

**STATE OF NEW MEXICO**

**DULCE INDEPENDENT SCHOOLS**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2012**

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## **INTRODUCTORY SECTION**

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STATE OF NEW MEXICO  
Dulce Independent Schools  
ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2012

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparison statement of the General Fund and the major special revenue fund activities of Dulce Independent Schools as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons of the Bond Building, Capital Improvements HB-33, Debt Service fund and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012 as listed in the table of contents. These financial statements are the responsibility of Dulce Independent Schools management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Dulce Independent Schools, as of June 30, 2012, and the respective changes in financial position, thereof and the respective budgetary comparison statements for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Dulce Independent Schools as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparison statements for each nonmajor governmental fund and the budgetary comparison for the major capital project funds, the major debt service fund and the remaining nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Where Quality & Accuracy Count*

6565 Americas Parkway NE, Ste 670  
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In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2012 on our consideration of the Dulce Independent Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 15-22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards (Schedule IV) is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Government, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Precision Accounting, LLC  
Albuquerque, New Mexico  
August 15, 2012

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**State of New Mexico**  
Dulce Independent Schools  
Management's Discussion and Analysis

June 30, 2012

This Management Discussion and Analysis of the fiscal performance of the Dulce Independent School District for the period ending June 30, 2012 is an objective and easily readable discussion of the District's financial activities. This information aligns with requirements of the Governmental Accounting Standards Board (GASB) that establishes accounting and reporting standards for governmental entities. With the issuance of GASB's Statement 34, a written narrative discussion and analysis of the financial performance of the District is included.

The discussion and analysis, as well as the Statement of Net Assets and Statement of Activities, provide a review of the District's overall financial activities, using the accrual basis of accounting, for the year ending June 30, 2012. Fund financial statements are reported on a modified accrual basis of accounting. Rather than looking at specific areas of performance, this discussion and analysis focuses on the financial performance of the District as a whole. Whenever possible this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other resource information.

In addition to the new reporting, this annual report consists of a series of detailed, audited financial statements and the notes to those statements. Also included is the Independent Auditor's Report, The Independent Auditor's 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, Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB circular A-133, and a Schedule of Findings and Questioned Costs.

**About Dulce Independent Schools**

To completely understand the financial discussion of DULCE INDEPENDENT SCHOOL DISTRICT, it is important to understand the nature of the District. The District has one high school, one middle school, one elementary school. The District has one major tribal land within our boundaries, the Jicarilla Apache Nation. Our District is spread out from the Gobernador, at Rio Arriba County on the West Boundary; to Amargo Hill on the East side; to the Colorado Border on the North; and Hwy 550 on the South.. The District has approximately 700 students and 120 employees. The District contracts for Food Service, Technology, and Facilities Services.

The District has a VISION STATEMENT: "Dulce Graduates will be self-directed, capable, responsible, life-long learners who maintain their cultural identities and creative individualism." and a MISSION STATEMENT: "Our School district will educate, nurture, and strengthen our children to be productive, contributing members of society."

Dulce Independent Schools offer a wide variety of quality educational programs to ensure a comprehensive K-12 educational experience. Current offerings are Vocational Courses in Auto Shop, Culinary Arts , ESL, Accelerated Reader, Reading Recovery, Corrective Reading, AP English, credit recovery using E2020, On-line courses, Video Conferencing/Distance Learning and concurrent enrollment classes with Northern NM University in Espanola.

**State of New Mexico**  
Dulce Independent Schools  
Management's Discussion and Analysis

June 30, 2012

**Introduction**

The financial performance of the Dulce Schools for the fiscal year ended June 30, 2012 will be the subject of this discussion and analysis. The purpose is to look at the financial performance as a whole; however, readers may also utilize the accompanying financial statements and notes for comprehensive information.

**Financial Highlights**

Key events for the fiscal year 2012 are:

- Total Assets of Governmental Activities was \$75,786,389 (Ex. A-1)
- Total Liabilities of Governmental Activities was \$39,090,666 (Ex. A-1)
- Net Assets of Governmental Activities was \$36,695,723 (Ex. A-1).
- General Fund revenues exceeded expenditures by \$199,140.
- The District implemented the State mandates for all teaching tiers; and the 6.13% increase in the employer's contribution for medical insurance.

**Basic Financial Statements**

This annual report introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

**District Wide Financial Statements**

**Statement of Net Assets:**

The Statement of Net Assets is prepared using the accrual method of accounting. This is a District-wide statement including all assets and liabilities. This basis of accounting, similar to private sector business, includes all of the current year's revenues and expenses regardless of when actual cash was received or paid. Differences between assets and liabilities are reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District as a whole is improving or weakening. All categories of the District (assets, liabilities, net assets) remain materially the same as the prior year balances.

**State of New Mexico**  
**Dulce Independent Schools**  
**Management's Discussion and Analysis**

June 30, 2012

**Summary of Statement of Net Assets**

	June 30, 2010	June 30, 2011	June 30, 2012
Assets			
Current Assets	\$ 14,584,435	\$ 14,330,090	\$ 15,994,628
Capital Assets	\$ 73,514,114	\$ 76,031,290	\$ 76,883,428
Less Accumulated Depreciation	\$ (13,507,411)	\$ (15,334,191)	\$(17,345,179)
 Total Assets	<hr/> \$ 74,591,138	<hr/> \$ 75,027,189	<hr/> 75,786,389 <hr/>
 Liabilities			
Accounts payable	\$ 102,422	\$ 98,640	\$ 123,525
Accrued Payroll	\$ 169,926	\$ 144,185	\$ 52,910
Accrued Compensated Absences	\$ 19,318	\$ 20,193	\$ 11,906
 Accrued interest	\$ 600,663.	\$ 322,949	\$ 298,329
Deferred Revenue	\$ 433,022.	\$ 19,717	\$ 474,132
Long Term Liabilities	\$ 3,910,000.	\$ 2,765,000	\$ 2,970,000
Non-Current Liabilities	\$ 38,618,703	\$ 38,403,225	\$ 35,159,864
Total Liabilities	<hr/> \$ 43,854,054.	<hr/> \$ 41,773,909	<hr/> \$ 39,090,666 <hr/>
 Net Assets			
Invested in Capital Assets	\$ 17,310,382	\$ 19,520,911.	\$ 19,185,732
Restricted	\$ 9,227,324	\$ 12,597,649	\$13,837,563
Unrestricted	\$ 4,199,378	\$ 1,134,720	\$ 3,672,428
Total Net Assets	<hr/> \$ 30,737,084	<hr/> \$ 33,253,280	<hr/> \$ 36,695,723 <hr/>

GASB 34 rules now require public entities to depreciate capital assets. The District utilized a "straight line" depreciation method in all cases and standardized lifetime tables in calculating this depreciation. This statement includes an adjusted accumulated depreciation of the District's capital assets in the amount of \$17,345,179.

**State of New Mexico**  
**Dulce Independent Schools**  
**Management's Discussion and Analysis**

June 30, 2012

**Statement of Activities:**

The Statement of (Governmental) Activities is prepared using the accrual method of accounting. This is a District-wide statement that reports how the District's net assets changed during the fiscal year. This report compliments the Statement of Net Assets by showing the overall change in the District's net assets for the fiscal year ending June 30, 2012. The increase is consistent with prior years. Primary contributors to the increase involved additional funding from operating grants as well as other revenue sources.

**Summary of Statement of Activities**

	June 30, 2010	June 30, 2011	June 30, 2012
Revenues for Governmental Activities			
Charges for Services	\$ 69,157	\$ 209,779.	\$ 776,680
Operating Grants and Contributions	\$ 6,547,427	\$ 6,901,541.	\$ 5,777,407
Capital Grants and Contributions	\$ 126,198	\$ 207,300.	\$ 120,991
General Revenues			
Property taxes	\$ 8,575,839	\$ 10,493,785	\$ 9,552,630
Federal and state aid	\$ 2,607,646	\$ 3,252,655	\$ 3,476,624
Other revenues	\$ 44,187	\$ 53,556	\$ 204,339
Total revenues	<u>\$ 11,227,672</u>	<u>\$ 13,692,884</u>	<u>\$ 13,233,593</u>
Expenses			
Instruction	\$ 5,453,334	\$ 7,487,556	\$ 5,778,372
Support services	\$ 7,080,167	\$ 6,449,740	\$ 4,137,168
Food service	\$ 466,263	\$ 449,012	\$ 531,506
Depreciation	\$ 2,027,309	\$ 2,235,879	\$ 3,705,226
Interest on long term debt	<u>\$ 2,279,605</u>	<u>\$ 1,873,121</u>	<u>\$ 1,366,021</u>
Total expenses	<u>17,306,678</u>	<u>\$ 18,495,308</u>	<u>\$ 15,518,293</u>
Prior Period Adjustment	\$ -	\$ -	
Changes in net assets	\$ 663,776	\$ 2,516,196	\$ 4,390,378
Net Assets-Restatement			\$ (947,935)
Changes in net assets – ending	<u>\$ 30,737,084</u>	<u>\$ 33,253,280</u>	<u>\$ 36,695,723</u>

**Fund Financial Statements**

The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. The District uses many funds to account for a multitude of various transactions. Within the basic financial statements, fund financial statements focus only on the District's most significant funds rather than the District as a whole. Fund Financial Statements are based on a modified accrual basis of accounting. Major funds are separately reported while all others are combined; individual non-fund data are presented in later sections of this report. The District's major governmental funds, as defined in GASB 34, are the General Fund, Bond Building, HB-33, Impact Aid Construction, Capital Improvements SB-9 capital project funds, and Debt Service. The Statement of Revenues and Expenditures and Changes in Fund Balances gives the reader a meaningful overall view of the District's revenues, expenditures and changes to the fund balance. Total revenues from State, Local and Federal sources were 19,902,399. Total expenditures for the District were \$17,686,639. The total ending fund balance was \$15,344,061; an increase of \$1,587,633 from the previous year (Ex. B-2).

**State of New Mexico**  
Dulce Independent Schools  
Management's Discussion and Analysis

June 30, 2012

**Governmental Funds**

Governmental funds encompass most of the District's activities and are reported in fund financial statements. These statements focus on short-term periods on how resources flow into and out of those funds and the resources available at the end of the fiscal period. These funds are reported on the modified accrual accounting method that recognizes cash and any other financial assets that can be readily converted. Governmental fund statements and government-wide reporting focus on two different perspectives, short-term and long-term impact, thus the relationship or differences can be understood by reconciling the two different financial statements.

**Governmental Activities**

This statement of activity reports the cost of program services and the charges of services, and the revenues that are received to perform these services. The Statement of Activities (Exhibit A-2) for governmental activities, reports the total cost of services and the net cost of services.

It becomes apparent that dependence upon revenues from the State of New Mexico for governmental activities is significant. The New Mexico legislature and the operation of the Equalization Guarantee Formula for operational funding by the New Mexico Public Education Department have minimized local tax support for public education. This fund pays for teaching staff, instructional support staff, and administrative staff. This represents 52% of the total revenues received in fiscal year 2012. In 2011, the District received 50% from the State Equalization Guarantee Formula.

The State of New Mexico through the Public Education Department establishes annually a "Unit Value" that is used, along with student membership and the Equalization Guarantee Formula factors, to determine the amount of State support to be received by individual districts. The unit Value has increased over the past two years. Funding from the State of New Mexico has slowly increased due to the economic conditions of the state.

**School District Funds**

The District's total governmental funds had revenues of \$19,902,399, and expenditures of \$17,686,639. The net change in the governmental fund balance for the fiscal year increased \$1,587,633. These governmental funds are accounted for using the modified accrual basis of accounting as required by the New Mexico Public Education Department.

**General Fund Budgeting Highlights**

The State of New Mexico school budget process is defined in the New Mexico Statutes (Section 22) and the New Mexico Administrative Code (Section 6). Specific items are further defined in the New Mexico Manual of Procedures for Public School Accounting and Budgeting. The District follows an internal process of budgeting by recognizing the Educational Plan for Student Success and the priorities defined. District management and the Board of Education utilize a continuous improvement model for student success and district improvement. The General Fund is the most significant budgeted fund; other major funds, as defined in GASB 34 are the Bond Building, HB-33, Capital Improvements SB-9 Capital Project funds, and Debt Service Fund.

During the course of the fiscal year, the school district amended its General fund budget as needed. The school district uses a site-based budget, which is tightly controlled, but provides flexibility for site management. The significant change in the general fund was the increase in unit value from \$3,585.97 to \$3,598.87.

The General Fund revenues represent \$7,323,928 of the total \$19,573,110 in overall District revenues (37%).

**State of New Mexico**  
Dulce Independent Schools  
Management's Discussion and Analysis

June 30, 2012

The General Fund is predominately funded by revenues from the State of New Mexico Equalization Guarantee Formula. This fund pays for teaching staff, teaching support staff, special education support staff, and administration staff. Because of the student growth experienced by the School District, an emphasis on schools salaries by the New Mexico Legislature, and because the Equalization Guarantee Formula is based upon student populations, the Operational Fund has experienced increases and decreases in revenues as seen in the following table. In 2009-2010 we were subsidized by Federal Stimulus Funds.

Year	Revenues	Increase %
2007-2008	2,737,042	0
2008-2009	3,353,320	23%
2009-2010	2,622,211	-22%
2010-2011	3,252,655	24%
2011-2012	3,476,624	7%

Because the General Fund is the main fund whose expenditures are significantly related to the educational process, \$7,093,751 was expended in the year ending June 30, 2012. The most significant inter-fund expenditure was for the function noted as "Direct Instruction". This expenditure was \$3,364,473 and represents 48% of all general expenditures. Expenditures included in this function are regular and special education teachers, benefits, payroll taxes, school supplies, training and miscellaneous instructional related contract services.

Instructional Support represents 24% of General Fund expenditures and account for expenditures for school principals, program coordinators, counselors, school nursing staff, librarians, special education ancillary staff and significant support to special education programs through contract ancillary support staff and contract programs.

