these financial statements

Impact Aid Special Education 25147	Bond Building 31100	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
\$ 781,472	\$ 5,995,564	\$ 4,081,817	\$ -	\$ 692,995	\$ 668,082	\$ 12,960,208
-	71,475	227,759	156,564	604,187	-	1,115,920
-	-	-	-	-	419,323	419,323
-	91,261	-	-	-	15,753	745,899
-	-	-	-	-	84,264	84,264
-	-	-	-	-	4,720	4,720
<u>781,472</u>	<u>6,158,300</u>	<u>4,309,576</u>	<u>156,564</u>	<u>1,297,182</u>	<u>1,192,142</u>	<u>15,330,334</u>
-	34,013	-	-	-	23,323	102,422
-	-	2,228	-	-	2,980	169,926
-	-	-	407,164	-	338,735	745,899
-	-	154,553	153,952	408,753	-	754,690
242,271	-	-	-	-	190,751	433,022
<u>242,271</u>	<u>34,013</u>	<u>156,781</u>	<u>561,116</u>	<u>408,753</u>	<u>555,789</u>	<u>2,205,959</u>
-	-	-	-	-	4,720	4,720
-	-	-	-	888,429	-	888,429
-	6,124,287	4,152,795	(404,552)	-	352,724	10,225,254
-	-	-	-	-	198,711	879,566
-	-	-	-	-	-	507,007
539,201	-	-	-	-	80,198	619,399
<u>539,201</u>	<u>6,124,287</u>	<u>4,152,795</u>	<u>(404,552)</u>	<u>888,429</u>	<u>636,353</u>	<u>13,124,375</u>
<u>\$ 781,472</u>	<u>\$ 6,158,300</u>	<u>\$ 4,309,576</u>	<u>\$ 156,564</u>	<u>\$ 1,297,182</u>	<u>\$ 1,192,142</u>	<u>\$ 15,330,334</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
GOVERNMENTAL FUNDS

Exhibit B-1
 (Page 2 of 2)

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
 JUNE 30, 2010

		Governmental Funds
Amounts reported for governmental activities in the statement of net assets are different because:		
Fund balances - total governmental funds	\$	13,124,375
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		59,750,382
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities		754,690
Bond issuance costs, including original issue discounts and premiums are not financial resources and therefore are not reported in the funds		
Bond issuance costs net of related accumulated amortization		256,321
Bond underwriter premiums net of accumulated amortization		(29,627)
Accrued interest		(600,663)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Accrued compensated absences		(78,394)
General obligation bonds		(42,440,000)
Net Assets-total Governmental Activities	\$	30,737,084

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Operational Fund			
	General	Teacherage	Transportation	Instructional
	11000	12000	13000	Materials 14000
<i>Revenues:</i>				
Property taxes	\$ 38,488	\$ -	\$ -	\$ -
State grants	2,622,211	145	167,472	26,400
Federal grants	3,102,221	-	-	-
Oil & Gas Tax	389,528	-	-	-
Miscellaneous	58,250	114,305	-	-
Interest	892	-	-	-
<i>Total revenues</i>	<u>6,211,590</u>	<u>114,450</u>	<u>167,472</u>	<u>26,400</u>
<i>Expenditures:</i>				
Current:				
Instruction	2,829,879	-	-	23,354
Support Services				
Students	733,687	-	-	-
Instruction	204,259	-	-	1,532
General Administration	493,578	-	-	-
School Administration	538,336	-	-	-
Central Services	226,497	-	-	-
Operation & Maintenance of Plant	997,184	73,638	-	-
Student Transportation	-	-	169,700	-
Other Support Services	-	-	-	-
Food Services Operations	149,902	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,173,322</u>	<u>73,638</u>	<u>169,700</u>	<u>24,886</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>38,268</u>	<u>40,812</u>	<u>(2,228)</u>	<u>1,514</u>
<i>Net changes in fund balances</i>	<u>38,268</u>	<u>40,812</u>	<u>(2,228)</u>	<u>1,514</u>
<i>Fund balances - beginning of year</i>	921,212	23,046	132,600	32,638
<i>Prior Period Adjustment</i>	-	-	-	-
<i>Adjusted fund balance - beginning of year</i>	921,212	23,046	132,600	32,638
<i>Fund balances - end of year</i>	<u>\$ 959,480</u>	<u>\$ 63,858</u>	<u>\$ 130,372</u>	<u>\$ 34,152</u>

The accompanying notes are an integral part of these financial statements

Impact Aid Special Education 25147	Bond Building 31100	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 159,191	\$ 158,456	\$ 420,698	\$ -	\$ 776,833
-	-	-	50,823	-	360,498	3,227,549
496,103	-	-	-	-	2,451,675	6,049,999
-	147,479	1,703,718	1,281,317	3,555,682	-	7,077,724
-	-	-	4,996	-	152,124	329,675
-	10,605	4,117	11	33	5	15,663
<u>496,103</u>	<u>158,084</u>	<u>1,867,026</u>	<u>1,495,603</u>	<u>3,976,413</u>	<u>2,964,302</u>	<u>17,477,443</u>
344,578	-	-	-	-	2,236,437	5,434,248
151,525	-	-	-	-	330,073	1,215,285
-	-	-	-	-	5,265	211,056
-	-	1,569	1,561	4,145	14,572	515,425
-	-	-	-	-	450	538,786
-	-	-	-	-	-	226,497
-	-	-	-	-	-	1,070,822
-	-	-	-	-	12,784	182,484
-	-	-	-	-	-	-
-	-	-	-	-	316,361	466,263
-	-	-	-	-	-	-
-	4,391,492	1,274,062	2,384,513	-	41,352	8,091,419
-	-	-	-	3,115,000	-	3,115,000
-	-	-	-	1,989,851	-	1,989,851
<u>496,103</u>	<u>4,391,492</u>	<u>1,275,631</u>	<u>2,386,074</u>	<u>5,108,996</u>	<u>2,957,294</u>	<u>23,057,136</u>
-	(4,233,408)	591,395	(890,471)	(1,132,583)	7,008	(5,579,693)
-	(4,233,408)	591,395	(890,471)	(1,132,583)	7,008	(5,579,693)
539,201	10,357,695	3,561,400	485,919	(582,605)	629,345	16,100,451
-	-	-	-	2,603,617	-	2,603,617
539,201	10,357,695	3,561,400	485,919	2,021,012	629,345	18,704,068
<u>\$ 539,201</u>	<u>\$ 6,124,287</u>	<u>\$ 4,152,795</u>	<u>\$ (404,552)</u>	<u>\$ 888,429</u>	<u>\$ 636,353</u>	<u>\$ 13,124,375</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Exhibit B-2
(Page 2 of 2)

	Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ (5,579,693)
<p>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. This is the amount by which depreciation exceeds capital outlays for the period.</p>	
Depreciation expense	(2,050,488)
Capital Outlays	5,036,590
Loss on disposal of capital assets	(231,994)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p>	
Change in deferred revenue related to the property taxes receivable	725,005
<p>The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:</p>	
Amortization of bond issuance costs	(27,695)
Amortization of original issue premiums	(2,914)
Decrease in accrued interest payable	(289,754)
Increase in accrued compensated absences	(30,281)
Principal payments on bonds	3,115,000
Change in Net Assets-total Governmental Activities	\$ 663,776

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
GENERAL FUND

Exhibit C-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ 31,261	\$ 31,261	\$ 37,854	\$ 6,593
Oil & Gas Taxes	464,954	(464,954)	349,640	814,594
State grants	2,867,685	2,645,862	2,622,211	(23,651)
Federal grants	2,870,728	2,870,728	3,102,221	231,493
Miscellaneous	-	-	58,250	58,250
Interest	2,000	2,000	892	(1,108)
<i>Total revenues</i>	<u>6,236,628</u>	<u>5,084,897</u>	<u>6,171,068</u>	<u>1,086,171</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	3,449,916	3,243,995	2,840,805	403,190
Support Services				
Students	741,160	725,258	727,135	(1,877)
Instruction	210,354	210,354	203,765	6,589
General Administration	557,769	557,769	486,626	71,143
School Administration	578,191	578,191	534,490	43,701
Central Services	233,253	233,253	220,439	12,814
Operation & Maintenance of Plant	1,107,723	1,107,723	956,882	150,841
Student Transportation	-	-	-	-
Other Support Services	48,374	48,374	-	48,374
Food Services Operations	152,580	152,580	149,902	2,678
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,079,320</u>	<u>6,857,497</u>	<u>6,120,044</u>	<u>737,453</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(842,692)</u>	<u>(1,772,600)</u>	<u>51,024</u>	<u>1,823,624</u>
<i>Other financing sources (uses):</i>				
Designated cash	842,692	1,772,600	-	(1,772,600)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>842,692</u>	<u>1,772,600</u>	<u>-</u>	<u>(1,772,600)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>51,024</u>	<u>51,024</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,097,519</u>	<u>1,097,519</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,148,543</u>	<u>\$ 1,148,543</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			<u>40,522</u>	
Adjustments to expenditures			<u>(53,278)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 38,268</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
TEACHERAGE FUND

Exhibit C-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	145	145
Federal grants	-	-	-	-
Miscellaneous	104,040	104,040	106,955	2,915
Interest	-	-	-	-
<i>Total revenues</i>	<u>104,040</u>	<u>104,040</u>	<u>107,100</u>	<u>3,060</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	129,295	129,295	73,638	55,657
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>129,295</u>	<u>129,295</u>	<u>73,638</u>	<u>55,657</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(25,255)</u>	<u>(25,255)</u>	<u>33,462</u>	<u>58,717</u>
<i>Other financing sources (uses):</i>				
Designated cash	25,255	25,255	-	(25,255)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>25,255</u>	<u>25,255</u>	<u>-</u>	<u>(25,255)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>33,462</u>	<u>33,462</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>30,396</u>	<u>30,396</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,858</u>	<u>\$ 63,858</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			7,350	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>7,350</u>	
			<u>\$ 40,812</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
TRANSPORTATION FUND

Exhibit C-3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	178,918	167,472	167,472	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>178,918</u>	<u>167,472</u>	<u>167,472</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant				
Student Transportation	178,918	167,472	167,472	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>178,918</u>	<u>167,472</u>	<u>167,472</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>132,600</u>	<u>132,600</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,600</u>	<u>\$ 132,600</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(2,228)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (2,228)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
INSTRUCTIONAL MATERIALS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	28,952	29,624	26,400	(3,224)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>28,952</u>	<u>29,624</u>	<u>26,400</u>	<u>(3,224)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	25,735	26,407	23,354	3,053
Support Services				
Students	-	-	-	-
Instruction	3,217	3,217	1,532	1,685
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>28,952</u>	<u>29,624</u>	<u>24,886</u>	<u>4,738</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,514</u>	<u>1,514</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,514</u>	<u>1,514</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>32,638</u>	<u>32,638</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,152</u>	<u>\$ 34,152</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 1,514</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-5

DULCE INDEPENDENT SCHOOLS

IMPACT AID INDIAN EDUCATION SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	685,475	685,475	738,374	52,899
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>685,475</u>	<u>685,475</u>	<u>738,374</u>	<u>52,899</u>
<i>Expenditures:</i>				
Current:				
Instruction	883,146	883,146	344,578	538,568
Support Services				
Students	392,861	392,861	151,525	241,336
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,276,007</u>	<u>1,276,007</u>	<u>496,103</u>	<u>779,904</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(590,532)</u>	<u>(590,532)</u>	<u>242,271</u>	<u>832,803</u>
<i>Other financing sources (uses):</i>				
Designated cash	590,532	590,532	-	(590,532)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>590,532</u>	<u>590,532</u>	<u>-</u>	<u>(590,532)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>242,271</u>	<u>242,271</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>539,201</u>	<u>539,201</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 781,472</u>	<u>\$ 781,472</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(242,271)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2010

Exhibit D-1

	<u>Agency Funds</u>
ASSETS	
<i>Current Assets</i>	
Cash	<u>\$ 195,873</u>
<i>Total assets</i>	<u><u>195,873</u></u>
 LIABILITIES	
<i>Current Liabilities</i>	
Deposits held in trust for others	<u>195,873</u>
<i>Total liabilities</i>	<u><u>\$ 195,873</u></u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1. Summary of Significant Accounting Policies

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 District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applies 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.