The Office of the Superintendent and the Business Office represent the overhead support of the entire operations of the District; these programs combined represent 9% of the total General Fund.

Operation of the Plant accounts for 19% of the General Fund expenditures. Included in the Operation of the Plant expenditures are fixed utility costs, Insurance, maintenance and repairs, maintenance supplies. Additional support for maintenance supplies and projects comes from the voter approved SB9 Fund.



**State of New Mexico**  
**Dulce Independent Schools**  
**Management's Discussion and Analysis**

June 30, 2012

**Budget**

The State of New Mexico school budget process is defined under state law and regulation. To enhance the process of developing a budget at the school district level, the District utilizes goals and objectives defined by the District's Board, community input meetings, long term plans and input from various staff groups to develop the District's budget. District priorities are well defined through this process.

GASB 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

Major budgetary funds in these reports are; The General Fund (Operational Fund), Capital Outlay, Debt Service. In addition, twenty eight (25) non-major Special Revenue Funds and five (5) non-major Capital Projects Funds are also reported for their budgetary performance.

**Capital Assets**

Most District facilities are within 10 years old except, some gyms, and Administration Building.

Asset Type	Balance 06/30/08	Balance 06/30/09	Balance 06/30/10	Balance 06/30/11	Balance 06/30/12
Land, Buildings & Improvements	\$48,015,179	\$65,833,512	\$38,000,604	\$71,667,951	\$ 73,197,998
Furniture, Fixtures & Equipment	3,236,176	3,191,793	3,584,038	3,584,038	3,685,430
Total Capital Assets	51,251,355	69,025,305	41,284,516	75,251,989	76,883,428
Less Accumulated Depreciation	(14,681,432)	(11,714,222)	(13,507,411)	(15,334,191)	17,345,179
Capital Assets-Net	\$36,569,923	\$57,311,083	\$59,750,382	\$60,405,911	\$59,538,249

In the fiscal year ending June 30, 2012 the Statement of Revenues and Expenditures and Changes in Fund Balances shows the District expended \$1,779,611 for capital outlays. A new High School was built in 2009.

**State of New Mexico**  
Dulce Independent Schools  
Management's Discussion and Analysis

June 30, 2012

**General Long Term Debt**

Article IX, Section 11 of the New Mexico Constitution limits the power of a school district to incur general obligation debt beyond a school year unless such debt is for "the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public classrooms or any combination of these purposes." The approval of debt is subject to a vote of the local electors and may not exceed 6% of the assessed valuation of the taxable property within the District.

The School District has never defaulted on any of its debts or other obligations. Listed below is the District's payment schedule for total general obligation debt as of June 30, 2012.

Year Ended June 30	Principal	Interest	Totals
2013	2,970,000	1,437,866	4,407,866
2014	2,880,000	1,323,418	4,203,418
2015	2,985,000	1,213,044	4,198,044
2016-2026	29,060,000	4,959,518	34,019,518
Total	37,895,000	8,933,846	46,828,846

**Agency Funds**

The District, as a custodian, maintains and monitors special funds on the behalf of school activity groups. Agency funds maintained by the District are to benefit a specific activity or interest and are generally raised by students for student use. The custody and use of these funds are in accordance with Public Education Department Regulations and School District Policy.

**Future Trends**

The Dulce Independent School District's capital assets, particularly the buildings and grounds are currently not serving the needs of the district. The District is anticipating expanding the Dulce Middle and changing the Middle School to serve K-6. The 7-8 graders will be moved to the High School. The District would be moving from three campuses to two campuses. This would assist with reductions in operating costs. Enrollment figures have been very consistent with projection. We have had and will continue to have growth in enrollment. The district maintains an A2 bond rating, and was successful in a bond election and a 2 mil Senate Bill 9 election in February, 2009. In general our financial condition remains stable. The School District contacts are Mr. James Leshner, Superintendent, and Naomi Vicenti, Business Manager at 575-759-2909 or at 113 Hawk Drive, Dulce, N. M. 87528.

**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

Exhibit A-1  
(Page 1 of 2)

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 15,092,370
Taxes Receivables	226,253
Due from other Governments	652,560
Other receivables	20,700
Inventory	2,745
Total current assets	<u>15,994,628</u>
Noncurrent assets:	
Bond issuance costs (net of amortization of \$211,671)	253,512
Capital assets:	
Other capital assets	76,883,428
Less accumulated depreciation	<u>(17,345,179)</u>
Total Capital assets	<u>59,538,249</u>
Total noncurrent assets	<u>59,791,761</u>
Total assets	<u><u>\$ 75,786,389</u></u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

Exhibit A-1  
(Page 2 of 2)

	<b>Governmental Activities</b>
<b>LIABILITIES AND NET ASSETS</b>	
Current liabilities:	
Accounts payable	\$ 123,525
Accrued salaries and benefits	52,910
Accrued compensated absences	11,906
Accrued interest	298,329
Deferred revenue	474,132
Current portion of long-term debt	2,970,000
Total current liabilities	3,930,802
Noncurrent liabilities:	
Bonds, loans and other payables:	
Bond Premiums (net of amortization of \$ 73,021)	184,972
Compensated Absences	49,892
Bonds due in more than one year	34,925,000
Total noncurrent liabilities	35,159,864
Total liabilities	39,090,666
Net assets:	
Invested in capital assets, net of related debt	19,185,732
Unrestricted	3,672,428
Restricted for General Funds	253,574
Restricted for Special Revenue Funds	(2,222,499)
Restricted for Capital Projects Funds	7,169,867
Restricted for Debt Service Funds	8,636,621
Total net assets	36,695,723
Total liabilities and net assets	\$ 75,786,389

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Service</u>
Governmental activities:		
Instruction:		
Direct instruction	\$ 5,778,372	\$ -
Support services:		
Students	1,127,321	-
Instruction	176,389	-
General Administration	462,550	-
School Administration	436,746	-
Central Services	220,796	-
Operation & Maintenance of Plant	1,490,408	-
Student Transportation	219,453	-
Other Support Services	3,505	749,811
Food Services	531,506	26,869
Capital Outlay	3,705,226	-
Interest on long-term debt	1,366,021	-
Total governmental activities	<u>\$ 15,518,293</u>	<u>\$ 776,680</u>

<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Assets</u>
<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>		
\$ 5,199,515	\$ -		\$ (578,857)
-	120,991		(1,006,330)
-	-		(176,389)
-	-		(462,550)
-	-		(436,746)
-	-		(220,796)
-	-		(1,490,408)
159,227	-		(60,226)
-	-		746,306
418,665	-		(85,972)
-	-		(3,705,226)
-	-		(1,366,021)
<u>\$ 5,777,407</u>	<u>\$ 120,991</u>		<u>(8,843,215)</u>

**General Revenues:**

Property taxes:	
Levied for general purposes	343,532
Levied for debt service	6,520,567
Levied for capital projects	2,688,531
State aid not restricted	3,476,624
Gain on Sale of Assets	6,272
Miscellaneous	183,434
Unrestricted investment earnings	14,633
	<u>13,233,593</u>
Total general revenues	
	<u>4,390,378</u>
Change in net assets	
Net assets - beginning	33,253,280
Restatements	(947,935)
Net assets-Restated	<u>32,305,345</u>
Net assets - ending	<u>\$ 36,695,723</u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2012

	General Fund			
	Operational	Teacherege	Transportation	Instructional Materials
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 154,372	\$ 121,913	\$ 1	\$ 13,830
Investments	-	-	-	-
Accounts receivable				
Taxes	11,337	-	-	-
Due from other governments	-	-	-	-
Other accounts receivable	-	-	-	-
Interfund receivable	681,189	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 846,898</u>	<u>\$ 121,913</u>	<u>\$ 1</u>	<u>\$ 13,830</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities</i>				
Accounts payable	\$ 48,822	\$ 5,248	\$ -	\$ -
Accrued salaries and benefits	24,170	10,095	1,897	-
Interfund payable	-	-	-	-
Deferred revenue	-	-	-	-
<i>Total liabilities</i>	<u>72,992</u>	<u>15,343</u>	<u>1,897</u>	<u>-</u>
<i>Fund Balances</i>				
Fund Balance				
Non-spendable	-	-	-	-
Restricted for:				
General Fund	-	106,570	(1,896)	13,830
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Committed for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Assigned for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Unassigned for:				
General Fund	773,906	-	-	-
<i>Total fund balances</i>	<u>773,906</u>	<u>106,570</u>	<u>(1,896)</u>	<u>13,830</u>
<i>Total liabilities and fund balances</i>	<u>\$ 846,898</u>	<u>\$ 121,913</u>	<u>\$ 1</u>	<u>\$ 13,830</u>



Bond Building	Capital Improvements HB-33	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 1,403,246	\$ 819,016	\$ 5,690,559	\$ 923,540	\$ 9,126,477
3,000,000	2,965,893	-	-	5,965,893
-	45,783	123,694	45,439	226,253
440	-	-	652,560	653,000
-	-	-	20,260	20,260
-	-	-	-	681,189
-	-	-	2,745	2,745
<u>\$ 4,403,686</u>	<u>\$ 3,830,692</u>	<u>\$ 5,814,253</u>	<u>\$ 1,644,544</u>	<u>\$ 16,675,817</u>
\$ 4,635	\$ 57,015	\$ -	\$ 7,805	\$ 123,525
-	2,495	-	14,253	52,910
-	-	-	681,189	681,189
-	-	-	474,132	474,132
<u>4,635</u>	<u>59,510</u>	<u>-</u>	<u>1,177,379</u>	<u>1,331,756</u>
-	-	-	2,745	2,745
-	-	-	-	118,504
-	-	-	133,125	133,125
4,399,051	3,771,182	-	331,295	8,501,528
-	-	5,814,253	-	5,814,253
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	773,906
<u>4,399,051</u>	<u>3,771,182</u>	<u>5,814,253</u>	<u>467,165</u>	<u>15,344,061</u>
<u>\$ 4,403,686</u>	<u>\$ 3,830,692</u>	<u>\$ 5,814,253</u>	<u>\$ 1,644,544</u>	<u>\$ 16,675,817</u>

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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, 2012

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

Fund balances - total governmental funds	\$ 15,344,061
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets	59,538,249
Other assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:	
Property taxes	-
Bond issuance costs (net of amortization)	253,512
Other liabilities are not due and payable in the current period and therefore are not reported in the funds - accrued interest payable	(298,329)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported in the funds	<u>(38,141,770)</u>
Net Assets of Governmental Activities in the Statement of Net Assets	<u>\$ 36,695,723</u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2012

	General Fund			
	Operational	Teachergage	Transportation	Instructional Materials
<i>Revenues:</i>	\$	\$	\$	\$
Taxes				
Taxes levied/assessed	343,532	-	-	-
Local sources				
Tuition	-	-	-	-
Investment income	-	-	-	-
Food services	-	-	-	-
District activities	696,296	-	-	-
Other revenue	3,555	161,158	-	-
State sources				
Unrestricted Grants	3,476,624	-	-	-
Restricted Grants	44,424	-	159,227	30,046
Federal sources				
Unrestricted Grants	2,651,737	-	-	-
Unrestricted -state passthrough	107,760	-	-	-
Restricted Grants	-	-	-	-
Restricted -state passthrough	-	-	-	-
Department of Interior	-	-	-	-
Other items	-	-	-	-
<i>Total revenues</i>	<u>7,323,928</u>	<u>161,158</u>	<u>159,227</u>	<u>30,046</u>
<i>Expenditures:</i>				
Current:				
Instruction	3,364,473	-	-	26,914
Support Services				
Students	1,128,186	-	-	-
Instruction	169,968	-	-	-
General Administration	410,437	-	-	-
School Administration	436,746	-	-	-
Central Services	220,796	-	-	-
Operation & maintenance of plant	1,359,640	126,054	-	-
Student transportation	-	-	161,124	-
Other Support Services	3,505	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,093,751</u>	<u>126,054</u>	<u>161,124</u>	<u>26,914</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>230,177</u>	<u>35,104</u>	<u>(1,897)</u>	<u>3,132</u>
<i>Other financing sources (uses)</i>				
Transfers (In) Out	1,381	-	-	-
Bond Premium	8,688	-	-	-
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,069</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	240,246	35,104	(1,897)	3,132
<i>Fund balances - beginning of year</i>	533,660	71,466	16,443	10,698
<i>Restatement of Fund Balance</i>	-	-	(16,442)	-
<i>Fund Balance as restated</i>	533,660	71,466	1	10,698
<i>Fund balances - end of year</i>	<u>\$ 773,906</u>	<u>\$ 106,570</u>	<u>\$ (1,896)</u>	<u>\$ 13,830</u>

Bond Building	Capital Improvements HB-33	Debt Service	Other Governmental Funds	Total Governmental Funds
\$	\$	\$	\$	\$
(71,475)	1,381,109	6,520,567	1,378,897	9,552,630
-	-	-	-	-
7,317	7,317	-	-	14,634
-	-	-	26,869	26,869
-	-	-	53,515	749,811
-	16,887	-	1,833	183,433
-	-	-	-	-
-	-	-	-	3,476,624
-	-	-	340,790	574,487
-	-	-	-	-
-	-	-	103,906	2,755,643
-	-	-	3,376	111,136
-	-	-	952,315	952,315
-	-	-	1,504,817	1,504,817
-	-	-	-	-
-	-	-	-	-
<u>(64,158)</u>	<u>1,405,313</u>	<u>6,520,567</u>	<u>4,366,318</u>	<u>19,902,399</u>
-	-	-	1,820,384	5,211,771
-	-	-	548,688	1,676,874
-	-	-	6,421	176,389
-	1,593	4,503	46,017	462,550
-	-	-	-	436,746
-	-	-	-	220,796
-	-	-	350,616	1,836,310
-	-	-	-	161,124
-	-	-	-	3,505
-	-	-	-	-
-	-	-	531,506	531,506
557,733	855,653	-	1,156,069	2,569,455
-	-	2,990,000	-	2,990,000
-	-	1,409,613	-	1,409,613
<u>557,733</u>	<u>857,246</u>	<u>4,404,116</u>	<u>4,459,701</u>	<u>17,686,639</u>
<u>(621,891)</u>	<u>548,067</u>	<u>2,116,451</u>	<u>(93,383)</u>	<u>2,215,760</u>
-	-	-	(1,381)	-
-	-	-	-	8,688
-	-	-	-	-
-	-	-	(1,381)	8,688
<u>(621,891)</u>	<u>548,067</u>	<u>2,116,451</u>	<u>(94,764)</u>	<u>2,224,448</u>
5,020,942	3,223,115	3,697,802	1,182,302	13,756,428
-	-	-	(620,373)	(636,815)
<u>5,020,942</u>	<u>3,223,115</u>	<u>3,697,802</u>	<u>561,929</u>	<u>13,119,613</u>
\$ <u>4,399,051</u>	\$ <u>3,771,182</u>	\$ <u>5,814,253</u>	\$ <u>467,165</u>	\$ <u>15,344,061</u>

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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**

Exhibit B-2  
 (Page 2 of 2)

For the year Ended June 30, 2012

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

Net change in fund balances - total governmental funds	\$	2,224,448
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures:		
Current year capital expenditures		1,500,349
Depreciation expense		(2,365,595)

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

Property taxes		-
----------------	--	---

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:

Decrease in accrued interest		24,620
Bond Premium		-
Decrease in compensated absences		(18,792)
Amortization of bond issuance costs		35,348
Issuance of new debt		-
Principal payments on bonds		2,990,000

Changes in Net Assets of Governmental Activities	\$	<u>4,390,378</u>
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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**OPERATIONAL FUND**

Exhibit C-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ 277,966	\$ 917,966	\$ 1,032,046	\$ 114,080
State sources	3,706,178	3,706,178	3,521,048	(185,130)
Federal sources	2,833,317	2,833,317	2,840,185	6,868
Interest	-	-	-	-
<i>Total revenues</i>	<u>6,817,461</u>	<u>7,457,461</u>	<u>7,393,279</u>	<u>(64,182)</u>
<i>Expenditures:</i>				
Current:				
Instruction	3,797,493	3,797,493	3,364,897	432,596
Support Services				
Students	736,211	1,339,172	1,272,371	66,801
Instruction	171,799	171,347	169,584	1,763
General Administration	387,790	396,463	385,442	11,021
School Administration	446,981	446,540	436,573	9,967
Central Services	3,338,505	217,486	214,959	2,527
Operation & maintenance of plant	1,324,880	1,358,772	1,346,808	11,964
Student transportation	-	-	-	-
Other Support Services	48,725	48,725	3,505	45,220
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,252,384</u>	<u>7,775,998</u>	<u>7,194,139</u>	<u>581,859</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,434,923)</u>	<u>(318,537)</u>	<u>199,140</u>	<u>517,677</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	1,381	1,381
Designated Cash	3,434,923	318,537	(236)	(318,773)
<i>Total other financing sources (uses)</i>	<u>3,434,923</u>	<u>318,537</u>	<u>1,145</u>	<u>(317,392)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>200,285</u>	<u>200,285</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>635,276</u>	<u>635,276</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 835,561</u>	<u>\$ 835,561</u>
<i>Excess(deficiency) of revenues over expenditures</i>			\$ 199,140	
<i>Adjustment to revenue for accruals and other deferrals</i>			(83,388)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			114,425	
<i>Excess (deficiency) of revenues over expenditures (GAAP basis)</i>			<u>\$ 230,177</u>	

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**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 ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ 127,143	\$ 127,143	\$ 171,253	\$ 44,110
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>127,143</u>	<u>127,143</u>	<u>171,253</u>	<u>44,110</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	160,083	160,083	120,806	39,277
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>160,083</u>	<u>160,083</u>	<u>120,806</u>	<u>39,277</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(32,940)</u>	<u>(32,940)</u>	<u>50,447</u>	<u>83,387</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated Cash	32,940	32,940	-	(32,940)
<i>Total other financing sources (uses)</i>	<u>32,940</u>	<u>32,940</u>	<u>-</u>	<u>(32,940)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>50,447</u>	<u>50,447</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>71,466</u>	<u>71,466</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,913</u>	<u>\$ 121,913</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 50,447	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			(15,343)	
<i>Excess (deficiency) of revenues over expenditures (GAAP basis)</i>			<u>\$ 35,104</u>	

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**TRANSPORTATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	144,365	159,227	159,227	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>144,365</u>	<u>159,227</u>	<u>159,227</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	144,365	159,227	159,227	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>144,365</u>	<u>159,227</u>	<u>159,227</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>				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>
<i>Excess(deficiency) of revenues over expenditures (Non-GAAP basis)</i>			\$ -	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			(1,897)	
<i>Excess (deficiency) of revenues over expenditures (GAAP basis)</i>			<u>\$ (1,897)</u>	

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**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 ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	24,695	29,369	30,046	677
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>24,695</u>	<u>29,369</u>	<u>30,046</u>	<u>677</u>
<i>Expenditures:</i>				
Current:				
Instruction	24,695	40,067	26,914	13,153
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>24,695</u>	<u>40,067</u>	<u>26,914</u>	<u>13,153</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(10,698)</u>	<u>3,132</u>	<u>13,830</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated Cash	-	10,698	-	(10,698)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>10,698</u>	<u>-</u>	<u>(10,698)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>3,132</u>	<u>3,132</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,698</u>	<u>10,698</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,830</u>	<u>\$ 13,830</u>
<i>Excess(deficiency) of revenues over expenditures (Non-GAAP basis)</i>			\$ 3,132	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Excess (deficiency) of revenues over expenditures (GAAP basis)</i>			<u>\$ 3,132</u>	

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**AGENCY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
June 30, 2012

Exhibit D

**ASSETS**

*Current Assets*

Cash \$ 172,702

*Total assets* \$ 172,702

**LIABILITIES**

*Current Liabilities*

Deposits held in trust for others \$ 172,702

*Total liabilities* \$ 172,702

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STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2012

**NOTE 1. Summary of Significant Accounting Policies**

The Dulce Independent Schools 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 is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education for the Dulce community. The Districts operates with a local board of education-superintendent form of government and provides a supervised program of instruction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Dulce Independent Schools' management who is responsible for their integrity and objectivity. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the government's accounting policies are described below.

**A. *Financial Reporting Entity***

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the District has no component units, and is not a component unit of another governmental agency.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2012

**NOTE 1. Summary of Significant Accounting Policies** (continued)

**B. *Government-wide and fund financial statements***

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) 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 is 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*.

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

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.

**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 does 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.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2012

**NOTE 1. Summary of Significant Accounting Policies** (continued)

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

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.

The agency funds are custodial in nature (assets and 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 other in an agency capacity.

The government reports the following major governmental funds:

*Operational Fund:*

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided by district school tax levy, state equalization and earnings from investments. Expenditures include all costs associated with the daily operations of the schools except for those items included in other 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 *Bond Building Fund* is used to account for the accumulation of resources for the funds provided from the District's bond issues. Resources are used for the purpose of erecting, remodeling, making additions to, or furnishing public school buildings and purchasing or improving public school grounds. Financing is provided by ad valorem taxes as specified by Article 15 of the Finance of Counties, Municipalities, and School Districts Act., and the payment of, general long-term debt principal, interest and related costs.

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 *Debt Service Fund* – The purpose of this fund is to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2012

**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, Impact Aid and 21<sup>st</sup> Century 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 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. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of the 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. There were no such transactions during the fiscal year ended June 30, 2012.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2012

**NOTE 1. Summary of Significant Accounting Policies** (continued)

D. *Assets, Liabilities and Net Assets or Equity*

**Deposits and 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:** Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

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

The District receives monthly income from a tax levy in Rio Arriba County. The funds are collected by the County Treasurers and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurers in July and August 2012 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2012.

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 Public Education Department (PED) receives federal mineral 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 New Mexico Public Education Department "State Adopted Instructional Material" list, while fifty percent of each allocation is available for purchases directly from vendors. The districts are allowed to carry forward unused allocations from year to year.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2012

**NOTE 1. Summary of Significant Accounting Policies** (continued)

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

**Inventory:** Inventory is valued at cost utilizing the purchase basis of accounting. 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. 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, 2012.

**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 (amount not rounded) 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. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5).

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

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

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Building improvements	20
Furniture, fixtures and equipment	3-15
Vehicles	5

**Deferred Revenues:** Accounting principles generally accepted in the United States of America require that grant revenue be recognized 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, they will receive commensurate vacation pay. All vacation pay and applicable accumulated sick leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is reported for unpaid accumulated sick leave, as no payment is required upon termination of service by employees.



STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2012

**NOTE 1. Summary of Significant Accounting Policies** (continued)

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

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

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

**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.

*Invested in capital assets, net of related debt* consists of net 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 these assets.

*Restricted fund balance* represents amounts that are constrained either by: 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or 2) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* represents amounts that are useable only for specific purposes by formal action of the government's highest level of decision-making authority.

*Assigned fund balance* represents amounts that are intended to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the governing body or a subordinate high-level body or official whom the governing body has delegated.

*Unassigned fund balance* is the residual classification for the general fund and represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes.

The District's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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

All other interfund transaction, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or no-routine permanent transfers of equity are reported as residual equity transfers. All other intefund transfers are reported as operating transfers.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2012

**NOTE 1. Summary of Significant Accounting Policies** (continued)

**Reclassifications:** Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

**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.

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 costs.

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 \$3,476,624 in state equalization guarantee distributions during the year ended June 30, 2012.

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. The District recognized \$807,965 in tax revenues in the governmental fund financial statements during the year ended June 30, 2012. 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. In addition to property taxes, the District receives Oil and Gas Taxes. The District recognized \$8,744,665 in Oil and Gas Taxes in the governmental fund financial statements during the year ended June 30, 2012.

**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 \$159,227 in transportation distributions during the year ended June 30, 2012.

**Instructional Materials:** The District had allocations allowed by the State for the current year of \$30,046. Allocations received and utilized are reflected in revenue and expenditures of the General Fund.

**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

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2012

**NOTE 1. Summary of Significant Accounting Policies (continued)**

E. *Revenues (continued)*

unit shall be reduced as necessary. The District received \$18,945 in state SB-9 Matching during the year ended June 30, 2012.

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 service operation, and the distribution of commodities through the New Mexico Human Services Department. The District received \$31,906 in commodities for the year ended June 30, 2012.

**NOTE 2. Stewardship, Compliance and Accountability**

*Budgetary Information*

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

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

Actual expenditures may not exceed the budget on function level, 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.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2012

**NOTE 2. Stewardship, Compliance and Accountability (continued)**

*Budgetary Information (continued)*

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting is open for the general public unless a closed meeting has been called.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
5. 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.
6. Legal budget control for expenditures is by function.
7. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over in the next fiscal year by budgeting those in the subsequent fiscal year's budget.
8. 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.
9. Budgets for the General, Special Revenue, Debt Service and Capital Projects 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 School Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administrative Code 6.20.2.9 prohibits a school district from exceeding budgetary control at the function level.

The District is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2012

**NOTE 3. Cash and Temporary Investments**

State statutes authorize the investment of the 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, 2012.

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 I 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 \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution until December 31, 2012. The Dodd Frank Act of 2010 required that all funds in a non-interest bearing bank account be fully insured by the FDIC through December 31, 2012. Dulce Independent Schools' funds are subject to the Dodd Frank Act.

**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 District 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.

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June 30, 2012

**NOTE 3. Cash and Temporary Investments (continued)**

<u>Type</u>	<u>Wells Fargo Bank</u>	<u>Total Bank</u>
General	\$ 9,663,998	\$ 9,663,998
Total Deposits	9,663,998	9,663,998
Less: FDIC Coverage	<u>(9,663,998)</u>	<u>(9,663,998)</u>
Uninsured Amount	-	-
50% Collateral requirement	-	-
Pledged Securities	<u>-</u>	<u>-</u>
(Over) Under collateralized	<u>\$ -</u>	<u>\$ -</u>
Custodial Credit Risk-Deposits		
Account Balance	\$ 9,663,998	
FDIC Insured	9,663,998	
Collateral:		
Collateral held by the pledging bank, not in the District's name	-	
Uninsured and uncollateralized	<u>-</u>	
Total Deposits	<u>\$ 9,663,998</u>	

Custodial credit risk is the risk that in the event of a bank failure, the governments' deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2012, 9,663,998 of the District's bank balance of \$9,663,998 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ -
FDIC Insurance	9,663,998
Collateral held by pledging bank's trust department not in the District's name	<u>-</u>
Total	<u>\$ 9,663,998</u>

**Reconciliation of Cash and Temporary Investments**

Governmental Funds - Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 15,092,370
Cash per Exhibit D-1	172,702
Less Investments in LGIP	(5,965,893)
Add outstanding checks and other reconciling items	<u>364,819</u>
	<u>\$ 9,663,998</u>

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June 30, 2012

**NOTE 3. Cash and Temporary Investments (continued)**

Custodial Credit Risk- Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk. New Mexico State Statutes require collateral pledged to be delivered for the securities underlying an overnight repurchase agreement, or a joint safekeeping receipt to be issued to the District for at least on hundred two percent of the fair value of the securities underlying overnight repurchase accounts invested with the institution.