A. Reporting Entity

GASB Statement No. 14 established criteria for determining the government 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 also has no *component units*, as defined by GASB Statement No. 14 and/or GASB Statement No. 39, as there are no other legally separate organizations for which the elected School Board 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.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1. Summary of Significant Accounting Policies - (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Ad valorem taxes (property taxes), and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

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 long-term debt. Governmental funds include:

The *General Fund* is the primary operating fund of the District, and accounts for all financial resources, except those required to be accounted for in other funds.

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

The *Debt Service Funds* account for the services of long-term debt not being financed by proprietary or nonexpendable trust funds.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1. Summary of Significant Accounting Policies - (Continued)

C. *Measurement focus, basis of accounting, and financial statement presentation - (continued)*

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB #34, 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 (in addition to the General Fund), which include funds that were not required to be presented as major but were at the discretion of management:

Operational Funds:

The *Teacherage* fund is used to account for rents and housing for District personnel.

The *Transportation Fund* is used to account for the State Equalization received from the State Department of Education which is used to pay for the costs associated with transporting school age children.

The *Instructional Materials Fund* is used to account for the monies received from the State Department of Education for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

The *Impact Aid – Indian Education Fund* is To account for funding of a Federal program 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), or where there are a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b)): where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

The *Bond Building Capital Projects Fund* is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

The *Capital Improvements HB-33 Capital Projects Fund* is used to account for monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of purchasing technology assets and supplies.

The *Capital Improvements SB-9 Capital Projects Fund* is used to account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

The *Debt Service Fund* is used to account for the accumulation of resources for the payment of Long-Term Debt principal and interest.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1. Summary of Significant Accounting Policies - (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation - (continued)

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

Program revenues are categorized as (a) charges for services, which include revenues collected for cafeteria fees and lost books, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as Title I, IDEA-B, Charter Schools, and Magnet school funding to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources such as SB-9 and HB-33 funding to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Assets, Liabilities and Net Assets or Equity

Cash and Temporary Investments: 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.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the District are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

The District receives monthly income from a tax levy in Rio Arriba County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the Rio Arriba County Treasurer in July and August 2010 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2010.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Instructional Materials: The New Mexico State Department of Education receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of material listed in the State Board of Education 'State Adopted Instructional Material' list, while the other fifty percent of each allocation is available for purchases directly from vendors, for which the school district receives cash draw-downs, or transfer to the seventy percent account for requisition of material from the adopted list.

Inventory: Inventory is valued at lower of cost (first-in, first-out) or market. Inventory in the General Fund consists of expendable supplies held for consumption. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and deferred revenue. Non-commodity 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. No deferred revenue was recorded for unused commodity inventory as of June 30, 2010. Inventories in the Transportation Fund consisted of related supplies.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. However, infrastructure assets have not been included in the June 30, 2010 financial statements of Dulce Independent School District, since the District did not own any infrastructure assets as of June 30, 2010. Information technology equipment, including software, is being capitalized and included in furniture and equipment as the District did not maintain internally developed software. The District expenses the cost of library books when purchased. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2010.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

Capital expenditures made on the District's building construction projects by the NM Public School Facilities Authority have been recorded as a revenue and expenditure in the fund financial statements, and have been included as capital assets in the District's government-wide financial statements.

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

Buildings/building improvements	20-50 years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 years

Deferred Revenues: The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be "available" under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements.

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 receive commensurate vacation pay.

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

For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Net Assets or Fund Equity: In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

In the government-wide financial statements, fund equity is classified as net assets and is displayed in three components:

Invested in capital assets, net of related debt: Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets: Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net assets are restricted for “debt service or capital projects.”

Unrestricted Net Assets: All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the District’s financial statements include management’s estimate of the useful lives of capital assets.

E. *Revenues*

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

A school district’s program costs are determined through the use of various formulas using ‘program units’ which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$61,582,503 in state equalization guarantee distributions during the year ended June 30, 2010.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency.

The District records only the portion of the taxes considered to be ‘measurable’ and ‘available’. The District recognized \$10,423,001 in tax revenues during the year ended June 30, 2010. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1. Summary of Significant Accounting Policies - (Continued)

E. Revenues (continued)

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. Rio Arriba County collects County, City and School taxes and distributes them to each fund once per month except in June when the taxes are distributed twice to close out the fiscal year.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$167,472 in transportation distributions during the year ended June 30, 2010.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while the other fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2010 totaled \$26,400.

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Outlay Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The district received \$48,604 in state SB-9 matching during the year end June 30, 2010.

Federal Grants: The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the Federal Department or the flow through agency (usually the New Mexico Department of Education). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food services operations, and the distributions of commodities through the New Mexico Human Services Department.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

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

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

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

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

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

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department (PED) by the District shall contain headings and details as described by law and have been approved by the Public Education Department.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system. 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 DBPU.
5. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
6. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the SBPU.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2. Stewardship, Compliance and Accountability - (Continued)

Budgetary Information - (continued)

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 CLOVIS MUNICIPAL Schools 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.
9. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.
10. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a Governmental Agency from exceeding an individual line item.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

NOTE 3. Cash and Temporary Investments

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2010.

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

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

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

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

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution. This coverage has increased to \$250,000 for time and savings deposits as well as demand deposits until December 31, 2013. Additionally, until December 31, 2010, all deposits in non-interest

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3. Cash and Temporary Investments (continued)

bearing transaction accounts (such as non-interest bearing checking accounts) at participating institutions are fully guaranteed, regardless of dollar amount.

Deposits

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Schools for a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	Wells Fargo Bank	Totals
Amount of Deposits	\$ 13,765,811	\$ 13,765,811
FDIC Coverage	4,773,837	4,773,837
Total uninsured public funds	\$ 8,991,974	\$ 8,991,974
 Pledged collateral held by pledging bank's trust department or agent but not in agency's name	(5,956,548)	(5,956,548)
 Uninsured and uncollateralized	3,035,426	3,035,426
 Collateral requirement (50%)	\$ 4,495,987	\$ 4,495,987
Pledged Securities	5,956,548	5,956,548
(Over) under collateralized	\$ (1,460,561)	\$ (1,460,561)

Custodial Credit Risk – Deposits. 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, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2010, \$8,991,974 of the District's bank balance of 13,765,811 was exposed to custodial credit risk. \$8,991,974 was uninsured and the collateral was held by the pledging bank's trust department, not in the District's name and \$3,035,426 was uninsured and uncollateralized. At June 30, 2010, the carrying amount of these deposits was \$13,156,081.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3. Cash and Temporary Investments (continued)

Governmental Funds - Balance Sheet			
Cash and cash equivalents per Exhibit A-1	\$		12,960,208
Statement of Fiduciary Net Assets - cash per Exhibit D-1			195,873
			13,156,081
Add outstanding checks and other reconciling items			609,730
	\$		13,765,811
 Bank balance of deposits	 \$		 13,765,811

Investments

Interest Rate Risk:

The District had the following temporary investments at June 30, 2010:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
State Treasurer Local Government Investment Pool	< 50 days	\$ 8,991,974

The District's investment policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

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

Credit Risk

State statutes authorize the investment of school district funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool and money market accounts. The District is also allowed to invest in United States Government obligations. The District's investment policy does not further its investment choices.

The State Treasurer Local Government Investment Pool is not registered with the SEC. 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 funds in securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by 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; at the end of each month all interest earned is distributed by the

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3. Cash and Temporary Investments (continued)

State Treasurer to the length of time the amounts of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distribution dates. The carrying amount or fair market value of these investments approximates cost. The State of New Mexico is the regulatory oversight entity and participation in the pool is voluntary. The State Treasurer Local Government investment is rated AAAM by Standard and Poor's; its WAM is 50 as of June 30, 2010.

NOTE 4. Receivables

Receivables as of June 30, 2010, are as follows:

	General	Bond Building	Capital Improv HB-33	Capital Improv SB-9	Debt Service	Total Nonmajor Funds	Total
Property Taxes	\$ 55,935	71,475	227,759	156,564	\$ 604,187	\$ -	\$ 1,115,920
Intergovernmental-grants	-	-	-	-	-	419,323	419,323
Other	-	-	-	-	-	84,264	84,264
Total	\$ 55,935	\$ 71,475	\$ 227,759	\$ 156,564	\$ 604,187	\$ 503,587	\$ 1,619,507

The above receivables are deemed 100% collectible. In accordance with GASB #33, property tax receivables are presented net of deferred revenues in the amount of \$754,690 on the governmental fund financial statements.

NOTE 5. Interfund Receivables, Payables, and Transfers

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. The composition of interfund balances as of June 30, 2010 is as follows:

Governmental Activities:	Interfund Receivables	Interfund Payables
Major Funds:		
General	\$ 638,885	\$ -
Bond Building	91,261	-
Capital Improvement SB-9	-	407,164
Nonmajor Funds:		
Special Revenue Funds	15,753	338,735
Total Governmental Activities	\$ 745,899	\$ 745,899

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2010, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

	Balance June 30, 2009	Additions	Adjustments & Transfers	Deletions	Balance June 30, 2010
Capital Assets not being depreciated					
Land	\$ 70,141	\$ -	\$ -	\$ -	\$ 70,141
Construction in progress	31,689,329	67,680	(31,689,329)	-	67,680
Capital Assets used in Governmental Activities					
Land improvements	1,479,531	-	-	-	1,479,531
Building and building improvements	32,594,511	4,256,807	31,689,329	184,118	68,356,529
Furniture, fixtures, & equipment	3,191,793	712,103	146,127	766,111	3,283,912
Total Capital Assets, being depreciated	<u>37,265,835</u>	<u>4,968,910</u>	<u>146,127</u>	<u>950,229</u>	<u>41,284,516</u>
Less Accumulated Depreciation for:					
Land Improvements	282,371	73,916	(8,752)	-	347,535
Building and building improvements	9,539,534	1,698,753	456,945	136,465	11,558,767
Furniture, fixtures, & equipment	1,892,316	277,819	12,744	581,770	1,601,109
Total Accumulated Depreciation	<u>11,714,221</u>	<u>2,050,488</u>	<u>460,937</u>	<u>718,235</u>	<u>13,507,411</u>
Total Capital Assets, being depreciated	<u>25,551,614</u>	<u>2,918,422</u>	<u>460,937</u>	<u>231,994</u>	<u>28,698,979</u>
Governmental activities capital assets, net:	<u>\$ 57,311,084</u>	<u>\$ 2,986,102</u>	<u>\$ (314,810)</u>	<u>\$ 231,994</u>	<u>\$ 59,750,382</u>

Capital assets, net of accumulated depreciation, at June 30, 2010 appear in the Statement of Net Assets and/or the Fund Statements Balance Sheets as follows: Governmental activities \$59,750,382.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6. Capital Assets (continued)

Depreciation expense for the year ended June 30, 2010 was charged to governmental activities as follows:

Instruction	\$	784
Support Services - Students		215
Support Services - General Admin		77
Operations & Maintenance of Plant		1,378
Transportation		20,725
Depreciation - unallocated		2,027,309
Total Depreciation	\$	<u>2,050,488</u>

NOTE 7. Long-term Debt

During the year ended June 30, 2010, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010	Due Within One Year
General Obligation Bonds	\$ 45,555,000	\$ -	\$ 3,115,000	\$ 42,440,000	\$ 3,910,000
Compensated Absences	48,113	49,599	19,318	78,394	19,318
Total	<u>\$ 45,603,113</u>	<u>\$ 49,599</u>	<u>\$ 3,134,318</u>	<u>\$ 42,518,394</u>	<u>\$ 3,929,318</u>

The annual requirements to amortize the General Obligation Bonds as of June 30, 2010, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2011	3,910,000	1,618,113	5,528,113
2012	4,405,000	1,496,685	5,901,685
2013	4,500,000	1,332,174	5,832,174
2014	4,385,000	1,162,423	5,547,423
2015	4,325,000	993,144	5,318,144
2016-2020	20,915,000	2,268,191	23,183,191
Totals	<u>\$ 42,440,000</u>	<u>\$ 8,870,730</u>	<u>\$ 51,310,730</u>

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7. Long-term Debt (continued)

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2010, compensated absences increased \$30,281 over the prior year accrual. See Note 1 for more details

Operating Leases – The District leases office equipment under short-term cancelable operating leases. Rental cost for the year ended June 30, 2010 was \$5,800.

NOTE 8. Risk Management

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery and Money Orders. A limit of \$100,000 applies to Money and Security, which includes a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2010, there have been no claims that have exceeded insurance coverage.

NOTE 9. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures as part of the Combined Statements of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2010:

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9. Other Required Individual Fund Disclosures (continued)

Major Funds:	
Capital Improvements SB-9	<u>\$ 404,552</u>
Subtotal Major Funds	<u>404,552</u>
Nonmajor Funds:	
Discretionary IDEA-B	10,997
Competitive IDEA-B	1,908
Save the Children	10,664
Libraries GO Bonds Laws of 2004	3,521
Indian Education Act	4,200
School in Need of Improvement	684
School Improvement Framework	3,959
Industrial Arts Career Tech & Voc Ed	835
GEAR-UP CHE	21,417
School Based Health Center	<u>59,120</u>
Subtotal Nonmajor Funds	<u>\$ 117,305</u>

These deficits are expected to be funded by additional grant funds.

- B.** Excess of expenditures over appropriations. The following funds exceeded budgetary authority for the year ended June 30, 2010.

Major Funds:	
Debt Service	
Support Services	<u>\$ 1,595</u>
Subtotal Major Funds	<u>1,595</u>
Nonmajor Funds:	
21st Century Community Learning Centers	
Student Transportation	6,389
Preschool IDEA-B Federal Stimulus	
Support Services	743
State Directed Activities	
Instruction	1,704
Entitlement IDEA-B Federal Stimulus	
Instruction	<u>24,595</u>
Subtotal Nonmajor Funds	<u>33,431</u>
Total All Funds	<u>\$ 35,026</u>

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 10. Pension Plan – Educational Retirement Board

Plan Description. Substantially all of Dulce Independent Schools' 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, New Mexico 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy. Plan members are required to contribute 7.90% of their gross salary. The District is required to contribute 11.65% of the gross covered 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, 2010, 2009 and 2008 were \$583,690, \$557,730, and \$489,505, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description. Dulce Independent Schools 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 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.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us. (1)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. During

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan (continued)

the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee’s annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contribution rates will be:

Fiscal Year Employer	Contribution Rate Employee	Contribution Rate
FY11	1.666%	.833%
FY12	1.834%	.917%
FY13	2.000%	1.000%

Also, employers joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals. The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The District’s contributions to the RHCA for the years ended June 30, 2010, 2009, and 2008 were \$65,315, \$62,236, and \$58,381, respectively, which equal the required contributions for each year.

NOTE 12. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Schools expects such amount, if any, to be immaterial.

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District’s legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

NOTE 13. Commitments

Dulce Independent Schools contracts with outside vendors for construction and renovation of various facilities. At June 30, 2010, contracts outstanding for capital projects totaled \$98,281.

NOTE 14. Subsequent Events

In September 2010, the District drew down \$3,000,000 from their investments account in the LGIP to help pay for operational negative funds.

NOTE 15. Fund Balance and Net Assets Restatement

The District’s capital assets and depreciation was not properly recorded in the prior year so adjustments were needed in the amount of \$314,810 to restate prior year net assets. Adjustments were made for governmental capital assets that were understated as a result of assets not being added to the asset listing in the prior year when they were purchased. The amount for the accumulated depreciation beginning of the year was understated from the ending accumulated depreciation in the prior year’s audit report and so an adjustment was made to increase it and correct the balances.

The District’s balances related to long-term debt were also not properly recorded in the prior year so adjustments were needed in the amount of \$2,603,617 to restate fund balance in the Debt Service Fund. The amounts for accrued interest payable (\$238,617) and current portion of bonds payable (\$2,365,000) were incorrectly included in the governmental financial statements which required a restatement of fund balance in the current year.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 16. Subsequent Accounting Standard Pronouncements

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for financial statement periods beginning after June 15, 2010. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

In March 2009, the GASB issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is effective upon issuance. The objective of this Statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature. The "GAAP hierarchy" consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles.

In March 2009, the GASB issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standard*, which is effective upon issuance. The objective of this Statement is to incorporate into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles—related party transactions, going concern considerations, and subsequent events. The presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards rather than in the auditing literature.

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plan*, which is effective for financial statement periods beginning after June 15, 2011. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers).

In December 2009, the GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, which is effective for financial statement periods beginning after June 15, 2009. The objective of this Statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to re-measure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. In June 2010, the GASB issued Statement No. 59, *Financial Instruments Omnibus*, which is effective for financial statement periods beginning after June 15, 2010. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
ASSETS			
<i>Current Assets</i>			
Cash and temporary investments	\$ 390,733	\$ 277,349	\$ 668,082
Accounts receivable			
Taxes	-	-	-
Due from other governments	419,323	-	419,323
Interfund receivables	15,753	-	15,753
Other	8,889	75,375	84,264
Inventory	4,720	-	4,720
<i>Total assets</i>	839,418	352,724	1,192,142
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities:</i>			
Accounts payable	23,323	-	23,323
Accrued payroll liabilities	2,980	-	2,980
Interfund payables	338,735	-	338,735
Deferred revenue - property taxes	-	-	-
Deferred revenue - other	190,751	-	190,751
<i>Total liabilities</i>	555,789	-	555,789
<i>Fund balances</i>			
Fund Balance:			
Reserved:			
Reserved for inventory	4,720	-	4,720
Reserved for debt service	-	-	-
Reserved for capital projects	-	352,724	352,724
Unreserved:			
Designated for subsequent year's expenditures	192,791	-	192,791
Undesignated, reported in			
General Fund	-	-	-
Special Revenue Funds	86,118	-	86,118
<i>Total fund balance</i>	283,629	352,724	636,353
<i>Total liabilities and fund balance</i>	\$ 839,418	\$ 352,724	\$ 1,192,142

The accompanying notes are an integral part of these financial statements.

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STATE OF NEW MEXICO

Statement A-2

DULCE INDEPENDENT SCHOOLS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDING JUNE 30, 2010

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
State grants	360,498	-	360,498
Federal grants	2,376,300	75,375	2,451,675
Miscellaneous	152,124	-	152,124
Interest	-	5	5
<i>Total revenues</i>	<u>2,888,922</u>	<u>75,380</u>	<u>2,964,302</u>
<i>Expenditures:</i>			
Current:			
Instruction	2,236,437	-	2,236,437
Support Services			
Students	330,073	-	330,073
Instruction	5,265	-	5,265
General Administration	14,572	-	14,572
School Administration	450	-	450
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	12,784	-	12,784
Other Support Services	-	-	-
Food Services Operations	316,361	-	316,361
Community Service	-	-	-
Capital outlay	-	41,352	41,352
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>2,915,942</u>	<u>41,352</u>	<u>2,957,294</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(27,020)</u>	<u>34,028</u>	<u>7,008</u>
<i>Other financing sources (uses):</i>			
Operating transfers	-	-	-
Proceeds from bond issues	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(27,020)</u>	<u>34,028</u>	<u>7,008</u>
<i>Fund balances - beginning of year</i>	<u>310,649</u>	<u>318,696</u>	<u>629,345</u>
<i>Fund balances - end of year</i>	<u>\$ 283,629</u>	<u>\$ 352,724</u>	<u>\$ 636,353</u>

The accompanying notes are an integral part of these financial statements.

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SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

Food Service (21000) – This fund is used to account for the cost of operating a student breakfast, lunch, snack bar and summer lunch program and is financed with federal grants and fees paid by program users

Athletics (22000) – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

Non-Instruction Ed. Support (23000) – To account for budgeted revenues and expenditures which relate to student activities other than athletics.

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.

Entitlement IDEA-B (24106), IDEA-B Competitive (24108) & Federal Stimulus (24206) – 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 Individuals with Disabilities Education Act, Part B, Section 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.

IDEA-B Discretionary (24107) –To provide funds for the purchase of Math (Get Ahead Math) and Literacy (corrective reading) intervention programs /materials.

Preschool IDEA-B (24109) Federal Stimulus (24209) – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

Fresh Fruits & Vegetables USDA (24118) – To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2005. Authorized by National School Lunch Act, as amended, 42 U.S.C. 1769.

21st Century Community Living Centers (24119) – To account for federal funds utilized to expand an after school, weekend and summer program. The program is designed to integrate the visual and performing arts with literacy, life skills and physical activity for kindergarten to 12th grade focusing on the neighborhood and the community as a classroom.

Technology Literacy Challenge (24133) – To account for a federal grant designed to strengthen teacher learning in the field of technology.

Title V Part A Innovative Ed Pro Strategies (24150) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

SPECIAL REVENUE FUNDS (Continued)

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 standard 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.

Teacher / Principal Training & Recruiting (24154) – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students.

Safe & Drug Free Schools & Community (24157) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

21st Century 2009 (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) Title I Federal Stimulus (24201) – to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383..

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.).

Johnson O'Malley (25131) – To account for revenues and expenditures funded by the Department of Interior, Bureau of Indian Affairs, through the Navajo Tribe provided to supplement programs in special education and other special needs for New Mexico public schools where eligible Indian children are enrolled. The fund was created by the authority of federal grant provisions. (PL 103-382)

Impact Aid (25145 - Special Education) – To account for funding of a Federal program 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), or where there are a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b)); where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

SPECIAL REVENUE FUNDS (Continued)

Title XIX MEDICAID 3/21 Years (25153) – To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children.

State Equalization Guarantee – Federal Stimulus (25250) – Funding for the support of public elementary, secondary, post-secondary and, as applicable, for early childhood programs and services.

Save the Children (26143) – Establish to create lasting, positive change for children living in low-income communities.

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.

Conoco Phillips School Grant (26200) – Foundation grant given by Conoco Phillips for welding and woodworking, language arts, and for math and reading programs.

Technology for Education PED (27117) - The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

Incentives for School Improvement Act (27138) – To account for monies received from the Award for High Improving Schools provided by the State of New Mexico for the purpose of identifying special needs at awarded locations and to purchase items to improve those schools.

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.

Indian Education Act (27150) – to account for funds to help support the educational reform initiatives outlined in the schools' Educational Plan for Student Success (EPSS). The grant expenditures must support how the identified EPSS focus areas/ activities/ strategies will be deployed for addressing the needs of American Indian students to ensure improved academic performance and closing of the achievement gap.

Beginning Teacher Mentoring Program (27154) – The objective of this program is to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievement of students and improve the overall success of the school. Funding is provided by the New Mexico Board of Education. Authority for creation of this fund is NMSA 22-2-8-10.

Breakfast for Elementary Students (27155) – The 2005 Legislative General Appropriations Act allocated \$475,000 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation.

Schools in Need of Improvement (27163) –to provide funds for Desert View Elementary for a module based math program.

SPECIAL REVENUE FUNDS (Continued)

School Improvement Framework (27164) – The grant was awarded as a result of meeting adequate yearly progress for two consecutive years. These funds are to be used for library materials.

Kindergarten - Three Plus (27166) –the funding is part of a pilot project for Kindergarten through third grade students at both Ann Parish Elementary and Desert View Elementary. Funds used for teachers, educational assistants, nurses, an academic coach, and PE coach at both schools.

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.

State Directed Activities (27200) – Monies given to the District to help pay for payroll expenses for certain State directed activities.

Industrial Art (27512) – To account for the revenues and expenditures from a state grant to fund an industrial art program. The fund was created by state grant provisions.

Libraries (27549) – To account for funds received from the New Mexico Public Education Department for purchasing library books. 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 CHE (28178) – (Gaining Early Awareness and Readiness for Undergraduate Programs.) The purpose of this grant is to increase the number of low-income students who upon graduation from high school have the skills and knowledge to succeed in college.

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.

Value Options/DOH (29131) – For programs to provide substance abuse treatment services. The fund was created by grant provisions.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Food Service 21000	Athletics 22000	Title I IASA 24101	Entitlement IDEA-B 24106
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 226,767	\$ 27,445	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	28,482	1,969
Interfund receivables	-	-	-	-
Other	8,889	-	-	-
Inventory	4,720	-	-	-
<i>Total assets</i>	<u>240,376</u>	<u>27,445</u>	<u>28,482</u>	<u>1,969</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	14,623	-	-	-
Accrued payroll liabilities	-	-	745	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	27,737	1,969
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>14,623</u>	<u>-</u>	<u>28,482</u>	<u>1,969</u>
<i>Fund Balance:</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	4,720	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	148,500	23,198	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	72,533	4,247	-	-
<i>Total fund balance</i>	<u>225,753</u>	<u>27,445</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 240,376</u>	<u>\$ 27,445</u>	<u>\$ 28,482</u>	<u>\$ 1,969</u>

The accompanying notes are an integral part of these financial statements.