As of June 30, 2012, the Districts' investment balances were exposed to custodial credit risk as follows:

Investment in the State Treasurer Local Government

Investment Pool	<u>\$ 5,965,893</u>
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Interest Rate Risk- Investments

The New MexiGrow Local Governmental Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10-P and Section 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 19078, as the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

Interest Rate Risk and Credit Rating- Investment in State Treasurer's LGIP

The District does not have a formal policy limiting investment maturities to manage its exposure to fair value losses from increasing interest rates. The District's investments at June 30, 2012 include the following:

State Treasurer LGIP	AAAm	60-day WAM	<u>\$ 5,965,893</u>
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STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2012

**NOTE 4. Accounts Receivable**

Accounts receivable as of June 30, 2012, are as follows:

	General	Bond	Capital	Debt	Total	
	Fund	Building	Improvements	Service	Nonmajor	Total
	Fund	Fund	HB-33	Fund	Funds	Total
Property taxes	\$ 11,337	\$ -	\$ 45,783	\$123,694	\$ 45,439	\$ 226,253
Due from other governments:						
Bond Building	-	440	-	-	-	440
School Lunch	-	-	-	-	20,260	20,260
Title I	-	-	-	-	141,849	141,849
IDEA B Entitlement	-	-	-	-	60,901	60,901
IDEA B Discretionary	-	-	-	-	10,997	10,997
IDEA B Preschool	-	-	-	-	2,519	2,519
21 <sup>st</sup> Century	-	-	-	-	300,428	300,428
English Language Acquisition	-	-	-	-	19,682	19,682
Teacher /Principal Training	-	-	-	-	19,089	19,089
Rural & Low Income Schools	-	-	-	-	4,146	4,146
GO Bond Libraries	-	-	-	-	3,000	3,000
GO Library	-	-	-	-	3,421	3,421
Kindergarten Three Plus	-	-	-	-	36,975	36,975
Gear Up Che	-	-	-	-	49,553	49,553
	<b>\$ 11,337</b>	<b>\$ 440</b>	<b>\$ 45,783</b>	<b>\$123,694</b>	<b>\$ 718,259</b>	<b>\$ 899,513</b>

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

**Deferred Revenues**

Deferred revenue represents advances on grants which have not been earned at June 30, 2012.

	General	Debt	Other	Total
	Fund	Service	Governmental	
Property Taxes	\$ -	\$ -	\$ -	\$ -
IDEA B Private	\$ -	\$ -	\$ 72	\$ 72
Johnson O'Malley	\$ -	\$ -	\$ 2,390	\$ 2,390
Impact Aid Spec Education	\$ -	\$ -	\$ 176,571	\$ 176,571
Impact Aid	\$ -	\$ -	\$ 284,930	\$ 284,930
Beginning Teacher Mentoring	\$ -	\$ -	\$ 3,203	\$ 3,203
21 <sup>st</sup> Century	\$ -	\$ -	\$ 1,077	\$ 1,077
State Directed Activities	\$ -	\$ -	\$ 5,889	\$ 5,889
Total	\$ -	\$ -	\$ 474,132	\$ 474,132



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June 30, 2012

**NOTE 5. Accounts Payables**

Accounts payable as of June 30, 2012, are as follows:

Payable to suppliers										\$ 123,525
Accrued Salaries and benefits										52,910
Accrued interest										298,329
<b>Total accounts payable and accrued expenses</b>										<b>\$ 474,764</b>

**NOTE 6. Interfund Receivables, Payables, and Transfers**

The District records temporary interfund receivables and payables to enable the funds to operate until grant monies are received.

The composition of interfund balances during the year ended June 30, 2012 is as follows:

			Interfund		Interfund
			Receivable		Payable
General Fund		\$	681,189	\$	-
Nonmajor Funds:					
Title I Entitlement			-		141,049
IDEA B Entitlement			-		60,901
IDEA B Discretionary			-		10,997
IDEA B Preschool			-		2,519
21 <sup>st</sup> Century			-		300,428
English Language Acquisition			-		19,682
Teacher/Principal Training			-		18,411
Rural and Low Income Education			-		4,146
GO Bond Libraries			-		3,000
GO Library			-		3,421
Title I Incentives			-		1,464
School Improvements Framework			-		3,959
Kindergarten Three Plus			-		25,506
Industrial Arts Career Tech \$ Voc Ed Training			-		835
Medicaid HSD			-		1,589
Gear Up Che			-		49,552
School Based Health Center			-		33,730
		\$	<b>681,189</b>	\$	<b>681,189</b>



STATE OF NEW MEXICO  
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**NOTE 8. Long-term Debt**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2012 are for governmental activities. The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

Bonds outstanding at June 30, 2012, are comprised of the following:

Series	Date of Issue	Original Amount	Interest Rate	Balance
The Bank of New York 1/15/03	01/15/03	4,000,000	3.85% - 4.35%	1,570,000
The Bank of New York 7/15/03	07/15/03	6,000,000	3.00% - 3.65%	2,250,000
The Bank of New York 5/15/06	05/15/06	7,000,000	3.65% - 4.00%	2,305,000
The Bank of New York 6/1/07	06/01/07	10,000,000	4.00% - 4.25%	5,040,000
The Bank of New York 9/1/08	09/01/08	10,000,000	4.00% - 5.00%	6,625,000
General Obligation Bonds Series 2009 3/1/09	03/01/09	8,000,000	2.25% - 4.40%	8,000,000
General Obligation Bonds Series 2011 4/12/11	04/12/11	12,550,000	3.25% - 4.00%	12,105,000
			<b>Total</b>	<b>37,895,000</b>

The following is a summary of the long-term debt and the activity for the year ended June 30, 2012:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012	Due Within One Year
General obligation bonds	40,885,000	-	2,990,000	37,895,000	2,970,000
Compensated Absences	20,193	21,047	23,537	21,047	21,047
	<b>\$ 40,905,193</b>	<b>\$ 21,047</b>	<b>\$3,013,537</b>	<b>\$37,916,047</b>	<b>\$2,991,047</b>

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
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**NOTE 8. Long-term Debt (continued)**

The annual requirements to amortize the General Obligation Bonds as of June 30, 2012, including interest payments are as follows:

				Total Debt
	Fiscal Year			
	Ending June 30,	Principal	Interest	Service
	2013	2,970,000	1,437,866	4,407,866
	2014	2,880,000	1,323,418	4,203,418
	2015	2,985,000	1,213,044	4,198,044
	2016	4,930,000	1,059,544	5,989,544
	2017-2021	19,130,000	3,481,976	22,611,976
	2022-2026	5,000,000	418,000	5,418,000
		<b>\$ 37,895,000</b>	<b>\$ 8,933,848</b>	<b>\$ 46,828,848</b>

The general fund is typically used to liquidate long-term liabilities other than debt. The debt service fund liquidates general obligation bonds.

Reconciliation of Long-Term Debt to the Statement of Net Assets

Total Long term debt	\$ 37,895,000
Net Issue Costs/Premium/Discounts on Bond Issues	(207,190)
Accumulated Amortization	138,650
	<u>\$ 37,826,460</u>

**NOTE 9. Risk Management**

The District is a member of the New Mexico Public School 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 Securities, which include 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, 2012, there have been no claims that have exceeded insurance coverage.

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**NOTE 10. Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. Deficit fund balance of individual funds.	
Transportation	\$ (1896)
Incentives for School Improvement	(1,464)
School Improvement framework	(3,959)
Industrial Arts Career Tech & Voc Ed Training	(835)
Medicaid HSD	(1,707)
School Based Health Center	(33,730)

Deficit Fund Balances will be funded by general fund transfers or additional grant funds.

B. Excess of expenditures over appropriations by fund and function.

None

**NOTE 11. Pension Plan-Educational Retirement Board**

**Plan Description.** Substantially all of the 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, NM 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

**Funding Policy.** Effective July 1, 2011 plan members are required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The Dulce Independent Schools is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. 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 Dulce Independent Schools' contributions to the ERB for the years ended June 30, 2012, 2011 and 2010 were \$1,027,784 \$1,147,984, and \$594,690, respectively, which equal the required contributions for each year.

**NOTE 12. Post-Employment Benefits**

**Plan Description.** Dulce Independent Schools contributes to the New Mexico Retiree Health Care Fund, accost-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 Retiree Health Care Act on the person's behalf, unless that person retires before the employer's NMRHCA effective date, in which event the time period required for the employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; or (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.

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June 30, 2012

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 RCHA 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 RCHA or viewed on their website at [www.nmrhca.stat.nm.us](http://www.nmrhca.stat.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee’s annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year June 30, 2013 the contribution rates for employees and employers will rise as follows:

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
2013	2.00%	1.00%

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 requirement 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, 2012, 2011 and 2010 were \$ 139,282, \$ 88,150, and \$65,315, respectively, which equal the required contributions for each year.

**NOTE 13. 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 School 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 14. Surety Bond**

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

**NOTE 15. 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, 2012 was \$31,906.

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**NOTE 16. Memorandum of Understanding/Joint Powers Agreement**

REC

Purpose: To allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the USDE under the Education of the Handicapped Act, Part B, PL 94-142 among others.

Participants: Regional Education Cooperative and Dulce Independent Schools  
Responsible Party for Operation and Audit: Regional Education Cooperative

Beginning and Ending Date of Agreement: July 1, 1995 until the end of any fiscal year during which the school gives notice of intent to terminate.

Total Estimated Amount of Project and Actual Amount Contributed: The REC paid expenditures on behalf of the District.

Jicarilla Apache Nation

Purpose: To effectuate an agreement whereby the Jicarilla Apache Nation has the authority and the inherent right to exercise its responsibility to the Jicarilla Apache People for their education by prescribing and implementing educational laws and policies applicable to all schools serving the Jicarilla Apache Nation.

Participants: Jicarilla Apache Nation and Dulce Independent Schools

Responsible Party for Operation and Audit: Dulce Independent Schools

Beginning and Ending Date of Agreement: June 29, 2010 and shall remain in effect indefinitely

Total Estimated Amount of Project and Actual Amount Contributed: Undetermined

School Based Health Center

Purpose: To support school-based health center core service provisions, including, but not limited to, integrated primary and behavioral health care, health promotion and education for school-age children, school and community partnership development and positive youth engagement.

Participants: Dulce Independent Schools and the New Mexico Department of Health

Responsible Party for Operation and Audit: Each agency will maintain their own records

Beginning and Ending Date of Agreement: July 1, 2011 until termination or expiration of funds

Total Estimated Amount of Project and Actual Amount Contributed: Not to exceed \$80,000

Jicarilla Child and Family Education Center

Purpose: To support establish a cooperative relationship and working procedures between DISD and JCFEC in the provision of special education and related services to eligible children in compliance with applicable federal Jicarilla Nation and state laws and regulations.

Participants: Dulce Independent Schools and the Jicarilla Child and Family Education Center

Responsible Party for Operation and Audit: Each agency will maintain their own records

Beginning and Ending Date of Agreement: January 2012 to January 2015

Total Estimated Amount of Project and Actual Amount Contributed: No cost

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June 30, 2012

**NOTE 17. Construction Commitments**

The District had a contract for architectural services with Dekker Perrich Architects for the School Construction project which had an outstanding balance due of \$ 30,093 at June 30, 2012.

**NOTE 18. Subsequent Accounting Standard Pronouncements**

The GASB issued Statement No. 65, *Financial reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net Position* which is effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The District is reviewing the effects of the implementation of this statement.

The GASB issued Statement No. 66, which is effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The objective of this statement is to amend Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state and local government’s risk financing activities to the general fund and the internal service fund type. As a result, government would base their decisions about governmental fund type usage for risk financing activities on the definitions in State NO. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement also amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and that principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee. These changes would eliminate any uncertainty regarding the application of Statement No. 13, *Accounting for Operating Leases with Schedule Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales of Pledges of receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The District is reviewing the effects of the implementation of this statement.

**NOTE 19. Subsequent Events Review**

Dulce Independent Schools has evaluated subsequent events through August 15, 2012, which is the date the financial statements were dated. Nothing additional required to be reported.



**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**NONMAJOR GOVENMENTAL 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 Services** – This fund is utilized to account for Federal and Local sources of income relating to the food service programs. The Food Services Fund is segregated into two categories, one being the Federal funds and the other being Non-Federal funds. Federal funds consist of the National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. The Non-Federal funds consist of income derived from Snack-Bar facilities located in the District. Authority for the creation of this fund is NMSA 22-13-13.

**Athletics** - 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.

**Title I** – This fund’s major objectives are to provide supplemental educational opportunities for academically disadvantaged children in the area where they reside. 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 identify a campus; education 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 the 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.

**IDEA B Entitlement** – The purpose of this program is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. Authority for the creation of this fund is Part B of the Handicapped Act, Public Law 105-17.

**IDEA B Discretionary** – The purpose of this program is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The funds are to be used to purchase Math and Literacy intervention programs/materials. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. Authority for the creation of this fund is Part B of the Handicapped Act, Public Law 105-17.

**IDEA-B Preschool** - 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.

**IDEA-B Private**- The objective is to provide a preschool sub grant for special education and related services to students with disabilities who are parentally placed in private elementary and secondary schools located in the school district. Authority for creation of this fund is Public Law 105-17.

**21<sup>st</sup> Century** - The objective is 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 12<sup>th</sup> grade focusing on the neighborhood and the community as a classroom.

**English Language Acquisition** – The purpose of this fund is to give financial support to local school districts with high concentrations of immigrant children. Authority for the creation of this fund is Title III, Part A of ESEA, as amended by NO Child Left Behind Act, P.L. 107-110.

**Teacher/Principal Training** – The purpose of this fund is 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. Authority for creation of this fund is Title II of the Elementary and Secondary Education Act (ESEA) of 1965 as amended, Public Law 103-382.

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**NONMAJOR GOVENMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**

**Safe and Drug Free Schools and Community** – The purpose of this fund is to account for a federal grant restricted to the establishment and implementation of substance abuse education and prevention programs in the elementary and secondary schools. The Authority for the creation of this fund is ESEA 1965, Title IV, Part A, as amended, 20 USC 71112-7143.

**Rural and Low Income Schools** – The purpose of this fund is to account for monies to rural schools to enhance the education program in technology, career readiness, and summer school and after school tutoring programs. The authority for this program is under CFDA 84.3580, Title II.

**Title I School Improvement**– The purpose of this fund is 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 establish criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus: educational need determines the students to be served. Federal revenues accounting 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.

**Johnson O'Malley**– The purpose of this fund is to provide supplemental funding for 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 Special Education** – The purpose of these grants are to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), where there is a significant number of children who reside on Federal lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3 (2a) and 3 (b)). The authorization for this fund is PL 81-874.