Discretionary IDEA-B 24107	Competitive IDEA-B 24108	Preschool IDEA-B 24109	Fresh Fruits & Vegetables 24118	21st Century Community Learning Centers 24119	Enhancing Ed Thru Tech (E2T2-F) 24133
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
10,997	-	500	-	83,845	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,997</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>83,845</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	1,490	-
-	-	-	-	-	-
10,997	-	500	-	82,355	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,997</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>83,845</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 10,997</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 83,845</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Title V Part A Innovative Ed Pro Strategies 24150	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154	Safe & Drug Free Schools & Community 24157
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	24,195	11,238	1,275
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>24,195</u>	<u>11,238</u>	<u>1,275</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	745	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	24,195	10,493	1,275
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>24,195</u>	<u>11,238</u>	<u>1,275</u>
<i>Fund Balance:</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
<i>Total fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ 24,195</u>	<u>\$ 11,238</u>	<u>\$ 1,275</u>

The accompanying notes are an integral part of these financial statements.

21st Century Community Living Centers 24159	Title I School Improvement 24162	Reading First 24167	Title I IASA Federal Stimulus 24201	Entitlement IDEA-B Federal Stimulus 24206	Preschool IDEA-B Federal Stimulus 24209
\$ -	\$ (163,936)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
70,087	163,936	2,193	9,245	10,394	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>70,087</u>	<u>-</u>	<u>2,193</u>	<u>9,245</u>	<u>10,394</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
70,087	-	2,193	9,245	10,394	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>70,087</u>	<u>-</u>	<u>2,193</u>	<u>9,245</u>	<u>10,394</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 70,087</u>	<u>\$ -</u>	<u>\$ 2,193</u>	<u>\$ 9,245</u>	<u>\$ 10,394</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Title XIX Johnson O'Malley 25131	Impact Aid Special Education 25145	Title XIX Medicaid 3/21 Years 25153	Rural Education Achievement Program 25233
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 71,253	\$ 119,498	\$ 9,550	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>71,253</u>	<u>119,498</u>	<u>9,550</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	71,253	119,498	-	-
<i>Total liabilities</i>	<u>71,253</u>	<u>119,498</u>	<u>-</u>	<u>-</u>
<i>Fund Balance:</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	-	-	9,550	-
<i>Total fund balance</i>	<u>-</u>	<u>-</u>	<u>9,550</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 71,253</u>	<u>\$ 119,498</u>	<u>\$ 9,550</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

State Equalization Guarantee Federal Stimulus 25250	Save The Children 26143	General Mills Foundation 26166	Conoco Phillips School Grant 26200	Technology for Education PED 27117	Incentives for School Impr Act PED 27138	Libraries GO Bonds Laws of 2004 27145
\$ -	\$ -	\$ -	\$ 1,131	\$ 41,793	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,131	41,793	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	10,664	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	10,664	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(10,664)	-	1,131	41,793	-	-
-	(10,664)	-	1,131	41,793	-	-
\$ -	\$ -	\$ -	\$ 1,131	\$ 41,793	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Indian Education Act 27150	Beginning Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155	Schools in Need of Improvement 27163
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ 7,340	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	15,753	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>7,340</u>	<u>15,753</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance:</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	-	7,340	15,753	-
<i>Total fund balance</i>	<u>-</u>	<u>7,340</u>	<u>15,753</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ 7,340</u>	<u>\$ 15,753</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

School Improvement Framework 27164	Kindergarten Three Plus 27166	State-21st Century Learning Center 27167	State Directed Activities 27200	Industrial Arts Career Tech & Voc Ed Training 27512	School Library Material Fund FY 08 27549
\$ -	\$ 9,904	\$ 1,077	\$ 5,889	\$ -	\$ 764
-	-	-	-	-	-
-	-	-	-	967	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,904	1,077	5,889	967	764
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,959	-	-	-	835	-
-	-	-	-	-	-
-	-	-	-	-	-
3,959	-	-	-	835	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(3,959)	9,904	1,077	5,889	132	764
(3,959)	9,904	1,077	5,889	132	764
\$ -	\$ 9,904	\$ 1,077	\$ 5,889	\$ 967	\$ 764

The accompanying notes are an integral part of these financial statements.

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STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

Statement B-1
(Page 5 of 5)

	Medicaid HSD 28144	GEAR-UP CHE 28178	School Based Health Center 29130	Value Options DOH 29131	Totals
ASSETS					
<i>Current Assets</i>					
Cash and temporary investments	\$ 26,338	\$ -	\$ -	\$ 5,920	\$ 390,733
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	-	419,323
Interfund receivables	-	-	-	-	15,753
Other	-	-	-	-	8,889
Inventory	-	-	-	-	4,720
<i>Total assets</i>	<u>26,338</u>	<u>-</u>	<u>-</u>	<u>5,920</u>	<u>839,418</u>
LIABILITIES AND FUND BALANCES					
<i>Current Liabilities:</i>					
Accounts payable	-	-	8,700	-	23,323
Accrued payroll liabilities	-	-	-	-	2,980
Accrued compensated absences	-	-	-	-	-
Interfund payables	-	21,417	50,420	-	338,735
Deferred revenue - property taxes	-	-	-	-	-
Deferred revenue - other	-	-	-	-	190,751
<i>Total liabilities</i>	<u>-</u>	<u>21,417</u>	<u>59,120</u>	<u>-</u>	<u>555,789</u>
<i>Fund Balance:</i>					
Fund Balance:					
Reserved:					
Reserved for inventory	-	-	-	-	4,720
Reserved for debt service	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-
Unreserved:					
Designated for subsequent year's expenditures	21,093	-	-	-	192,791
Undesignated, reported in					
General Fund	-	-	-	-	-
Special Revenue Funds	5,245	(21,417)	(59,120)	5,920	86,118
<i>Total fund balance</i>	<u>26,338</u>	<u>(21,417)</u>	<u>(59,120)</u>	<u>5,920</u>	<u>283,629</u>
<i>Total liabilities and fund balance</i>	<u>\$ 26,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,920</u>	<u>\$ 839,418</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2010

	Food Service 21000	Athletics 22000	Title I IASA 24101	Entitlement IDEA-B 24106
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	17,879	40	-	-
State grants	-	-	-	-
Federal grants	379,548	-	328,570	161,669
Miscellaneous	-	48,378	-	-
Interest	-	-	-	-
<i>Total Revenues</i>	<u>397,427</u>	<u>48,418</u>	<u>328,570</u>	<u>161,669</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	29,596	301,550	160,004
Support Services				
Students	-	-	20,058	1,665
Instruction	-	-	-	-
General Administration	-	-	6,962	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	292,245	-	-	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total Expenditures</i>	<u>292,245</u>	<u>29,596</u>	<u>328,570</u>	<u>161,669</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>105,182</u>	<u>18,822</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>105,182</u>	<u>18,822</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>120,571</u>	<u>8,623</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 225,753</u>	<u>\$ 27,445</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Discretionary IDEA-B 24107	Competitive IDEA-B 24108	Preschool IDEA-B 24109	Fresh Fruits & Vegetables 24118	21st Century Community Learning Centers 24119	Enhancing Ed Thru Tech (E2T2-F) 24133
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,377	16,024	362,201	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,377	16,024	362,201	-
-	-	-	-	-	-
-	-	4,377	-	301,411	-
-	-	-	-	40,403	-
-	-	-	-	-	-
-	-	-	-	7,603	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	12,784	-
-	-	-	-	-	-
-	-	-	16,024	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,377	16,024	362,201	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2010

	Title V Part A Innovative Ed Pro Strategies 24150	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154	Safe & Drug Free Schools & Community 24157
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
State grants	-	-	-	-
Federal grants	-	41,031	73,464	2,290
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total Revenues</i>	<u>-</u>	<u>41,031</u>	<u>73,464</u>	<u>2,290</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	41,031	20,239	-
Support Services				
Students	-	-	52,768	2,290
Instruction	-	-	-	-
General Administration	-	-	7	-
School Administration	-	-	450	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>41,031</u>	<u>73,464</u>	<u>2,290</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>	-	-	-	-
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

21st Century Community Living Centers 24159	Title I School Improvement 24162	Reading First 24167	Title I IASA Federal Stimulus 24201	Entitlement IDEA-B Federal Stimulus 24206	Preschool IDEA-B Federal Stimulus 24209
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
71,793	259,101	2,193	101,570	96,559	2,723
-	-	-	-	-	-
-	-	-	-	-	-
<u>71,793</u>	<u>259,101</u>	<u>2,193</u>	<u>101,570</u>	<u>96,559</u>	<u>2,723</u>
71,793	259,101	2,193	101,570	96,384	1,980
-	-	-	-	175	743
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>71,793</u>	<u>259,101</u>	<u>2,193</u>	<u>101,570</u>	<u>96,559</u>	<u>2,723</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2010

	Title XIX Johnson O'Malley 25131	Impact Aid Special Education 25145	Title XIX Medicaid 3/21 Years 25153	Rural Education Achievement Program 25233
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
State grants	-	-	-	-
Federal grants	-	(36,697)	9,550	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total Revenues</i>	<u>-</u>	<u>(36,697)</u>	<u>9,550</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	95,404	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>95,404</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(132,101)</u>	<u>9,550</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>-</u>	<u>(132,101)</u>	<u>9,550</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>132,101</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,550</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

State Equalization Guarantee Federal Stimulus 25250	Save The Children 26143	General Mills Foundation 26166	Conoco Phillips School Grant 26200	Technology for Education PED 27117	Incentives for School Impr Act PED 27138	Libraries GO Bonds Laws of 2004 27145
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	75,827	-	10,000	-	-	-
-	-	-	-	41,793	-	-
500,334	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>500,334</u>	<u>75,827</u>	<u>-</u>	<u>10,000</u>	<u>41,793</u>	<u>-</u>	<u>-</u>
500,334	85,841	-	8,869	-	-	-
-	650	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>500,334</u>	<u>86,491</u>	<u>-</u>	<u>8,869</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(10,664)	-	1,131	41,793	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(10,664)	-	1,131	41,793	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ (10,664)</u>	<u>\$ -</u>	<u>\$ 1,131</u>	<u>\$ 41,793</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2010

	Indian Education Act 27150	Beginning Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155	Schools in Need of Improvement 27163
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
State grants	-	7,340	23,845	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total Revenues</i>	<u>-</u>	<u>7,340</u>	<u>23,845</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	8,092	-
Community Service	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total Expenditures</i>	<u>-</u>	<u>-</u>	<u>8,092</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>7,340</u>	<u>15,753</u>	<u>-</u>
<i>Other financing sources (uses):</i>	-	-	-	-
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>-</u>	<u>7,340</u>	<u>15,753</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 7,340</u>	<u>\$ 15,753</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

School Improvement Framework 27164	Kindergarten Three Plus 27166	State-21st Century Learning Center 27167	State Directed Activities 27200	Industrial Arts Career Tech & Voc Ed Training 27512	School Library Material Fund FY 08 27549
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	81,751	-	49,761	132	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	81,751	-	49,761	132	-
-	71,847	-	28,973	-	-
-	-	-	14,899	-	-
3,959	-	-	-	-	1,306
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,959	71,847	-	43,872	-	1,306
(3,959)	9,904	-	5,889	132	(1,306)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(3,959)	9,904	-	5,889	132	(1,306)
-	-	1,077	-	-	2,070
\$ (3,959)	\$ 9,904	\$ 1,077	\$ 5,889	\$ 132	\$ 764

The accompanying notes are an integral part of these financial statements.

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STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2010

Statement B-2
 (Page 5 of 5)

	Medicaid HSD 28144	GEAR-UP CHE 28178	School Based Health Center 29130	Value Options DOH 29131	Total
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	103,746
State grants	20,783	32,523	102,570	-	360,498
Federal grants	-	-	-	-	2,376,300
Miscellaneous	-	-	-	-	48,378
Interest	-	-	-	-	-
<i>Total Revenues</i>	<u>20,783</u>	<u>32,523</u>	<u>102,570</u>	<u>-</u>	<u>2,888,922</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	53,940	-	-	2,236,437
Support Services					
Students	24,580	-	161,690	10,152	330,073
Instruction	-	-	-	-	5,265
General Administration	-	-	-	-	14,572
School Administration	-	-	-	-	450
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	12,784
Other Support Services	-	-	-	-	-
Food Services Operations	-	-	-	-	316,361
Community Service	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total Expenditures</i>	<u>24,580</u>	<u>53,940</u>	<u>161,690</u>	<u>10,152</u>	<u>2,915,942</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,797)</u>	<u>(21,417)</u>	<u>(59,120)</u>	<u>(10,152)</u>	<u>(27,020)</u>
<i>Other financing sources (uses):</i>	-	-	-	-	-
Operating transfers	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balance</i>	<u>(3,797)</u>	<u>(21,417)</u>	<u>(59,120)</u>	<u>(10,152)</u>	<u>(27,020)</u>
<i>Fund balances - beginning of year</i>	<u>30,135</u>	<u>-</u>	<u>-</u>	<u>16,072</u>	<u>310,649</u>
<i>Fund balances - end of year</i>	<u>\$ 26,338</u>	<u>\$ (21,417)</u>	<u>\$ (59,120)</u>	<u>\$ 5,920</u>	<u>\$ 283,629</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
FOOD SERVICE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement B-3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	276,948	276,948	353,258	76,310
Miscellaneous	12,000	12,000	17,879	5,879
Interest	100	100	-	(100)
<i>Total revenues</i>	<u>289,048</u>	<u>289,048</u>	<u>371,137</u>	<u>82,089</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	354,656	354,656	252,467	102,189
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>354,656</u>	<u>354,656</u>	<u>252,467</u>	<u>102,189</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(65,608)</u>	<u>(65,608)</u>	<u>118,670</u>	<u>184,278</u>
<i>Other financing sources (uses):</i>				
Designated cash	65,608	65,608	-	(65,608)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>65,608</u>	<u>65,608</u>	<u>-</u>	<u>(65,608)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>118,670</u>	<u>118,670</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>124,396</u>	<u>124,396</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,066</u>	<u>\$ 243,066</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			26,290	
Adjustments to expenditures			<u>(39,778)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 105,182</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
ATHLETICS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	27,000	27,000	48,418	21,418
Interest	-	-	-	-
<i>Total revenues</i>	<u>27,000</u>	<u>27,000</u>	<u>48,418</u>	<u>21,418</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	36,713	36,713	29,596	7,117
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>36,713</u>	<u>36,713</u>	<u>29,596</u>	<u>7,117</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(9,713)</u>	<u>(9,713)</u>	<u>18,822</u>	<u>28,535</u>
<i>Other financing sources (uses):</i>				
Designated cash	9,713	9,713	-	(9,713)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>9,713</u>	<u>9,713</u>	<u>-</u>	<u>(9,713)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>18,822</u>	<u>18,822</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,623</u>	<u>8,623</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,445</u>	<u>\$ 27,445</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 18,822</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
TITLE I - IASA - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement B-5

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	359,114	411,128	296,460	(114,668)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>359,114</u>	<u>411,128</u>	<u>296,460</u>	<u>(114,668)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	351,689	403,703	301,396	102,307
Support Services				
Students	20,304	20,304	19,467	837
Instruction	-	-	-	-
General Administration	7,121	7,121	6,962	159
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>379,114</u>	<u>431,128</u>	<u>327,825</u>	<u>103,303</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(20,000)</u>	<u>(20,000)</u>	<u>(31,365)</u>	<u>(11,365)</u>
<i>Other financing sources (uses):</i>				
Designated cash	20,000	20,000	-	(20,000)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(31,365)</u>	<u>(31,365)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,628</u>	<u>3,628</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,737)</u>	<u>\$ (27,737)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			32,110	
Adjustments to expenditures			(745)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
ENTITLEMENT IDEA-B SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement B-6

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	167,990	293,879	159,024	(134,855)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>167,990</u>	<u>293,879</u>	<u>159,024</u>	<u>(134,855)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	165,990	291,779	160,004	131,775
Support Services				
Students	2,000	2,100	1,665	435
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>167,990</u>	<u>293,879</u>	<u>161,669</u>	<u>132,210</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,645)</u>	<u>(2,645)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,645)</u>	<u>(2,645)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>676</u>	<u>676</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,969)</u>	<u>\$ (1,969)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2,645	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>-</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
DISCRETIONARY IDEA-B SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement B-7

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	54,222	54,222
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>54,222</u>	<u>54,222</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>54,222</u>	<u>54,222</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>54,222</u>	<u>54,222</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(65,219)</u>	<u>(65,219)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,997)</u>	<u>\$ (10,997)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(54,222)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
COMPETITIVE IDEA-B SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement B-8

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
PRESCHOOL IDEA-B SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement B-9

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	9,449	3,877	(5,572)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>9,449</u>	<u>3,877</u>	<u>(5,572)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	8,649	4,377	4,272
Support Services				
Students	-	800	-	800
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>9,449</u>	<u>4,377</u>	<u>5,072</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>(500)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>(500)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (500)</u>	<u>\$ (500)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			500	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

DULCE INDEPENDENT SCHOOLS

FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	16,100	16,024	(76)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>16,100</u>	<u>16,024</u>	<u>(76)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	16,100	16,024	76
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>16,100</u>	<u>16,024</u>	<u>76</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

DULCE INDEPENDENT SCHOOLS

21ST CENTURY COMMUNITY LEARNING CENTERS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	330,000	440,745	278,356	(162,389)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>330,000</u>	<u>440,745</u>	<u>278,356</u>	<u>(162,389)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	424,070	490,144	298,748	191,396
Support Services				
Students	8,547	44,319	39,220	5,099
Instruction	-	-	-	-
General Administration	-	8,899	7,603	1,296
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	12,784	(12,784)
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>432,617</u>	<u>543,362</u>	<u>358,355</u>	<u>185,007</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(102,617)</u>	<u>(102,617)</u>	<u>(79,999)</u>	<u>22,618</u>
<i>Other financing sources (uses):</i>				
Designated cash	102,617	102,617	-	(102,617)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>102,617</u>	<u>102,617</u>	<u>-</u>	<u>(102,617)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(79,999)</u>	<u>(79,999)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,356)</u>	<u>(2,356)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (82,355)</u>	<u>\$ (82,355)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			83,845	
Adjustments to expenditures			(3,846)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
ENHANCING ED THRU TECH SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement B-12

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

DULCE INDEPENDENT SCHOOLS

TITLE V PART A INNOVATIVE ED PRO STRATEGIES SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	1,150	1,150
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,150</u>	<u>1,150</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,150</u>	<u>1,150</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,150</u>	<u>1,150</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,150)</u>	<u>(1,150)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(1,150)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

DULCE INDEPENDENT SCHOOLS

ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	32,647	16,836	(15,811)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>32,647</u>	<u>16,836</u>	<u>(15,811)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	32,647	26,934	5,713
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>32,647</u>	<u>26,934</u>	<u>5,713</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(10,098)</u>	<u>(10,098)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(10,098)</u>	<u>(10,098)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(14,097)</u>	<u>(14,097)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,195)</u>	<u>\$ (24,195)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			24,195	
Adjustments to expenditures			(14,097)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

DULCE INDEPENDENT SCHOOLS

TEACHER / PRINCIPAL TRAINING / RECRUITING SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	54,789	88,984	62,226	(26,758)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>54,789</u>	<u>88,984</u>	<u>62,226</u>	<u>(26,758)</u>
<i>Expenditures:</i>				
Current:				
Instruction	54,789	63,357	20,085	43,272
Support Services				
Students	-	25,627	19,397	6,230
Instruction	-	-	-	-
General Administration	-	-	7	(7)
School Administration	-	-	450	(450)
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>54,789</u>	<u>88,984</u>	<u>39,939</u>	<u>49,045</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>22,287</u>	<u>22,287</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>22,287</u>	<u>22,287</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(32,780)</u>	<u>(32,780)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,493)</u>	<u>\$ (10,493)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			11,238	
Adjustments to expenditures			(33,525)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

DULCE INDEPENDENT SCHOOLS

SAFE & DRUG FREE SCHOOLS & COMMUNITY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	4,657	4,657	1,015	(3,642)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>4,657</u>	<u>4,657</u>	<u>1,015</u>	<u>(3,642)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	4,657	4,657	1,825	2,832
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,657</u>	<u>4,657</u>	<u>1,825</u>	<u>2,832</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(810)</u>	<u>(810)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(810)</u>	<u>(810)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(465)</u>	<u>(465)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,275)</u>	<u>\$ (1,275)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1,275	
Adjustments to expenditures			(465)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

DULCE INDEPENDENT SCHOOLS

21ST CENTURY COMMUNITY LIVING CENTERS - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	12,832	12,832	1,706	(11,126)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>12,832</u>	<u>12,832</u>	<u>1,706</u>	<u>(11,126)</u>
<i>Expenditures:</i>				
Current:				
Instruction	12,832	12,832	12,832	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>12,832</u>	<u>12,832</u>	<u>12,832</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(11,126)</u>	<u>(11,126)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(11,126)</u>	<u>(11,126)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(58,961)</u>	<u>(58,961)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (70,087)</u>	<u>\$ (70,087)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			70,087	
Adjustments to expenditures			(58,961)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

DULCE INDEPENDENT SCHOOLS

TITLE I SCHOOL IMPROVEMENT SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	159,175	95,165	(64,010)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>159,175</u>	<u>95,165</u>	<u>(64,010)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	159,175	126,434	32,741
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>159,175</u>	<u>126,434</u>	<u>32,741</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(31,269)</u>	<u>(31,269)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(31,269)</u>	<u>(31,269)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(132,667)</u>	<u>(132,667)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (163,936)</u>	<u>\$ (163,936)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			163,936	
Adjustments to expenditures			<u>(132,667)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
READING FIRST SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement B-19

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	(2,480)	2,480	-	(2,480)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>(2,480)</u>	<u>2,480</u>	<u>-</u>	<u>(2,480)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	2,480	2,480	2,193	287
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,480</u>	<u>2,480</u>	<u>2,193</u>	<u>287</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(4,960)</u>	<u>-</u>	<u>(2,193)</u>	<u>(2,193)</u>
<i>Other financing sources (uses):</i>				
Designated cash	4,960	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,960</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,193)</u>	<u>(2,193)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,193)</u>	<u>\$ (2,193)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2,193	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

DULCE INDEPENDENT SCHOOLS

TITLE I IASA FEDERAL STIMULUS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	124,186	247,079	92,325	(154,754)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>124,186</u>	<u>247,079</u>	<u>92,325</u>	<u>(154,754)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	124,186	247,079	101,570	145,509
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>124,186</u>	<u>247,079</u>	<u>101,570</u>	<u>145,509</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,245)</u>	<u>(9,245)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(9,245)</u>	<u>(9,245)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,245)</u>	<u>\$ (9,245)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			9,245	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

DULCE INDEPENDENT SCHOOLS

ENTITLEMENT IDEA-B FEDERAL STIMULUS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	103,566	103,566	86,165	(17,401)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>103,566</u>	<u>103,566</u>	<u>86,165</u>	<u>(17,401)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	97,188	71,789	96,384	(24,595)
Support Services				
Students	6,378	31,777	175	31,602
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>103,566</u>	<u>103,566</u>	<u>96,559</u>	<u>7,007</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(10,394)</u>	<u>(10,394)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(10,394)</u>	<u>(10,394)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,394)</u>	<u>\$ (10,394)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			10,394	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

DULCE INDEPENDENT SCHOOLS

PRESCHOOL IDEA-B FEDERAL STIMULUS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	5,965	5,965	2,723	(3,242)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>5,965</u>	<u>5,965</u>	<u>2,723</u>	<u>(3,242)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	5,965	5,965	1,980	3,985
Support Services				
Students	-	-	743	(743)
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,965</u>	<u>5,965</u>	<u>2,723</u>	<u>3,242</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

DULCE INDEPENDENT SCHOOLS

TITLE XIX JOHNSON O'MALLEY SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	71,253	71,253
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>71,253</u>	<u>71,253</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>71,253</u>	<u>71,253</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>71,253</u>	<u>71,253</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,253</u>	<u>\$ 71,253</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(71,253)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