**Impact Aid Education** – The purpose of these grants are to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), where there is a significant number of children who reside on Federal lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3 (2a) and 3 (b)). The authorization for this fund is PL 81-874.

**Title XIX Medicaid** – The objective of this program is to provide federal funds for the implementation of the Medical Assistance Program Medicaid providing payments for medical assistance to low-income persons who are age 65 or over, blind, disabled, or members of families with dependent children or qualified pregnant women or children. Authority for creation of the Title XIX Medical Assistance Program is the Medicaid Title XIX of the Social Security Act, as amended, (42 USC 1396, et seq.)

**(SEG) Federal Stimulus** – The purpose of this fund is to provide supplemental funding for the Operation of Schools. The authority for this program is under CFDA 84.394 and the American Recovery and Reinvestment Act of 2009.

**Education Jobs Fund-** The objective is to provide \$10 billion in assistance to States to save or create education jobs for the 2010-2011 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

**Conoco Phillips School Grant-** The objective is to provide funding welding and woodworking, language arts and for math and reading programs.

**Chevron School Grant-** The objective is to provide funding for special project requests, specifically in schools to improve creativity in math and science programs.

**Dual Credit (PED)**– The purpose of this fund is to provide college credit for courses provided by high schools that meet the requirements.

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**NONMAJOR GOVENMENTAL FUNDS**

**GO Bond Libraries**– The objective of this act is to acquire library books, equipment and library resources for public school libraries and juvenile detention libraries. Funds are acquired from General Obligation Bonds through the Public Education Department. Authority for creation of this fund is the Legislation in Chapter 117, Laws of 2004, Section 10C(3).

**GO Library**– The objective of this act is to acquire library books, equipment and library resources for public school libraries and juvenile detention libraries. Funds are acquired from General Obligation Bonds through the Public Education Department. Authority for creation of this fund is the Legislation in Chapter 117, Laws of 2004, Section 10C(3).

**Incentives for School Improvement PED**– The purpose of this state grant is to provide funds for use in providing student educational trips, automation of the District’s libraries, and other educational materials. Authority for creation of this fund is Laws of 1997, Chapter 32.

**Beginning Teacher Mentoring** – 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 Public Education Department. Authority for creation of this fund is NMSA 22-2-8-10.

**School Improvement Framework** - The purpose of this program is to account for revenues and expenditures used to purchase library materials and were awarded as a result of meeting adequate yearly progress for two consecutive years.

**Kindergarten- Three Plus**- The purpose of this program is to account for revenues and expenditures used for a pilot program for kindergarten through third grade students. Funds can be used for teachers, education assistants, nurses, an academic coach and PE coach.

**21<sup>st</sup> Century**- The purpose of this program is to account for revenues and expenditures used for after school care for students. The fund was created by grant provisions.

**State Directed Activities-Idea B Discretionary** - The purpose of this program is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The funds are to be used to purchase Math and Literacy intervention programs/materials. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. Authority for the creation of this fund is Part B of the Handicapped Act, Public Law 105-17.

**Industrial Arts Career Tech and Voc Ed Training** - The purpose of this program is to account for revenues and expenditures used to implement an industrial art program. The fund was created by state grant provisions.

**Library Book Allocation**- The objective of this act is to acquire library books, equipment and library resources for public school libraries and juvenile detention libraries. Funds are acquired from General Obligation Bonds through the Public Education Department. Authority for creation of this fund is the Legislation in Chapter 117, Laws of 2004, Section 10C(3).

**Medicaid HSD**- The purpose of this program is 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** – The objective of this program to help low income, first generation students prepare for and succeed in post-secondary education. This fund was created by the Higher Education Department and NM Gear up.

**School Based Health Center** – The objective of this program to provide health services to students. The fund is provided by PED and the Department of Health.

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**NONMAJOR GOVENMENTAL FUNDS**

**CAPITAL PROJECTS FUNDS**

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

The District has four separate funds classified as non-major Capital Projects Funds as follows:

**Special Capital Outlay Federal** – 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.

**Capital Improvements SB-9** – 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. Authority for the creation of this fund is NMSA 22-25-1 to 22-25-10.

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2012

<b>ASSETS</b>	Food Service	Athletics	Title I
<i>Current Assets</i>			
Cash and cash equivalents	\$ 89,547	\$ 43,157	\$ -
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	141,849
Other accounts receivable	20,260	-	-
Interfund receivable	-	-	-
Inventory	2,745	-	-
	\$ 112,552	\$ 43,157	\$ 141,849
<i>Total assets</i>	\$ 112,552	\$ 43,157	\$ 141,849
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ 2,076	\$ -	\$ 122
Accrued salaries and benefits	-	-	678
Interfund payable	-	-	141,049
Deferred revenue	-	-	-
	2,076	-	141,849
<i>Total liabilities</i>	2,076	-	141,849
 <i>Fund Balances</i>			
Fund Balance			
Non-spendable	2,745	-	-
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	107,731	43,157	-
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Committed for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
<i>Total fund balances</i>	110,476	43,157	-
<i>Total liabilities and fund balances</i>	\$ 112,552	\$ 43,157	\$ 141,849

IDEA-B Entitlement	IDEA-B Discretionary	IDEA-B Preschool	IDEA-B Private	21st Century
\$ -	\$ -	\$ -	\$ 72	\$ -
-	-	-	-	-
-	-	-	-	-
60,901	10,997	2,519	-	300,428
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>60,901</u>	<u>10,997</u>	<u>2,519</u>	<u>72</u>	<u>300,428</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
60,901	10,997	2,519	-	300,428
-	-	-	72	-
<u>60,901</u>	<u>10,997</u>	<u>2,519</u>	<u>72</u>	<u>300,428</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>60,901</u>	<u>10,997</u>	<u>2,519</u>	<u>72</u>	<u>300,428</u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2012

	English Language Acquisition	Teacher/ Principal Training	Safe & Drug Free Schools & Community
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	19,682	19,089	-
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Inventory	-	-	-
	-	-	-
<i>Total assets</i>	\$ 19,682	\$ 19,089	\$ -
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	678	-
Interfund payable	19,682	18,411	-
Deferred revenue	-	-	-
	-	-	-
<i>Total liabilities</i>	19,682	19,089	-
 <i>Fund Balances</i>			
Fund Balance			
Non-spendable	-	-	-
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Committed for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
	-	-	-
<i>Total fund balances</i>	-	-	-
<i>Total liabilities and fund balances</i>	\$ 19,682	\$ 19,089	\$ -

Rural & Low Income Schools	Title I School Improvement	Title I Stimulus	IDEA B Stimulus	IDEA B Preschool Stimulus
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
4,146	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>4,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>4,146</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
4,146	-	-	-	-
-	-	-	-	-
<u>4,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>4,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>4,146</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2012

<b>ASSETS</b>	Johnson O'Malley	Impact Aid Special Education	Impact Aid Education
<i>Current Assets</i>			
Cash and cash equivalents	\$ 2,390	\$ 176,571	\$ 286,497
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	-
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Inventory	-	-	-
	-	-	-
<i>Total assets</i>	\$ 2,390	\$ 176,571	\$ 286,497
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ 139
Accrued salaries and benefits	-	-	1,428
Interfund payable	-	-	-
Deferred revenue	2,390	176,571	284,930
	2,390	176,571	284,930
<i>Total liabilities</i>	2,390	176,571	286,497
<i>Fund Balances</i>			
Fund Balance			
Non-spendable	-	-	-
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
<i>Total fund balances</i>	-	-	-
<i>Total liabilities and fund balances</i>	\$ 2,390	\$ 176,571	\$ 286,497



Title XIX Medicaid	SEG Federal Stimulus	Education Jobs Fund	Conoco Phillips School Grant	Chevron School Grant
\$ 25,888	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>25,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 25,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
2,722	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
23,166	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>23,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 25,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2012

	Dual Credit PED	GO Bond Libraries	GO Library
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	3,000	3,421
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Inventory	-	-	-
	-	-	-
<i>Total assets</i>	\$ -	\$ 3,000	\$ 3,421
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interfund payable	-	3,000	3,421
Deferred revenue	-	-	-
	-	-	-
<i>Total liabilities</i>	-	3,000	3,421
 <i>Fund Balances</i>			
Fund Balance			
Non-spendable	-	-	-
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Committed for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
	-	-	-
<i>Total fund balances</i>	-	-	-
<i>Total liabilities and fund balances</i>	\$ -	\$ 3,000	\$ 3,421

Statement A-1  
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Incentive for School Improvement PED	Beginning Teacher Mentoring	Breakfast for Elementary Students	School Improvement Framework	Kindergarten Three Plus
\$ -	\$ 3,203	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	36,975
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>3,203</u>	<u>-</u>	<u>-</u>	<u>36,975</u>
<u>\$ -</u>	<u>\$ 3,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,975</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	11,469
1,464	-	-	3,959	25,506
-	3,203	-	-	-
<u>1,464</u>	<u>3,203</u>	<u>-</u>	<u>3,959</u>	<u>36,975</u>
-	-	-	-	-
-	-	-	-	-
(1,464)	-	-	(3,959)	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(1,464)</u>	<u>-</u>	<u>-</u>	<u>(3,959)</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 3,203</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,975</u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2012

<b>ASSETS</b>	21st Century	State Directed Activities IDEA-B Discretionary	Industrial Arts Career Tech & Voc Ed Training
<i>Current Assets</i>			
Cash and cash equivalents	\$ 1,077	\$ 5,890	\$ -
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	-	-
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Inventory	-	-	-
	-	-	-
<i>Total assets</i>	\$ 1,077	\$ 5,890	\$ -
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interfund payable	-	-	835
Deferred revenue	1,077	5,889	-
	1,077	5,889	-
<i>Total liabilities</i>	1,077	5,889	835
 <i>Fund Balances</i>			
Fund Balance			
Non-spendable	-	-	-
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	-	1	(835)
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Committed for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
	-	1	(835)
<i>Total fund balances</i>	-	1	(835)
<i>Total liabilities and fund balances</i>	\$ 1,077	\$ 5,890	\$ -

Library Book Allocation	Medicaid HSD	Gear-up CHE	School Based Health Center
\$ 764	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	49,553	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>764</u>	<u>-</u>	<u>49,553</u>	<u>-</u>
\$ <u>764</u>	\$ <u>-</u>	\$ <u>49,553</u>	\$ <u>-</u>
\$ -	\$ 118	\$ -	\$ -
-	-	-	-
-	1,589	49,552	33,730
-	-	-	-
<u>-</u>	<u>1,707</u>	<u>49,552</u>	<u>33,730</u>
-	-	-	-
-	-	-	-
764	(1,707)	1	(33,730)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>764</u>	<u>(1,707)</u>	<u>1</u>	<u>(33,730)</u>
\$ <u>764</u>	\$ <u>-</u>	\$ <u>49,553</u>	\$ <u>-</u>

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2012

Statement A-1  
(Page 6 of 6)

	Impact Aid Capital Projects-Federal	Capital Improvements SB-9	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and cash equivalents	\$ 56,148	\$ 232,336	\$ 923,540
Investments	-	-	-
Accounts receivable			
Taxes	-	45,439	45,439
Due from other governments	-	-	652,560
Other accounts receivable	-	-	20,260
Interfund receivable	-	-	-
Inventory	-	-	2,745
	-	-	2,745
<i>Total assets</i>	\$ 56,148	\$ 277,775	\$ 1,644,544
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ 2,628	\$ 7,805
Accrued salaries and benefits	-	-	14,253
Interfund payable	-	-	681,189
Deferred revenue	-	-	474,132
	-	-	474,132
<i>Total liabilities</i>	-	2,628	1,177,379
 <i>Fund Balances</i>			
Fund Balance			
Non-spendable	-	-	2,745
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	-	-	133,125
Capital Projects Funds	56,148	275,147	331,295
Debt Service Funds	-	-	-
Committed for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
	-	-	-
<i>Total fund balances</i>	56,148	275,147	467,165
<i>Total liabilities and fund balances</i>	\$ 56,148	\$ 277,775	\$ 1,644,544

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2012

	Food Services	Athletics	Title I
<i>Revenues</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	26,869	-	-
District activities	-	53,515	-
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	-	-
Federal sources			
Unrestricted Grants	31,906	-	-
Unrestricted -state passthrough	3,376	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	383,383	-	336,038
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	445,534	53,515	336,038
<i>Expenditures:</i>			
Current:			
Instruction	-	39,353	301,824
Support Services			
Students	-	-	21,104
Instruction	-	-	-
General Administration	-	-	13,110
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	519,874	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	519,874	39,353	336,038
<i>Excess (deficiency) of revenues over expenditures</i>	(74,340)	14,162	-
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
Bond Premium	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net changes in fund balances</i>	(74,340)	14,162	-
<i>Fund balances - beginning of year</i>	184,816	28,995	-
<i>Restatement of Fund Balance</i>	-	-	-
<i>Fund Balance as restated</i>	184,816	28,995	-
<i>Fund balances - end of year</i>	\$ 110,476	\$ 43,157	\$ -





**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2012

	English Language Acquisition	Teacher/ Principal Training	Safe and Drug Free Schools & Community
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Other revenue	-	555	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	-	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	11,676	49,744	-
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	11,676	50,299	-
<i>Expenditures:</i>			
Current:			
Instruction	11,676	22,672	-
Support Services			
Students	-	25,475	-
Instruction	-	-	-
General Administration	-	2,152	-
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	11,676	50,299	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
Bond Premium	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net changes in fund balances</i>	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-
<i>Restatement of Fund Balance</i>	-	-	-
<i>Fund Balance as restated</i>	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -

Rural & Low Income Schools	Title I Improvement	Title I Stimulus	IDEA B Entitlement Stimulus	IDEA B Preschool Stimulus
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
8,543	-	-	-	-
-	-	-	-	-
<u>8,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,543	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2012