DULCE INDEPENDENT SCHOOLS

IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	88,727	88,727	82,801	(5,926)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>88,727</u>	<u>88,727</u>	<u>82,801</u>	<u>(5,926)</u>
<i>Expenditures:</i>				
Current:				
Instruction	119,914	119,914	95,404	24,510
Support Services				
Students	49,955	49,955	-	49,955
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>169,869</u>	<u>169,869</u>	<u>95,404</u>	<u>74,465</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(81,142)</u>	<u>(81,142)</u>	<u>(12,603)</u>	<u>68,539</u>
<i>Other financing sources (uses):</i>				
Designated cash	81,142	81,142	-	(81,142)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>81,142</u>	<u>81,142</u>	<u>-</u>	<u>(81,142)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(12,603)</u>	<u>(12,603)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>132,101</u>	<u>132,101</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,498</u>	<u>\$ 119,498</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(119,498)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (132,101)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

DULCE INDEPENDENT SCHOOLS

TITLE XIX MEDICAID 3 / 21 YEARS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	9,550	9,550
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>9,550</u>	<u>9,550</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>9,550</u>	<u>9,550</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>9,550</u>	<u>9,550</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,550</u>	<u>\$ 9,550</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 9,550</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

DULCE INDEPENDENT SCHOOLS

RURAL EDUCATION ACHIEVEMENT PROGRAM SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

DULCE INDEPENDENT SCHOOLS

STATE EQUALIZATION GUARANTEE FEDERAL STIMULUS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	393,264	500,335	500,334	(1)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>393,264</u>	<u>500,335</u>	<u>500,334</u>	<u>(1)</u>
<i>Expenditures:</i>				
Current:				
Instruction	393,264	500,335	500,334	1
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>393,264</u>	<u>500,335</u>	<u>500,334</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
SAVE THE CHILDREN SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement B-28

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	66,129	75,827	9,698
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>66,129</u>	<u>75,827</u>	<u>9,698</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	33,665	83,379	74,880	8,499
Support Services				
Students	-	13,175	650	12,525
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	3,240	-	3,240
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>33,665</u>	<u>99,794</u>	<u>75,530</u>	<u>24,264</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(33,665)</u>	<u>(33,665)</u>	<u>297</u>	<u>33,962</u>
<i>Other financing sources (uses):</i>				
Designated cash	33,665	33,665	-	(33,665)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>33,665</u>	<u>33,665</u>	<u>-</u>	<u>(33,665)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>297</u>	<u>297</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(10,961)</u>	<u>(10,961)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,664)</u>	<u>\$ (10,664)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(10,961)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (10,664)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
GENERAL MILLS FOUNDATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement B-29

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-30

DULCE INDEPENDENT SCHOOLS

CONOCO PHILLIPS SCHOOL GRANT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	10,000	10,000	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	10,000	8,869	1,131
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>10,000</u>	<u>8,869</u>	<u>1,131</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,131</u>	<u>1,131</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,131</u>	<u>1,131</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,131</u>	<u>\$ 1,131</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 1,131</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

DULCE INDEPENDENT SCHOOLS

TECHNOLOGY FOR EDUCATION PED SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	41,793	41,793
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>41,793</u>	<u>41,793</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>41,793</u>	<u>41,793</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>41,793</u>	<u>41,793</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,793</u>	<u>\$ 41,793</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 41,793</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-32

DULCE INDEPENDENT SCHOOLS

INCENTIVES FOR SCHOOL IMPROVEMENT ACT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-33

DULCE INDEPENDENT SCHOOLS

LIBRARIES GO BONDS LAWS OF 2004 SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
INDIAN EDUCATION ACT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement B-34

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-35

DULCE INDEPENDENT SCHOOLS

BEGINNING TEACHER MENTORING PROGRAM SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	3,261	7,340	4,079
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>3,261</u>	<u>7,340</u>	<u>4,079</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	3,261	-	3,261
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3,261</u>	<u>-</u>	<u>3,261</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>7,340</u>	<u>7,340</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>7,340</u>	<u>7,340</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,340</u>	<u>\$ 7,340</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 7,340</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-36

DULCE INDEPENDENT SCHOOLS

BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	8,092	23,845	15,753
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>8,092</u>	<u>23,845</u>	<u>15,753</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	8,092	8,092	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>8,092</u>	<u>8,092</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>15,753</u>	<u>15,753</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>15,753</u>	<u>15,753</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,753</u>	<u>\$ 15,753</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 15,753</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-37

DULCE INDEPENDENT SCHOOLS

SCHOOLS IN NEED OF IMPROVEMENT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-38

DULCE INDEPENDENT SCHOOLS

SCHOOL IMPROVEMENT FRAMEWORK SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	4,000	-	(4,000)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	4,000	3,959	41
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>4,000</u>	<u>3,959</u>	<u>41</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,959)</u>	<u>(3,959)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,959)</u>	<u>(3,959)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,959)</u>	<u>\$ (3,959)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (3,959)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-39

DULCE INDEPENDENT SCHOOLS

KINDERGARTEN THREE PLUS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	52,470	49,479	81,751	32,272
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>52,470</u>	<u>49,479</u>	<u>81,751</u>	<u>32,272</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	52,470	49,479	49,311	168
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>52,470</u>	<u>49,479</u>	<u>49,311</u>	<u>168</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>32,440</u>	<u>32,440</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>32,440</u>	<u>32,440</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(22,531)</u>	<u>(22,531)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,909</u>	<u>\$ 9,909</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(22,536)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 9,904</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-40

DULCE INDEPENDENT SCHOOLS

STATE - 21ST CENTURY LEARNING CENTER SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,077</u>	<u>1,077</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,077</u>	<u>\$ 1,077</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-41

DULCE INDEPENDENT SCHOOLS

STATE DIRECTED ACTIVITIES SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	49,761	49,761	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>49,761</u>	<u>49,761</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	27,269	28,973	(1,704)
Support Services				
Students	-	22,492	14,899	7,593
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>49,761</u>	<u>43,872</u>	<u>5,889</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>5,889</u>	<u>5,889</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>5,889</u>	<u>5,889</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,889</u>	<u>\$ 5,889</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 5,889</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-42

DULCE INDEPENDENT SCHOOLS

INDUSTRIAL ARTS CAREER TECH & VOC ED TRAINING SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	132	132
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>132</u>	<u>132</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>132</u>	<u>132</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>132</u>	<u>132</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(967)</u>	<u>(967)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (835)</u>	<u>\$ (835)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 132</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-43

DULCE INDEPENDENT SCHOOLS

SCHOOL LIBRARY MATERIAL FUND FY 08 SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	2,070	-	(2,070)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>2,070</u>	<u>-</u>	<u>(2,070)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	2,070	1,306	764
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,070</u>	<u>1,306</u>	<u>764</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,306)</u>	<u>(1,306)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,306)</u>	<u>(1,306)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,070</u>	<u>2,070</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 764</u>	<u>\$ 764</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (1,306)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-44

DULCE INDEPENDENT SCHOOLS

MEDICAID HSD SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	26,000	26,000	20,783	(5,217)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>26,000</u>	<u>26,000</u>	<u>20,783</u>	<u>(5,217)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	29,219	29,219	24,580	4,639
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>29,219</u>	<u>29,219</u>	<u>24,580</u>	<u>4,639</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,219)</u>	<u>(3,219)</u>	<u>(3,797)</u>	<u>(578)</u>
<i>Other financing sources (uses):</i>				
Designated cash	3,219	3,219	-	(3,219)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,219</u>	<u>3,219</u>	<u>-</u>	<u>(3,219)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,797)</u>	<u>(3,797)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>30,135</u>	<u>30,135</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,338</u>	<u>\$ 26,338</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (3,797)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
GEAR-UP SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement B-45

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	33,850	32,523	(1,327)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>33,850</u>	<u>32,523</u>	<u>(1,327)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	15,845	49,695	30,674	19,021
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,845</u>	<u>49,695</u>	<u>30,674</u>	<u>19,021</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(15,845)</u>	<u>(15,845)</u>	<u>1,849</u>	<u>17,694</u>
<i>Other financing sources (uses):</i>				
Designated cash	15,845	15,845	-	(15,845)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>15,845</u>	<u>15,845</u>	<u>-</u>	<u>(15,845)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,849</u>	<u>1,849</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(23,266)</u>	<u>(23,266)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,417)</u>	<u>\$ (21,417)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(23,266)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (21,417)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-46

DULCE INDEPENDENT SCHOOLS

SCHOOL BASED HEALTH CENTER SPECIAL REVENUE PROGRAM

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	85,000	85,000	102,570	17,570
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>85,000</u>	<u>85,000</u>	<u>102,570</u>	<u>17,570</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	85,000	85,000	79,153	5,847
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>85,000</u>	<u>85,000</u>	<u>79,153</u>	<u>5,847</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>23,417</u>	<u>23,417</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>23,417</u>	<u>23,417</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(73,837)</u>	<u>(73,837)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,420)</u>	<u>\$ (50,420)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(82,537)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (59,120)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
VALUE OPTIONS DOH SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement B-47

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	18,141	18,141	10,152	7,989
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>18,141</u>	<u>18,141</u>	<u>10,152</u>	<u>7,989</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(18,141)</u>	<u>(18,141)</u>	<u>(10,152)</u>	<u>7,989</u>
<i>Other financing sources (uses):</i>				
Designated cash	18,141	18,141	-	(18,141)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>18,141</u>	<u>18,141</u>	<u>-</u>	<u>(18,141)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(10,152)</u>	<u>(10,152)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>16,072</u>	<u>16,072</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,920</u>	<u>\$ 5,920</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (10,152)</u>	

The accompanying notes are an integral part of these financial statements

CAPITAL PROJECTS FUNDS

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CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District has the following separate funds classified as 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.

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.

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STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2010

Statement C-1

	Special Capital Outlay - Federal 31500	Public School Capital Outlay - 20% 32100	Total
ASSETS			
<i>Current Assets</i>			
Cash and temporary investments	\$ 277,250	\$ 99	\$ 277,349
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	-
Interfund receivables	-	-	-
Other	75,375	-	75,375
Inventory	-	-	-
<i>Total assets</i>	<u>352,625</u>	<u>99</u>	<u>352,724</u>
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities:</i>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Accrued compensated absences	-	-	-
Interfund payables	-	-	-
Deferred revenue - property taxes	-	-	-
Deferred revenue - other	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>			
Fund Balance:			
Reserved:			
Reserved for inventory	-	-	-
Reserved for debt service	-	-	-
Reserved for capital projects	352,625	99	352,724
Unreserved:			
Designated for subsequent year's expenditures	-	-	-
Undesignated, reported in			
General Fund	-	-	-
Special Revenue Funds	-	-	-
<i>Total fund balance</i>	<u>352,625</u>	<u>99</u>	<u>352,724</u>
<i>Total liabilities and fund balance</i>	<u>\$ 352,625</u>	<u>\$ 99</u>	<u>\$ 352,724</u>

The accompanying notes are an integral part of these financial statements.

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STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDING JUNE 30, 2010

Statement C-2

	Special Capital Outlay - Federal 31500	Public School Capital Outlay - 20% 32100	Total
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
State grants	-	-	-
Federal grants	75,375	-	75,375
Miscellaneous	-	-	-
Interest	5	-	5
<i>Total revenues</i>	75,380	-	75,380
<i>Expenditures:</i>			
Current:			
Instruction	-	-	-
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	-	-	-
Community Service	-	-	-
Capital outlay	-	41,352	41,352
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	-	41,352	41,352
<i>Excess (deficiency) of revenues over (under) expenditures</i>	75,380	(41,352)	34,028
<i>Other financing sources (uses):</i>			
Operating transfers	-	-	-
Proceeds from bond issues	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net changes in fund balances</i>	75,380	(41,352)	34,028
<i>Fund balances - beginning of year</i>	277,245	41,451	318,696
<i>Fund balances - end of year</i>	\$ 352,625	\$ 99	\$ 352,724

The accompanying notes are an integral part of these financial statements.