	Johnson O'Malley	Impact Aid Special Education	Impact Aid Education
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	-	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	17,247	96,611	826,820
Restricted -state passthrough	-	-	-
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>17,247</u>	<u>96,611</u>	<u>826,820</u>
<i>Expenditures:</i>			
Current:			
Instruction	17,247	76,604	541,714
Support Services			
Students	-	20,007	285,106
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>17,247</u>	<u>96,611</u>	<u>826,820</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
Bond Premium	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	-
<i>Fund balances - beginning of year</i>	-	177,924	430,816
<i>Restatement of Fund Balance</i>	<u>-</u>	<u>(177,924)</u>	<u>(430,816)</u>
<i>Fund Balance as restated</i>	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Title XIX Medicaid	SEG Federal Stimulus	Education Jobs Fund	Conoco Phillips School Grant	Chevron School Grant
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,267	-	2,370	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>9,267</u>	<u>-</u>	<u>2,370</u>	<u>-</u>	<u>-</u>
-	-	2,370	-	-
16,365	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>16,365</u>	<u>-</u>	<u>2,370</u>	<u>-</u>	<u>-</u>
<u>(7,098)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	(1,131)	(250)
-	-	-	-	-
-	-	-	-	-
-	-	-	(1,131)	(250)
(7,098)	-	-	(1,131)	(250)
30,264	-	-	1,131	250
-	-	-	-	-
<u>30,264</u>	<u>-</u>	<u>-</u>	<u>1,131</u>	<u>250</u>
\$ <u><u>23,166</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2012

	Dual Credit PED	GO Bond Libraries	GO Library
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	3,000	3,421
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	-	-	-
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	-	3,000	3,421
<i>Expenditures:</i>			
Current:			
Instruction	-	-	-
Support Services			
Students	-	-	-
Instruction	-	3,000	3,421
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of plan	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	-	3,000	3,421
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
Bond Premium	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-
<i>Net changes in fund balances</i>	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-
<i>Restatement of Fund Balance</i>	-	-	-
<i>Fund Balance as restated</i>	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -

Incentive for School Improvement PED	Beginning Teacher Mentoring	Breakfast for Elementary Students	School Improvement Framework	Kindergarten Three Plus
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	11,632	-	66,321
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	11,632	-	66,321
-	-	-	-	-
-	-	-	-	74,360
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	11,632	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	11,632	-	74,360
-	-	-	-	-
-	-	-	-	(8,039)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(8,039)
-	3,203	-	(3,959)	8,039
(1,464)	(3,203)	-	-	-
(1,464)	-	-	(3,959)	8,039
\$ (1,464)	\$ -	\$ -	\$ (3,959)	\$ -

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2012

	21st Century	State Directed Activities IDEA-B Discretionary	Industrial Arts Career Tech & Voc Ed Training
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	43,181	(967)
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	-	-	-
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>43,181</u>	<u>(967)</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	29,998	-
Support Services			
Students	-	13,182	-
Instruction	-	-	-
General Administration	-	-	-
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	-	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>43,180</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>1</u>	<u>(967)</u>
<i>Other financing sources (uses)</i>			
Transfers	-	-	-
Bond Premium	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	1	(967)
<i>Fund balances - beginning of year</i>	1,077	5,889	132
<i>Restatement of Fund Balance</i>	<u>(1,077)</u>	<u>(5,889)</u>	<u>-</u>
<i>Fund Balance as restated</i>	-	-	132
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (835)</u>





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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2012

Statement A-2  
(Page 6 of 6)

	Impact Aid Capital Projects-Federal	Capital Improvements SB-9	Total Nonmajor Governmental Funds
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	1,378,897	1,378,897
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	-	-	26,869
District activities	-	-	53,515
Other revenue	-	1,278	1,833
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	-	18,945	340,790
Federal sources			
Unrestricted Grants	72,000	-	103,906
Unrestricted -state passthrough	-	-	3,376
Restricted Grants	-	-	952,315
Restricted -state passthrough	-	-	1,504,817
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>72,000</u>	<u>1,399,120</u>	<u>4,366,318</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	-	1,820,384
Support Services			
Students	-	-	548,688
Instruction	-	-	6,421
General Administration	-	1,593	46,017
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of plant	118,616	232,000	350,616
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	-	-	531,506
Capital outlay	251,587	904,482	1,156,069
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>370,203</u>	<u>1,138,075</u>	<u>4,459,701</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(298,203)</u>	<u>261,045</u>	<u>(93,383)</u>
<i>Other financing sources (uses)</i>			
Transfers	-	-	(1,381)
Bond Premium	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(1,381)</u>
<i>Net changes in fund balances</i>	(298,203)	261,045	(94,764)
<i>Fund balances - beginning of year</i>	354,351	14,102	1,182,302
<i>Restatement of Fund Balance</i>	-	-	(620,373)
<i>Fund Balance as restated</i>	<u>354,351</u>	<u>14,102</u>	<u>561,929</u>
<i>Fund balances - end of year</i>	<u>\$ 56,148</u>	<u>\$ 275,147</u>	<u>\$ 467,165</u>

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**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 ENDED JUNE 30, 2012**

Statement A-3

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 27,000	\$ 27,000	26,869	\$ (131)
State sources	-	-	-	-
Federal sources	366,448	366,448	366,499	51
Interest	-	-	-	-
<i>Total revenues</i>	<u>393,448</u>	<u>393,448</u>	<u>393,368</u>	<u>(80)</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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	583,252	583,252	484,998	98,254
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>583,252</u>	<u>583,252</u>	<u>484,998</u>	<u>98,254</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(189,804)</u>	<u>(189,804)</u>	<u>(91,630)</u>	<u>98,174</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	189,804	189,804	-	(189,804)
<i>Total other financing sources (uses)</i>	<u>189,804</u>	<u>189,804</u>	<u>-</u>	<u>(189,804)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(91,630)</u>	<u>(91,630)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>181,177</u>	<u>181,177</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,547</u>	<u>\$ 89,547</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (91,630)	
Adjustment to revenue for accruals and other deferrals			19,366	
Adjustment to expenditures for payables, prepaids and other accruals			(2,076)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (74,340)</u>	

**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 ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 45,000	\$ 45,000	53,515	\$ 8,515
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>45,000</u>	<u>45,000</u>	<u>53,515</u>	<u>8,515</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	74,738	74,738	39,353	35,385
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>74,738</u>	<u>74,738</u>	<u>39,353</u>	<u>35,385</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(29,738)</u>	<u>(29,738)</u>	<u>14,162</u>	<u>43,900</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	29,738	29,738	-	(29,738)
<i>Total other financing sources (uses)</i>	<u>29,738</u>	<u>29,738</u>	<u>-</u>	<u>(29,738)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>14,162</u>	<u>14,162</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>28,995</u>	<u>28,995</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,157</u>	<u>\$ 43,157</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 14,162	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 14,162</u>	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**TITLE I SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	332,631	387,268	300,811	(86,457)
Interest	-	-	-	-
<i>Total revenues</i>	<u>332,631</u>	<u>387,268</u>	<u>300,811</u>	<u>(86,457)</u>
<i>Expenditures:</i>				
Current:				
Instruction	290,920	345,557	301,702	43,855
Support Services				
Students	28,601	28,601	20,426	8,175
Instruction	-	-	-	-
General Administration	13,110	13,110	13,110	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>332,631</u>	<u>387,268</u>	<u>335,238</u>	<u>52,030</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(34,427)</u>	<u>(34,427)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(34,427)</u>	<u>(34,427)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(106,622)</u>	<u>(106,622)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (141,049)</u>	<u>\$ (141,049)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (34,427)	
Adjustment to revenue for accruals and other deferrals			34,427	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**IDEA B ENTITLEMENT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	213,520	197,779	(15,741)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>213,520</u>	<u>197,779</u>	<u>(15,741)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	172,829	160,932	11,897
Support Services				
Students	-	29,760	27,132	2,628
Instruction	-	-	-	-
General Administration	-	10,931	8,018	2,913
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>213,520</u>	<u>196,082</u>	<u>17,438</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,697</u>	<u>1,697</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,697</u>	<u>1,697</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(62,598)</u>	<u>(62,598)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,901)</u>	<u>\$ (60,901)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 1,697	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(1,697)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	



**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**IDEA B DISCRETIONARY SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
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>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(10,997)</u>	<u>(10,997)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,997)</u>	<u>\$ (10,997)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**IDEA B PRESCHOOL SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	5,605	7,529	3,485	(4,044)
Interest	-	-	-	-
<i>Total revenues</i>	<u>5,605</u>	<u>7,529</u>	<u>3,485</u>	<u>(4,044)</u>
<i>Expenditures:</i>				
Current:				
Instruction	5,605	7,529	4,553	2,976
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,605</u>	<u>7,529</u>	<u>4,553</u>	<u>2,976</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,068)</u>	<u>(1,068)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,068)</u>	<u>(1,068)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,451)</u>	<u>(1,451)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,519)</u>	<u>\$ (2,519)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (1,068)	
Adjustment to revenue for accruals and other deferrals			1,068	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**IDEA B-PRIVATE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
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>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>72</u>	<u>72</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72</u>	<u>\$ 72</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

## STATE OF NEW MEXICO

Statement A-10

## DULCE INDEPENDENT SCHOOLS

## 21st CENTURY SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	(372,000)	(40,296)	373,078	413,374
Interest	-	-	-	-
<i>Total revenues</i>	<u>(372,000)</u>	<u>(40,296)</u>	<u>373,078</u>	<u>413,374</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	318,160	600,495	453,562	146,933
Support Services				
Students	35,519	67,076	40,092	26,984
Instruction	-	-	-	-
General Administration	18,321	36,133	21,144	14,989
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>372,000</u>	<u>703,704</u>	<u>514,798</u>	<u>188,906</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(744,000)</u>	<u>(744,000)</u>	<u>(141,720)</u>	<u>602,280</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	744,000	744,000	-	(744,000)
<i>Total other financing sources (uses)</i>	<u>744,000</u>	<u>744,000</u>	<u>-</u>	<u>(744,000)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(141,720)</u>	<u>(141,720)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(158,708)</u>	<u>(158,708)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (300,428)</u>	<u>\$ (300,428)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (141,720)	
Adjustment to revenue for accruals and other deferrals			141,720	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**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 ENDED JUNE 30, 2012**

Statement A-11

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	12,374	14,511	6,517	(7,994)
Interest	-	-	-	-
<i>Total revenues</i>	<u>12,374</u>	<u>14,511</u>	<u>6,517</u>	<u>(7,994)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	12,374	14,511	11,676	2,835
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>12,374</u>	<u>14,511</u>	<u>11,676</u>	<u>2,835</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,159)</u>	<u>(5,159)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(5,159)</u>	<u>(5,159)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(14,523)</u>	<u>(14,523)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,682)</u>	<u>\$ (19,682)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (5,159)	
Adjustment to revenue for accruals and other deferrals			5,159	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

## STATE OF NEW MEXICO

Statement A-12

## 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 ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ 555	\$ 555
State sources	-	-	-	-
Federal sources	44,774	71,224	67,477	(3,747)
Interest	-	-	-	-
<i>Total revenues</i>	<u>44,774</u>	<u>71,224</u>	<u>68,032</u>	<u>(3,192)</u>
<i>Expenditures:</i>				
Current:				
Instruction	14,241	40,691	22,672	18,019
Support Services				
Students	28,381	28,381	24,797	3,584
Instruction	-	-	-	-
General Administration	2,152	2,152	2,152	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>44,774</u>	<u>71,224</u>	<u>49,621</u>	<u>21,603</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>18,411</u>	<u>18,411</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>18,411</u>	<u>18,411</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(10,240)</u>	<u>(10,240)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,171</u>	<u>\$ 8,171</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 18,411	
Adjustment to revenue for accruals and other deferrals			(9,562)	
Adjustment to expenditures for payables, prepaids and other accruals			(8,849)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

## STATE OF NEW MEXICO

Statement A-13

## DULCE INDEPENDENT SCHOOLS

SAFE AND 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 ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	2,976	2,976
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>2,976</u>	<u>2,976</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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
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>2,976</u>	<u>2,976</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>2,976</u>	<u>2,976</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,976)</u>	<u>(2,976)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 2,976	
Adjustment to revenue for accruals and other deferrals			(2,976)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

## STATE OF NEW MEXICO

Statement A-14

DULCE INDEPENDENT SCHOOLS  
RURAL & LOW INCOME SCHOOLS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	12,993	14,150	19,801	5,651
Interest	-	-	-	-
<i>Total revenues</i>	<u>12,993</u>	<u>14,150</u>	<u>19,801</u>	<u>5,651</u>
<i>Expenditures:</i>				
Current:				
Instruction	12,993	14,150	8,543	5,607
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>12,993</u>	<u>14,150</u>	<u>8,543</u>	<u>5,607</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>11,258</u>	<u>11,258</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>11,258</u>	<u>11,258</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(15,404)</u>	<u>(15,404)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,146)</u>	<u>\$ (4,146)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 11,258	
Adjustment to revenue for accruals and other deferrals			(11,258)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	



**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**TITLE I IMPROVEMENT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Statement A-15

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	32,508	32,508
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>32,508</u>	<u>32,508</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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
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>32,508</u>	<u>32,508</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>32,508</u>	<u>32,508</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(32,508)</u>	<u>(32,508)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 32,508	
Adjustment to revenue for accruals and other deferrals			(32,508)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

## STATE OF NEW MEXICO

Statement A-16

DULCE INDEPENDENT SCHOOLS  
 TITLE I FEDERAL STIMULUS SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	45,904	45,904
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>45,904</u>	<u>45,904</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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
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>45,904</u>	<u>45,904</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>45,904</u>	<u>45,904</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(45,904)</u>	<u>(45,904)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 45,904	
Adjustment to revenue for accruals and other deferrals			(45,904)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