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STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
BOND BUILDING CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement C-3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	10,605	10,605
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>10,605</u>	<u>10,605</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	8,600,306	8,600,306	4,357,479	4,242,827
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,600,306</u>	<u>8,600,306</u>	<u>4,357,479</u>	<u>4,242,827</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(8,600,306)</u>	<u>(8,600,306)</u>	<u>(4,346,874)</u>	<u>4,253,432</u>
<i>Other financing sources (uses):</i>				
Designated cash	8,600,306	8,600,306	-	(8,600,306)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
Bond Premiums	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>8,600,306</u>	<u>8,600,306</u>	<u>-</u>	<u>(8,600,306)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(4,346,874)</u>	<u>(4,346,874)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,433,699</u>	<u>10,433,699</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,086,825</u>	<u>\$ 6,086,825</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			147,479	
Adjustments to expenditures			<u>(34,013)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (4,233,408)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
SPECIAL CAPITAL OUTLAY - FEDERAL CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement C-4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	5	5
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	276,001	276,001	-	276,001
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>276,001</u>	<u>276,001</u>	<u>-</u>	<u>276,001</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(276,001)</u>	<u>(276,001)</u>	<u>5</u>	<u>276,006</u>
<i>Other financing sources (uses):</i>				
Designated cash	276,001	276,001	-	(276,001)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
Bond Premiums	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>276,001</u>	<u>276,001</u>	<u>-</u>	<u>(276,001)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>277,245</u>	<u>277,245</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,250</u>	<u>\$ 277,250</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			75,375	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>75,380</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
CAPITAL IMPROVEMENTS HB-33 CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement C-5

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ 260,853	\$ 260,853	\$ 156,576	\$ (104,277)
Oil & Gas Taxes	3,719,635	3,719,635	1,633,127	(2,086,508)
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	100,000	100,000	4,117	(95,883)
<i>Total revenues</i>	<u>4,080,488</u>	<u>4,080,488</u>	<u>1,793,820</u>	<u>(2,286,668)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	1,569	(1,569)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	7,580,745	7,580,745	1,271,834	6,308,911
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,580,745</u>	<u>7,580,745</u>	<u>1,273,403</u>	<u>6,307,342</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,500,257)</u>	<u>(3,500,257)</u>	<u>520,417</u>	<u>4,020,674</u>
<i>Other financing sources (uses):</i>				
Designated cash	3,500,257	3,500,257	-	(3,500,257)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
Bond Premiums	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,500,257</u>	<u>3,500,257</u>	<u>-</u>	<u>(3,500,257)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>520,417</u>	<u>520,417</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,561,400</u>	<u>3,561,400</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,081,817</u>	<u>\$ 4,081,817</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			73,206	
Adjustments to expenditures			(2,228)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 591,395</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
SB-9 CAPITAL PROJECT FUND

Statement C-6

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ 130,426	\$ 130,426	\$ 155,844	\$ 25,418
Oil & Gas Taxes	1,859,817	1,859,817	1,281,317	(578,500)
State grants	-	18,470	50,823	32,353
Federal grants	-	-	-	-
Miscellaneous	-	-	4,996	4,996
Interest	1,000	1,000	11	(989)
<i>Total revenues</i>	<u>1,991,243</u>	<u>2,009,713</u>	<u>1,492,991</u>	<u>(516,722)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	1,561	(1,561)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	2,859,637	2,442,158	2,331,038	111,120
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,859,637</u>	<u>2,442,158</u>	<u>2,332,599</u>	<u>109,559</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(868,394)</u>	<u>(432,445)</u>	<u>(839,608)</u>	<u>(407,163)</u>
<i>Other financing sources (uses):</i>				
Designated cash	868,394	432,445	-	(432,445)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
Bond Premiums	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>868,394</u>	<u>432,445</u>	<u>-</u>	<u>(432,445)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(839,608)</u>	<u>(839,608)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>432,444</u>	<u>432,444</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (407,164)</u>	<u>\$ (407,164)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2,612	
Adjustments to expenditures			(53,475)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (890,471)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
PUBLIC SCHOOL CAPITAL OUTLAY 20% CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2010

Statement C-7

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	242,935	41,452	41,352	100
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>242,935</u>	<u>41,452</u>	<u>41,352</u>	<u>100</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(242,935)</u>	<u>(41,452)</u>	<u>(41,352)</u>	<u>100</u>
<i>Other financing sources (uses):</i>				
Designated cash	242,935	41,452	-	(41,452)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>242,935</u>	<u>41,452</u>	<u>-</u>	<u>(41,452)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(41,352)</u>	<u>(41,352)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>41,451</u>	<u>41,451</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ 99</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (41,352)</u>	

The accompanying notes are an integral part of these financial statements

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DEBT SERVICE FUND

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STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
DEBT SERVICE FUND

Statement D-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2010

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 255,250	\$ 255,250	\$ 413,784	\$ 158,534
Oil & Gas Taxes	4,849,601	4,849,601	3,523,520	(1,326,081)
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	20,000	20,000	33	(19,967)
<i>Total revenues</i>	<u>5,124,851</u>	<u>5,124,851</u>	<u>3,937,337</u>	<u>(1,187,514)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	2,550	2,550	4,145	(1,595)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service Reserve	1,951,986	1,951,986	-	1,951,986
Debt service Principal	3,115,000	3,115,000	3,115,000	-
Debt service Interest	1,989,851	1,989,851	1,989,851	-
Debt service Bond Issuance Costs	-	-	-	-
<i>Total expenditures</i>	<u>7,059,387</u>	<u>7,059,387</u>	<u>5,108,996</u>	<u>1,950,391</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,934,536)</u>	<u>(1,934,536)</u>	<u>(1,171,659)</u>	<u>762,877</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,934,536	1,934,536	-	(1,934,536)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
Bond Underwriter Premium	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,934,536</u>	<u>1,934,536</u>	<u>-</u>	<u>(1,934,536)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,171,659)</u>	<u>(1,171,659)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,864,654</u>	<u>1,864,654</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 692,995</u>	<u>\$ 692,995</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			39,076	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (1,132,583)</u>	

The accompanying notes are an integral part of these financial statements

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
AGENCY FUNDS

Schedule I

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2010

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Class of 2011	\$ 2,570	\$ 6,223	\$ 6,762	\$ 2,031
Class of 2012	1,713	2,017	509	3,220
Class of 2013	56	737	-	793
Class of 2010	4,744	3,022	6,973	792
Prior Grads	8,724	-	-	8,724
Class of 2009	744	-	-	744
Soccer Club	276	1,550	1,246	580
NMPSIA	-	607,830	521,156	86,674
MS Activity	5,492	844	960	5,376
MS Basketball	259	2,646	140	2,765
MS Student Council	10,262	6,224	11,028	5,458
Transportation	-	49,647	17,896	31,750
MS Library	731	209	75	864
FFA	4,005	2,356	2,961	3,400
HS Library	4,241	643	-	4,885
HS Cheerleaders	1,284	2,308	3,395	197
HS Student Council	1,227	3,220	4,222	225
Elementary Library	6,653	9,439	9,850	6,242
German Club	2,785	21,443	23,999	229
HS Girls Track	106	1,671	1,777	-
Dreams	2,800	138	-	2,938
Honor Society	369	5	-	374
JOM Music	1,360	-	1,200	160
HS Football	3,504	8,053	8,559	2,999
Elementary Activity	8,722	12,529	9,882	11,370
HS Activity	11,054	914	9,870	2,097
Administrative	2,140	1,354	2,044	1,449
Young Authors	2,576	-	2,490	86
HS Boys BB	7,137	3,049	4,492	5,694
HS Volleyball	1,694	5,208	4,881	2,021
HS Girls BB	1,822	4,265	5,606	481
Ski Club	719	3,197	2,995	921
MS Closeup	195	3,068	2,928	335
Total All Schools	\$ 99,961	\$ 763,810	\$ 667,897	\$ 195,873

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2010

Schedule II

Name of Depository	Description of Pledged Collateral	Fair / Par Market Value June 30, 2010	Name and Location of Safekeeper
Wells Fargo Bank	FED NATL MTG ASSN POOL #831571 CUSIP #31407H2C9 6.0%, Due 07/1/2036	\$ 789,352	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FED NATL MTG ASSN POOL #884348 CUSIP #31410BP99 6.0%, Due 05/1/2036	981,643	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FED NATL MTG ASSN POOL #888021 CUSIP #31410FSJ5 6.0%, Due 12/1/2036	3,588,368	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FED NATL MTG ASSN POOL #915574 CUSIP #31411VFP9 6.0%, Due 04/1/2037	315,893	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FED NATL MTG ASSN POOL #962453 CUSIP #31414CWN4 6.0%, Due 04/1/2038	281,292	Wells Fargo Bank Northwest, NA
Total Wells Fargo Bank		<u>\$ 5,956,548</u>	

The accompanying notes are and integral part of these financial statements

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2010

Schedule III

Bank Account Type	Wells Fargo Bank	Totals
Checking - General Account	\$ 4,126,135	\$ 4,126,135
Checking - Activity	201,233	201,233
Checking - Bradbury Stamm Construction Trustee	446,469	446,469
Investments Accounts	8,991,974	8,991,974
Total On Deposit	13,765,811	13,765,811
Reconciling Items	(609,730)	(609,730)
Reconciled Balance June 30, 2010	<u>\$ 13,156,081</u>	<u>\$ 13,156,081</u>
Less: Fiduciary Funds Cash		<u>(195,873)</u>
Cash per Government-wide Financial Statements		<u>\$ 12,960,208</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULDE INDEPENDENT SCHOOLS
CASH RECONCILIATION
JUNE 30, 2010

	Operational Account 11000	Teacherage Account 12000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000
Cash, June 30, 2009	\$ 952,824	\$ 30,396	\$ 132,600	\$ 32,638	\$ 108,097
Add:					
2009-10 revenues	6,171,068	107,100	167,472	26,400	371,137
LGIP Investments	-	-	-	-	-
Loans from other funds	-	-	-	-	-
Total cash available	7,123,892	137,496	300,072	59,038	479,234
Less:					
2009-10 expenditures	(6,120,044)	(73,638)	(167,472)	(24,886)	(252,467)
Other Adjustments	-	10	-	-	-
Transfers to/from other funds	(9,593)	-	-	-	-
Loans to other funds	(638,885)	-	-	-	-
Change due to held checks and and liabilities	138,394	-	-	-	-
Cash, June 30, 2010	<u>\$ 493,764</u>	<u>\$ 63,868</u>	<u>\$ 132,600</u>	<u>\$ 34,152</u>	<u>\$ 226,767</u>

The accompanying notes are an integral part of these financial statements.

Athletics Account 22000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000
\$ 8,623	\$ (299,829)	\$ 581,471	\$ (20,554)	\$ 49,834
48,418	1,167,274	1,402,312	85,827	204,622
-	-	-	-	-
-	251,440	-	10,664	4,794
57,041	1,118,885	1,983,783	75,937	259,250
(29,596)	(1,279,259)	(1,091,841)	(84,399)	(106,540)
-	(168)	89,831	-	(57,690)
-	-	-	9,593	-
-	-	-	-	(15,753)
-	-	-	-	-
<u>\$ 27,445</u>	<u>\$ (160,542)</u>	<u>\$ 981,773</u>	<u>\$ 1,131</u>	<u>\$ 79,267</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULDE INDEPENDENT SCHOOLS
CASH RECONCILIATION
JUNE 30, 2010

	State Direct 28000	Local / State 29000	Bond Building 31100	Special Capital Outlay Federal 31500
Cash, June 30, 2009	\$ 6,869	\$ (57,765)	\$ 4,464,096	\$ 277,245
Add:				
2009-10 revenues	53,306	102,570	10,605	5
LGIP Investments	-	-	5,969,603	0
Loans from other funds	21,417	50,420	-	-
Total cash available	81,592	95,225	10,444,304	277,250
Less:				
2009-10 expenditures	(55,254)	(89,305)	(4,357,479)	-
Repayment of loans	-	-	-	-
Transfers to other funds	-	-	-	-
Loans to other funds	-	-	(91,261)	-
Change due to held checks and and liabilities	-	-	-	-
Cash, June 30, 2010	<u>\$ 26,338</u>	<u>\$ 5,920</u>	<u>\$ 5,995,564</u>	<u>\$ 277,250</u>

The accompanying notes are an integral part of these financial statements.