## STATE OF NEW MEXICO

Statement A-17

DULCE INDEPENDENT SCHOOLS  
 IDEA-B ENTITLEMENT STIMULUS SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	28,209	28,209
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>28,209</u>	<u>28,209</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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
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>28,209</u>	<u>28,209</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>28,209</u>	<u>28,209</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(28,209)</u>	<u>(28,209)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 28,209	
Adjustment to revenue for accruals and other deferrals			(28,209)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

## STATE OF NEW MEXICO

Statement A-18

DULCE INDEPENDENT SCHOOLS  
 IDEA-B PRESCHOOL STIMULUS SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	2,095	2,095
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>2,095</u>	<u>2,095</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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
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>2,095</u>	<u>2,095</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>2,095</u>	<u>2,095</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,095)</u>	<u>(2,095)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 2,095	
Adjustment to revenue for accruals and other deferrals			(2,095)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**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 ENDED JUNE 30, 2012**

Statement A-19

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	30,120	19,637	17,247	2,390
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,120</u>	<u>19,637</u>	<u>17,247</u>	<u>2,390</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(30,120)</u>	<u>(19,637)</u>	<u>(17,247)</u>	<u>2,390</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	30,120	19,637	-	(19,637)
<i>Total other financing sources (uses)</i>	<u>30,120</u>	<u>19,637</u>	<u>-</u>	<u>(19,637)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(17,247)</u>	<u>(17,247)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>19,637</u>	<u>19,637</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,390</u>	<u>\$ 2,390</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (17,247)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			17,247	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

## STATE OF NEW MEXICO

Statement A-20

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 ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	72,000	72,000	95,258	23,258
Interest	-	-	-	-
<i>Total revenues</i>	<u>72,000</u>	<u>72,000</u>	<u>95,258</u>	<u>23,258</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	200,533	220,533	76,604	143,929
Support Services				
Students	19,356	30,091	20,007	10,084
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>219,889</u>	<u>250,624</u>	<u>96,611</u>	<u>154,013</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(147,889)</u>	<u>(178,624)</u>	<u>(1,353)</u>	<u>177,271</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	147,889	178,624	-	(178,624)
<i>Total other financing sources (uses)</i>	<u>147,889</u>	<u>178,624</u>	<u>-</u>	<u>(178,624)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,353)</u>	<u>(1,353)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>177,924</u>	<u>177,924</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,571</u>	<u>\$ 176,571</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (1,353)	
Adjustment to revenue for accruals and other deferrals			1,353	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

## STATE OF NEW MEXICO

Statement A-21

DULCE INDEPENDENT SCHOOLS  
IMPACT AID SPECIAL REVENUE FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	734,000	734,000	680,934	(53,066)
Interest	-	-	-	-
<i>Total revenues</i>	<u>734,000</u>	<u>734,000</u>	<u>680,934</u>	<u>(53,066)</u>
<i>Expenditures:</i>				
Current:				
Instruction	1,366,292	868,617	541,712	326,905
Support Services				
Students	296,199	296,199	283,541	12,658
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,662,491</u>	<u>1,164,816</u>	<u>825,253</u>	<u>339,563</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(928,491)</u>	<u>(430,816)</u>	<u>(144,319)</u>	<u>286,497</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	928,491	430,816	-	(430,816)
<i>Total other financing sources (uses)</i>	<u>928,491</u>	<u>430,816</u>	<u>-</u>	<u>(430,816)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(144,319)</u>	<u>(144,319)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>430,816</u>	<u>430,816</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 286,497</u>	<u>\$ 286,497</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (144,319)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			144,319	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

## STATE OF NEW MEXICO

Statement A-22

## DULCE INDEPENDENT SCHOOLS

## TITLE XIX MEDICAID SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	9,267	9,267
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>9,267</u>	<u>9,267</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	30,264	13,643	16,621
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>30,264</u>	<u>13,643</u>	<u>16,621</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(30,264)</u>	<u>(4,376)</u>	<u>25,888</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	30,264	-	(30,264)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>30,264</u>	<u>-</u>	<u>(30,264)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(4,376)</u>	<u>(4,376)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>30,264</u>	<u>30,264</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,888</u>	<u>\$ 25,888</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (4,376)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(2,722)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (7,098)</u>	



**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**SEG FEDERAL STIMULUS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Statement A-23

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
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>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**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 ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
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>				
Operating transfers	-	-	(1,131)	(1,131)
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(1,131)</u>	<u>(1,131)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,131)</u>	<u>(1,131)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,131</u>	<u>1,131</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (1,131)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (1,131)</u>	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**CHEVRON SCHOOL GRANT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Statement A-25

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	(250)	(250)
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	(250)	(250)
<i>Net change in fund balances</i>	-	-	(250)	(250)
<i>Cash balances - beginning of year</i>	-	-	250	250
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (250)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ (250)	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**EDUCATION JOBS FUND SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Statement A-26

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	2,370	2,370	-
Interest	-	-	-	-
<i>Total revenues</i>	-	2,370	2,370	-
<i>Expenditures:</i>				
Current:				
Instruction	-	2,370	2,370	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	2,370	2,370	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ -	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**DUAL CREDIT PED SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Statement A-27

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	1,196	-	(1,196)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,196</u>	<u>-</u>	<u>(1,196)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	1,196	-	1,196
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,196</u>	<u>-</u>	<u>1,196</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	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

## STATE OF NEW MEXICO

Statement A-28

DULCE INDEPENDENT SCHOOLS  
GO BOND LIBRARIES SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	3,000	-	(3,000)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	3,000	-	(3,000)
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	3,000	3,000	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	3,000	3,000	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	(3,000)	(3,000)
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(3,000)	(3,000)
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (3,000)	\$ (3,000)
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (3,000)	
Adjustment to revenue for accruals and other deferrals			3,000	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ -	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**GO BOND LIBRARY SB1 SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Statement A-29

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	6,602	6,602	-	(6,602)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>6,602</u>	<u>6,602</u>	<u>-</u>	<u>(6,602)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	6,602	6,602	3,421	3,181
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,602</u>	<u>6,602</u>	<u>3,421</u>	<u>3,181</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,421)</u>	<u>(3,421)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,421)</u>	<u>(3,421)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,421)</u>	<u>\$ (3,421)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (3,421)	
Adjustment to revenue for accruals and other deferrals			3,421	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

DULCE INDEPENDENT SCHOOLS  
 INCENTIVE FOR SCHOOL IMPROVEMENT PED SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
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>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,464)</u>	<u>(1,464)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,464)</u>	<u>\$ (1,464)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	



## STATE OF NEW MEXICO

Statement A-31

DULCE INDEPENDENT SCHOOLS  
 BEGINNING TEACHER MENTORING SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
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>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,203</u>	<u>3,203</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,203</u>	<u>\$ 3,203</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

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 ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	11,632	11,632	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	11,632	11,632	-
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	11,632	11,632	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	11,632	11,632	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ -	-
Adjustment to revenue for accruals and other deferrals			-	-
Adjustment to expenditures for payables, prepaids and other accruals			-	-
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ -	-

**STATE OF NEW MEXICO**  
**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 ENDED JUNE 30, 2012**

Statement A-33

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash balances - beginning of year</i>	-	-	(3,959)	(3,959)
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (3,959)	\$ (3,959)
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ -	

## STATE OF NEW MEXICO

Statement A-34

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 ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	50,265	80,276	48,596	(31,680)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	50,265	80,276	48,596	(31,680)
<i>Expenditures:</i>				
Current:				
Instruction	50,265	80,276	62,891	17,385
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	50,265	80,276	62,891	17,385
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	(14,295)	(14,295)
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	(14,295)	(14,295)
<i>Cash balances - beginning of year</i>	-	-	(11,211)	(11,211)
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (25,506)	\$ (25,506)
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (14,295)	
Adjustment to revenue for accruals and other deferrals			17,725	
Adjustment to expenditures for payables, prepaids and other accruals			(11,469)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ (8,039)	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**STATE 21ST CENTURY SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
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>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,077</u>	<u>1,077</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,077</u>	<u>\$ 1,077</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

## STATE OF NEW MEXICO

Statement A-36

## DULCE INDEPENDENT SCHOOLS

STATE DIRECTED ACTIVITIES-IDEA B DISCRETIONARY SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	43,181	43,181	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>43,181</u>	<u>43,181</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	30,000	29,999	1
Support Services				
Students	-	13,181	13,181	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>43,181</u>	<u>43,180</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,889</u>	<u>5,889</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,890</u>	<u>\$ 5,890</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 1	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 1</u>	

## STATE OF NEW MEXICO

Statement A-37

## DULCE INDEPENDENT SCHOOLS

INDUSTRIAL ARTS CAREER & 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 ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Cash balances - beginning of year</i>	-	-	(835)	(835)
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (835)	\$ (835)
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			(967)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ (967)	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**LIBRARY BOOK ALLOCATION SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
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>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>764</u>	<u>764</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 764</u>	<u>\$ 764</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	



## STATE OF NEW MEXICO

Statement A-39

## 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 ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	30,000	20,156	(9,844)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>30,000</u>	<u>20,156</u>	<u>(9,844)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	47,052	38,797	8,255
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>47,052</u>	<u>38,797</u>	<u>8,255</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(17,052)</u>	<u>(18,641)</u>	<u>(1,589)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	17,052	-	(17,052)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>17,052</u>	<u>-</u>	<u>(17,052)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(18,641)</u>	<u>(18,641)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>17,052</u>	<u>17,052</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,589)</u>	<u>\$ (1,589)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (18,641)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(118)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (18,759)</u>	

STATE OF NEW MEXICO

Statement A-40

DULCE INDEPENDENT SCHOOLS  
GEAR-UP CHE SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	96,550	96,146	(404)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>96,550</u>	<u>96,146</u>	<u>(404)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	96,550	74,976	21,574
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>96,550</u>	<u>74,976</u>	<u>21,574</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>21,170</u>	<u>21,170</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>21,170</u>	<u>21,170</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(70,722)</u>	<u>(70,722)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (49,552)</u>	<u>\$ (49,552)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 21,170	
Adjustment to revenue for accruals and other deferrals			955	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 22,125</u>	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**SCHOOL BASED HEALTH CENTER SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Statement A-41

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	80,000	78,000	(2,000)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>80,000</u>	<u>78,000</u>	<u>(2,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	80,000	61,310	18,690
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>80,000</u>	<u>61,310</u>	<u>18,690</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>16,690</u>	<u>16,690</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>16,690</u>	<u>16,690</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(50,420)</u>	<u>(50,420)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,730)</u>	<u>\$ (33,730)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 16,690	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 16,690</u>	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**BOND BUILDING CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

Statement A-42

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 9,000	\$ 9,000	-	\$ (9,000)
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	6,877	6,877
<i>Total revenues</i>	<u>9,000</u>	<u>9,000</u>	<u>6,877</u>	<u>(2,123)</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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	4,986,621	4,986,621	598,782	4,387,839
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,986,621</u>	<u>4,986,621</u>	<u>598,782</u>	<u>4,387,839</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(4,977,621)</u>	<u>(4,977,621)</u>	<u>(591,905)</u>	<u>4,385,716</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	4,977,621	4,977,621	-	(4,977,621)
<i>Total other financing sources (uses)</i>	<u>4,977,621</u>	<u>4,977,621</u>	<u>-</u>	<u>(4,977,621)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(591,905)</u>	<u>(591,905)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,995,151</u>	<u>4,995,151</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,403,246</u>	<u>\$ 4,403,246</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (591,905)	
Adjustment to revenue for accruals and other deferrals			(71,075)	
Adjustment to expenditures for payables, prepaids and other accruals			41,089	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (621,891)</u>	

## STATE OF NEW MEXICO

Statement A-43

DULCE INDEPENDENT SCHOOLS  
IMPACT AID CAPITAL PROJECTS FUNDSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	-	\$ -
State sources	-	-	-	-
Federal sources	-	144,000	72,000	(72,000)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>144,000</u>	<u>72,000</u>	<u>(72,000)</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	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	354,351	498,351	370,203	128,148
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>354,351</u>	<u>498,351</u>	<u>370,203</u>	<u>128,148</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(354,351)</u>	<u>(354,351)</u>	<u>(298,203)</u>	<u>56,148</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	354,351	354,351	-	(354,351)
<i>Total other financing sources (uses)</i>	<u>354,351</u>	<u>354,351</u>	<u>-</u>	<u>(354,351)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(298,203)</u>	<u>(298,203)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>354,351</u>	<u>354,351</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,148</u>	<u>\$ 56,148</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (298,203)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (298,203)</u>	

## STATE OF NEW MEXICO

Statement A-44

DULCE INDEPENDENT SCHOOLS  
 CAPITAL IMPROVEMENTS HB-33 CAPITAL PROJECTS FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 1,100,581	\$ 1,100,581	1,352,653	\$ 252,072
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	6,877	6,877
<i>Total revenues</i>	<u>1,100,581</u>	<u>1,100,581</u>	<u>1,359,530</u>	<u>258,949</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	1,595	1,593	2
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	4,222,758	4,221,163	810,626	3,410,537
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,222,758</u>	<u>4,222,758</u>	<u>812,219</u>	<u>3,410,539</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,122,177)</u>	<u>(3,122,177)</u>	<u>547,311</u>	<u>3,669,488</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	3,122,177	3,122,177	-	(3,122,177)
<i>Total other financing sources (uses)</i>	<u>3,122,177</u>	<u>3,122,177</u>	<u>-</u>	<u>(3,122,177)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>547,311</u>	<u>547,311</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,237,598</u>	<u>3,237,598</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,784,909</u>	<u>\$ 3,784,909</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 547,311	
Adjustment to revenue for accruals and other deferrals			27,116	
Adjustment to expenditures for payables, prepaids and other accruals			(26,360)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 548,067</u>	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**SB-9 CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 1,167,181	\$ 1,167,181	1,340,837	\$ 173,656
State sources	18,798	37,743	37,743	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,185,979</u>	<u>1,204,924</u>	<u>1,378,580</u>	<u>173,656</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,523	1,593	1,593	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	1,184,456	1,203,331	1,144,651	58,680
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,185,979</u>	<u>1,204,924</u>	<u>1,146,244</u>	<u>58,680</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>232,336</u>	<u>232,336</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>232,336</u>	<u>232,336</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,336</u>	<u>\$ 232,336</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 232,336	
Adjustment to revenue for accruals and other deferrals			(41,684)	
Adjustment to expenditures for payables, prepaids and other accruals			70,393	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 261,045</u>	