Cap. Improv. HB 33 31600	Cap. Improv. SB 9 31700	Publid School Capital Outlay 20% 32100	Debt Service Fund 41000	Total
\$ 539,029	\$ 432,444	\$ 41,451	\$ 1,864,654	\$ 9,144,123
1,793,820	1,492,991	-	3,937,337	17,142,264
3,022,371	-	-	-	8,991,974
-	407,164	-	-	745,899
5,355,220	2,332,599	41,451	5,801,991	36,024,260
(1,273,403)	(2,332,599)	(41,352)	(5,108,996)	(22,488,530)
-	-	-	-	31,983
-	-	-	-	-
-	-	-	-	(745,899)
-	-	-	-	138,394
<u>\$ 4,081,817</u>	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ 692,995</u>	<u>\$ 12,960,208</u>

The accompanying notes are an integral part of these financial statements.

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COMPLIANCE SECTION

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GPS Griego Professional Services, LLC

Certified Public Accountants

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

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Dulce Independent Schools
Dulce, New Mexico

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information consisting of the aggregate nonmajor governmental fund column and the fiduciary fund column in the fund financial statements and the budgetary comparisons of the general and major special revenue fund of Dulce Independent Schools, New Mexico, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 3, 2010. We also have audited the financial statements of each of the District's nonmajor governmental funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents, and have issued our report thereon dated December 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. FS 07-03, FS 07-11 and FS 10-01. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dulce Independent Schools, New Mexico'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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items FS 07-03, FS 07-11, FS 10-01, FS 10-02, FS 10-03 and FS 10-04.

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 agency's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, others within the organization, the audit committee, the Office of the State Auditor, New Mexico State Legislature, New Mexico Public Education Department, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Grigo Professional Services, LLC". The signature is written in black ink and is positioned to the left of a vertical yellow line.

Albuquerque, New Mexico
December 3, 2010

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FEDERAL FINANCIAL ASSISTANCE

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Griego Professional Services, LLC

Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Dulce Independent Schools
Dulce, New Mexico

Compliance

We have audited the compliance of Dulce Independent Schools, New Mexico, 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, 2010. Dulce Independent Schools, New Mexico's major federal programs are identified in the summary of auditors' 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 Dulce Independent Schools, New Mexico's management. Our responsibility is to express an opinion on Dulce Independent Schools, New Mexico's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dulce Independent Schools, New Mexico'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 Dulce Independent Schools, New Mexico's compliance with those requirements.

In our opinion, Dulce Independent Schools, New Mexico 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, 2010.

Internal Control Over Compliance

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

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A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Office of the State Auditor, New Mexico State Legislature, New Mexico Public Education Department, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Grigo Professional Services, LLC

Albuquerque, New Mexico
December 3, 2010

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STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Schedule V
(Page 1 of 3)

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
U.S. Department of Education			
<i>Passthrough State of New Mexico Department of Education</i>			
Title I (1)	24101	84.010	328,570
IDEA B - Entitlement	24106	84.027	161,669
IDEA B - Pre School	24109	84.173	4,377
21st Century (1)	24119	84.287C	362,201
Title III English Language Acquisition	24153	84.365A	41,031
Title IIA Teacher / Principal Training	24154	84.367A	73,464
Title IV Safe & Drug Free Schools	24157	84.186A	2,290
21st Century-Federal Stimulus (1)	24159	84.287	71,793.00
Title I Improvement (1)	24162	84.010	259,101
Reading First	24167	84.357A	2,193
Title I ASA-Federal Stimulus (1)	24201	84.389	101,570
Entitlement IDEA-B Federal Stimulus	24206	84.391	96,559
Preschool IDEA-B Federal Stimulus	24209	84.392	2,723
State Equalization Guarantee Recovery Act (1)	25250	84.394	500,334
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>2,007,875</u>
<i>Direct U.S. Department of Education</i>			
Impact Aid (1)	11000	84.041	2,953,494
Impact Aid - Special Education (1)	25145	84.041	95,404
Impact Aid - Indian Education (1)	25147	84.041	496,103
<i>Subtotal - Direct U.S. Department of Education</i>			<u>3,545,001</u>
Total U.S. Department of Education			<u>5,552,876</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Schedule V
(Page 2 of 3)

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
U.S. Department of Agriculture			
<i>Direct U.S. Department of Agriculture</i>			
Forest Reserve	11000	10.672	<u>128,803</u>
<i>Subtotal - Direct U.S. Department of Agriculture</i>			<u>128,803</u>
<i>Passthrough State of New Mexico Department of Education</i>			
Fresh Fruits & Vegetables	24118	10.582	16,024
National School Breakfast (1)	21000	10.553	107,683
School Lunch Program (1)	21000	10.555	<u>397,427</u>
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>521,134</u>
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities)	21000	10.550	<u>17,401</u>
<i>Subtotal - Passthrough State of New Mexico Department of Health and Human Services</i>			<u>17,401</u>
Total U.S. Department of Agriculture			<u>667,338</u>
Total Federal Financial Assistance			<u><u>\$ 6,220,214</u></u>

(1) Denotes Major Federal Financial Assistance Program

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Schedule V
(Page 3 of 3)

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Los Lunas Schools (District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Subrecipients

The District did not provide any federal awards to subrecipients during the year.

3. Non Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2010 was \$17,401 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550. Commodities are recorded as revenues and expenditures in the food service fund.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 6,220,214
Total expenditures funded by other sources	<u>16,836,922</u>
Total expenditures	<u><u>23,057,136</u></u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

Section I – Summary of Audit Results

Financial Statements:

1. Type of auditors’ report issued	Unqualified
2. Internal control over financial reporting:	
a. Material weakness identified?	No
b. Significant deficiencies identified?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards:

1. Internal control over major programs:	
a. Material weakness identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
c. Control deficiencies identified not considered to be significant deficiencies?	No
2. Type of auditors’ report issued on compliance for major programs	Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No
4. Identification of major programs:	

CFDA Number	Federal Program
84.010/84.389	Title I –IASA
84.394	State Equalization Guarantee Recovery Act
84.287	21 st Century Community Learning Center
10.553/10.555	National School Lunch
84.041	Impact Aid

5. Dollar threshold used to distinguish between type A and type B programs:	\$300,000
6. Auditee qualified as low-risk auditee?	Yes

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

Section II – Financial Statement Findings

FS 07-03 Cash Not Reconciled

Condition: The District was unable to reconcile the bank statements to the general ledger.

Criteria: In accordance with 1978 NMSA 6-10-2, all public monies are to be recorded 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: Client had difficulties with prior year balances not reconciling to their balances and had to go back to previous months to try and reconcile the bank statements because they were not done in the past.

Auditor's Recommendation: We recommend the District's use the balance at the current year end and reconcile the bank statements every month in a timely matter to ensure that the reconciled balances will reconcile to the bank statements every month.

Management's Response: The District will use the audited balance and reconcile bank statements monthly.

FS 07-11 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 of 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 principles.

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.

Auditor's Recommendation: We recommend the District's accounting management receive training relating to the preparation fo 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 principles to the financial statements.

Management's Response: The Business Manager will receive training relating to the preparation of District's Financial Statements in accordance with generally accepted accounting principles. The Business Manager has the skills and knowledge to apply accounting principles to the financial statements. Her Bachelor's Degree in Accounting and MBA has given her the knowledge to understand GAAP.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

FS 10-01: Noncompliance with Budget Requirements

Condition: The District had expenditure functions where actual expenditures exceeded budgetary authority in the following fund.

Major Funds:

Debt Service	
Support Services	\$ 1,595

Nonmajor Funds:

21 st Century Community Learning Centers	
Student Transportation	6,389
Preschool IDEA-B Federal Stimulus	
Support Services	743
State Directed Activities	
Instruction	1,704
Entitlement IDEA-B Federal Stimulus	
Instruction	<u>24,595</u>

Total All Funds	<u>\$ 35,026</u>
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Criteria: According to 6.20.2.14 (E) NMAC, each school district shall verify that there is sufficient cash and budget prior to disbursement of cash. When it becomes apparent that the line item expenditures will exceed the budget amount, a budget line item transfer should be approved by the governing body in order to comply with state budgeting requirements applicable to school districts, 22-8-6 to 22-8-12 NMSA 1978. Deficit budget is not allowed. The “designated cash” must be available at the end of the prior fiscal year to cover the deficit created when budgeted expenditures exceed budgeted revenues.

Effect: The District is in violation of 6.20.2.14 (E) NMAC, which requires each fund to disburse money for its specific purpose in accordance with its budget. The District has not complied with the requirement to ensure adequate cash is available for budgeted expenditures. This could result in budgeting cash that is not available.

Cause: The District did not make the appropriate budgetary transfers to alleviate the over-expenditure.

Auditor’s Recommendation: The District should establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Management’s Response: The Dulce District has established policy to monitor budgets on a quarterly basis to ensure no deficits occur. Year end reviews will occur to and necessary budget adjustments will be made timely.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

FS 10-02 Cash Receipts

Condition: During our audit, we noted 2 of the 25 receipts tested totaling \$3,290 was not deposited within 24 hours of receipt as required by State Statute 6-10-2 NMSA, 1978.

Criteria: NMAS 6.20.2.14 states that a School District shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the Office of Management and Budget (OMB) Circular 102, and applicable state and federal laws and regulations.

Cause: Lack of Internal Controls made it difficult for the District to consistently have timely deposits.

Effect: Without timely deposits, the District's funds are subject to misappropriation and the District is not compliant with State requirements.

Auditor's Recommendations: We recommend the District cross-train employees so more than one individual is able to make deposits, to ensure daily deposits are possible.

Management Response: The District will cross train staff to make deposits in the absence of key employees. Business Manager will monitor that deposits are made daily.

FS-10-03 Lack of Supporting Documentation – Cash Receipts

Condition: During our test work we found 6 instances of the 25 Cash receipts tested that did not have enough supporting documentation attached.

Criteria: NMAC 6.2.2.24 (c) Other Administrative Standards states that school district records shall be in accordance with the Public Records Act, Section 14-3-1, NMSA 1978 and should be available for review by auditors.

Cause: Lack of internal controls over cash receipts contributed to the lack of supporting documentation.

Effect: Not having supporting documentation could make the District more vulnerable to incidents of fraud.

Auditor Recommendation: We recommend that personnel in charge of documents review the proper procedures for maintaining documents, seek to establish better controls over the handling of these documents, and monitor supporting documentation for accuracy in order to safeguard against fraud.

Management Response: Cash receipts will have proper documentation at the time of receipt. One folder will be kept for Activity Funds receipt Documentation. Business Manager will monitor this file for accuracy and proper documentation.

STATE OF NEW MEXICO
DULCE INDEPENDENT SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

FS 10-04 Late Audit Report

Condition: The District's audit report for the year ended June 30, 2010 was not submitted by the required due date, November 15, 2010.

Criteria: Audit reports not received on or before the due date, November 15, are considered to be in non-compliance with requirements of Section 2.2.2.9.A of the State Audit Rule.

Effect: The submission of late audit reports may adversely affect funding, bond ratings and possibly effect compliance requirements.

Cause: The District's cash was not reconciling to the bank statements because management had to go back and reconcile previous months cash differences that prior management was not reconciling, and so there was a delay in getting the cash to reconcile which resulted in the audit report being submitted late.

Auditor's Recommendation: We recommend that the District's management continue to reconcile the bank statements timely so that at year end the cash balance will tie to the bank statements.

Management's Response: Management has been in the process of reconciling four years worth of bank statements for four banks. The reconciling is complete but cash has not tied. The remaining balance must be adjusted for prior year. As of July 31, 2010 the banks do reconcile with the prior period adjustment.

Section III – Federal Award Findings

None

Section IV – Prior Year Audit Findings

FS 07-03 Cash Not Reconciled-Revised and Repeated
FS 07-06 Missing Information from Employee Files-Resolved
FS 07-11 Preparation of Financial Statements-Repeated
FS 09-01 Lack of Pledged Collateral-Resolved

Section V – Other Disclosures

Auditor Prepared Financials

The financial statements presented in this report were prepared by the auditors, Griego Professional Services, LLC.

Exit Conference

The contents of this report were discussed on January 4, 2011. The following individuals were in attendance.

Dulce Independent Schools
David Montoya, Board President
Joanna Dykehouse, Board Vice President
James Leshner, Interim Superintendent
Naomi Vicenti, Business Manager
Rhonda Stroup, Payroll Personnel
Mary Jane Maestas, Board Secretary
Beverly Martinez, Accounts Payable Clerk

Griego Professional Services, LLC
J.J. Griego, CPA
Rufino Rodriguez