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**DEBT SERVICE FUND**

Statement A-46

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 4,399,613	\$ 4,399,613	\$ 6,396,873	\$ 1,997,260
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>4,399,613</u>	<u>4,399,613</u>	<u>6,396,873</u>	<u>1,997,260</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	6,700	6,700	4,503	2,197
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	2,990,000	2,990,000	2,990,000	-
Interest	1,409,613	1,409,613	1,409,613	-
<i>Total expenditures</i>	<u>4,406,313</u>	<u>4,406,313</u>	<u>4,404,116</u>	<u>2,197</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(6,700)</u>	<u>(6,700)</u>	<u>1,992,757</u>	<u>1,999,457</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	6,700	6,700	-	(6,700)
<i>Total other financing sources (uses)</i>	<u>6,700</u>	<u>6,700</u>	<u>-</u>	<u>(6,700)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,992,757</u>	<u>1,992,757</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,697,802</u>	<u>3,697,802</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,690,559</u>	<u>\$ 5,690,559</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 1,992,757	
Adjustment to revenue for accruals and other deferrals			(90,979)	
Adjustment to expenditures for payables, prepaids and other accruals			214,673	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 2,116,451</u>	

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**FIDUCIARY FUNDS**

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**

**FIDUCIARY FUNDS**

Agency Funds

**Agency Funds** – To account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Dulce Independent Schools has the following funds classified as Agency Funds:

**Activity** – To account for assets held by the District until distributed to various organizations at the schools.

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**AGENCY FUNDS**

Statement B

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**For the Year Ended June 30, 2012**

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
<b>ASSETS</b>				
Class of 2011	\$ 862	\$ 5	\$ 867	\$ -
Class of 2012	4,175	1,956	4,982	1,149
Class of 2013	3,325	7,599	8,833	2,091
Class of 2014	1,195	1,229	654	1,770
Class of 2015	-	4,266	1,683	2,583
Prior Grads	-	10,000	-	10,000
ROTC	783	6,947	5,875	1,855
Soccer Club	752	549	1,301	-
MS Activity	3,207	1,775	1,682	3,300
MS Student Council	7,373	10,648	11,153	6,868
Transportation	48,472	56,783	22,577	82,678
Parking Fees	547	-	-	547
MS Library	902	45	18	929
FFA	6,822	1,403	4,449	3,776
HS Library	5,515	300	210	5,605
HS Student Council	7,284	2,533	5,551	4,266
Elementary Activity	5,145	13,500	13,835	4,810
Elementary Library	6,830	11,809	12,155	6,484
Elem Jicarill Language & Culture Student	-	3,181	1,242	1,939
German Club	293	-	-	293
Dreams	2,938	500	1,218	2,220
Interest	-	76	-	76
Elementary Sports	4,432	4,103	-	8,535
HS Activity	1,055	545	1,362	238
HS Yearbook	622	1,784	1,380	1,026
All Sports	2,653	34,413	22,823	14,243
7AA	1,276	16,348	16,124	1,500
2AA	1,186	1,788	815	2,159
Ski Club	753	2,786	2,950	589
MS Closeup	1,080	24,078	23,985	1,173
NMPSIA	145,974	-	145,974	-
Total Assets	<u>\$ 265,451</u>	<u>\$ 220,949</u>	<u>\$ 313,698</u>	<u>\$ 172,702</u>
<b>LIABILITIES</b>				
Deposits held for others	265,451	220,949	313,698	172,702
Total Liabilities	<u>\$ 265,451</u>	<u>\$ 220,949</u>	<u>\$ 313,698</u>	<u>\$ 172,702</u>

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**SUPPORTING SCHEDULES**

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
June 30, 2012

Schedule I

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>PAR/ Market Value June 30, 2012</u>	<u>Name and Location of Safekeeper</u>
Wells Fargo Bank	NONE - Per Dodd Frank Act all deposits are 100% insured	\$ -	Wells Fargo Bank Northwest, NA
		<u>                    </u>	
	Total Collateral Pledged	\$ <u>                    </u> <u>                    </u>	

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS**  
June 30, 2012

Schedule II

Deposit or Investment Account Type	Wells Fargo Bank	State Treasurer's LGIP	Total
Checking General	\$ 9,486,572	\$ -	\$ 9,486,572
Checking- Activity	177,426	-	177,426
State Treasurer's LGIP	-	5,965,893	5,965,893
<b>Total On Deposit</b>	<b>9,663,998</b>	<b>5,965,893</b>	<b>15,629,891</b>
Reconciling Items	<u>(367,737)</u>	<u>-</u>	<u>(367,737)</u>
Reconciled Balance June 30, 2012	<u>\$ 9,296,261</u>	<u>\$ 5,965,893</u>	<u>\$ 15,262,154</u>

Reconciliation to financial statements:

Cash and cash equivalents:	
Total cash and cash equivalents per Statement of Net Assets	\$ 9,126,477
Total cash and cash equivalents per Fiduciary Statement of Assets and Liabilities	<u>172,702</u>
Total Cash (not including investments)	\$ 9,299,179
Total Investments per Statement of Net Assets	<u>5,965,893</u>
Total cash and Investments	<u>\$ 15,265,072</u>

**STATE OF NEW MEXICO**  
Dulce Independent Schools  
Cash Reconciliation  
June 30, 2012

	Operational Account	Teachorage Account	Transportation Account	Instructional Materials Account	Food Services Account
Cash per June 30, 2011 audit report	\$ 635,280	\$ 71,466	\$ 16,443	\$ 10,698	\$ 181,177
Restatement of Cash and Fund Balance	-	-	(16,442)	-	-
Add:					
2011-12 revenues	8,085,261	171,253	159,227	30,046	393,368
Adjustments	10,260	-	-	-	-
Loans from other funds	-	-	-	-	-
Total cash available	8,730,801	242,719	159,228	40,744	574,545
Less:					
2011-12 expenditures	(7,895,236)	(120,806)	(159,227)	(26,914)	(484,997)
Loans (to) other funds	-	-	-	-	-
Cash June 30, 2012	<u>\$ 835,565</u>	<u>\$ 121,913</u>	<u>\$ 1</u>	<u>\$ 13,830</u>	<u>\$ 89,548</u>

Athletics Account	Federal Flowthrough Fund	Federal Direct Fund	Local Fund	State Flowthrough Fund	State Direct Fund	Local/State Fund
\$ 28,995	\$ 72	\$ 658,641	\$ 1,381	\$ 10,933	\$ 17,052	\$ -
-	-	-	(1,381)	-	-	-
53,515	1,073,025	787,829	-	103,409	116,302	78,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
82,510	1,073,097	1,446,470	-	114,342	133,354	78,000
(39,353)	(1,120,513)	(955,124)	-	(124,124)	(113,774)	(61,310)
-	(510,647)	-	-	(17,470)	(70,722)	(50,420)
<u>\$ 43,157</u>	<u>\$ (558,063)</u>	<u>491,346</u>	<u>-</u>	<u>(27,252)</u>	<u>(51,142)</u>	<u>(33,730)</u>

**STATE OF NEW MEXICO**

Dulce Independent Schools

Cash Reconciliation

	Bond Building	Spcial Capital Outlay Federal	Capital Improv. HB 33	Capital Improv. SB 9
Cash per June 30, 2011 audit report	\$ 4,980,879	\$ 354,351	\$ 3,237,598	\$ -
Restatement of Cash and Fund Balance	14,270	-	-	-
Add:				
2011-12 revenues	6,877	72,000	1,359,530	1,378,580
Adjustments	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	5,002,026	426,351	4,597,128	1,378,580
Less:				
2011-12 expenditures	(598,780)	(370,203)	(812,219)	(1,146,244)
Loans (to) from other funds	-	-	-	-
Cash June 30, 2012	<u>\$ 4,403,246</u>	<u>\$ 56,148</u>	<u>\$ 3,784,909</u>	<u>\$ 232,336</u>

Bank balance end of year  
Deposits in transit  
Less Outstanding checks  
Cash June 30, 2012



Schedule III  
 (Page 2 of 2)

<u>Debt Service Fund</u>	<u>Total</u>
\$ 3,697,802	\$ 13,902,768
-	(3,553)
6,396,873	20,265,095
-	10,260
-	-
<u>10,094,675</u>	<u>34,174,570</u>
(4,404,117)	(18,432,941)
-	(649,259)
<u>\$ 5,690,558</u>	<u>\$ 15,092,370</u>
	\$ 15,452,465
	139,909
	(500,004)
	<u>\$ 15,092,370</u>

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**COMPLIANCE SECTION**

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

Hector H. Balderas  
New Mexico State Auditor  
The Office of Management and Budget and  
The Governing Board  
Dulce Independent Schools  
Dulce, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparison statement of the General Fund and the major special revenue fund activities of Dulce Independent Schools, as of and for the the year ended June 30, 2012 and have issued our report thereon dated August 15, 2012. 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.

Internal control over Financial Reporting

Management of Dulce Independent Schools is responsible for establishing and maintaining effective internal controls over financial reporting. In planning and performing our audit, we considered Dulce Independent Schools' 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 Dulce Independent Schools internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Dulce Independent Schools' internal control over financial reporting.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 non-compliance 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 the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant 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, as described in the accompanying Schedule of findings and Questioned Costs, as FS 10-02, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies. 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' 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 an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Costs as FA 2012-01.

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, the New Mexico Legislature, 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.

*Precision Accounting LLC*

*Precision Accounting LLC*  
Albuquerque, New Mexico  
August 15, 2012

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**FEDERAL FINANCIAL ASSISTANCE**

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

Hector H. Balderas  
New Mexico State Auditor  
The Office of Management and Budget and  
The Governing Board  
Dulce Independent Schools  
Dulce, New Mexico

Compliance

We have audited the compliance of Dulce Independent Schools' 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, 2012. Dulce Independent Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Dulce Independent Schools' management. Our responsibility is to express an opinion on Dulce Independent Schools' 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' compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Dulce Independent Schools' compliance with those requirements.

In our opinion, Dulce Independent Schools' 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, 2012.

Internal Control Over Compliance

The management of Dulce Independent Schools' 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' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 the Dulce Independent Schools' internal control over compliance.

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A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 non-compliance 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 the 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 the 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, the New Mexico Legislature, 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 "Precision Accounting LLC".

Precision Accounting LLC  
Albuquerque, New Mexico  
August 15, 2012

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2012

Schedule IV

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Program or Award Amount	Disbursements/ Expenditures
<i>Direct Programs:</i>				
U.S. Department of Education				
Impact Aid Special Education	84.041	25147	\$ 826,820	\$ 826,820
Impact Aid Education	84.041	25145	96,611	96,611
Impact Aid- Operational	84.041	11000	2,723,736	2,723,736
Impact Aid School Construction, Recovery Act (ARRA)	84.404	31500	180,326	180,326
Johnson O'Malley		25131	17,247	17,247
Education Jobs Fund	84.410	25255	2,370	2,370
Subtotal Department of Education			<u>3,847,110</u>	<u>3,847,110</u>
U.S. Department of Agriculture				
Forest Reserve	10.672	11000	107,760	107,760
Subtotal Department of Agriculture			<u>107,760</u>	<u>107,760</u>
<i>Pass Through Programs:</i>				
U.S. Department of Agriculture				
Passed through NM Public Education Department:				
Commodities Program	10.550	21000	31,906	31,906
National School Lunch Program	10.555	21000	318,426	318,426
National School Breakfast Program	10.553	21000	136,742	136,742
Total U.S. Department of Agriculture			<u>487,074</u>	<u>487,074</u>
U.S. Department of Education				
Passed through NM Public Education Department:				
Title I	84.010	24101	336,038	336,038
IDEA B Entitlement	84.027	24106	196,082	196,082
State Directed Activities	84.027	27200	-	43,180
IDEA B Preschool	84.173	24109	4,553	4,553
IDEA B-Private Schools	84.027	24115	-	-
21st Century	84.287	24119	514,798	514,798
Title III	84.365A	24153	11,676	11,676
Teacher/Principal Training and Recruiting	84.367A	24154	49,744	50,299
Safe and Drug Free Schools and Communities	84.186A	24157	-	-
Rural & Low Income Schools	84.358	24160	8,543	8,543
Title I Improvement	84.377	24162	-	-
Total U.S. Department of Education			<u>1,121,434</u>	<u>1,165,169</u>
Total Federal Financial Assistance			<u>\$ 5,563,378</u>	<u>\$ 5,607,113</u>

**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 Dulce Independent 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

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, 2012 was \$31,906.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 5,607,113
Total expenditures funded by other sources	<u>12,079,526</u>
Total expenditures	<u>\$ 17,686,639</u>

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STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Dulce Independent Schools.
2. One significant deficiencies were disclosed during the audit of the financial statements.
3. One instance of noncompliance material to the financial statements of Dulce Independent Schools disclosed during the audit.
4. There was one audit finding required to be reported under A-133.510(a).
5. The auditor's report on compliance for major federal award programs for Dulce Independent Schools expresses an unqualified opinion.
6. The programs tested as major were the Title I CFDA No. 84.010, 21<sup>st</sup> Century CFDA No. 84.287, Impact Aid CFDA No. 84.041, Impact Aid Special Education CFDA No. 84.041, and the Student Nutrition Program CFDA No. 10.555.
7. The threshold for distinguishing Types A and B programs was \$300,000.
8. Dulce Independent Schools qualified as a **high** risk auditee.

**B. FINDINGS-FINANCIAL STATEMENT AUDIT**

**FS-10-02 Cash Receipts (Significant Deficiency)-repeated and revised**

CONDITION: Based on the test work performed, we noted that 2 out of 40 receipts were deposited after the 24 hour deadline required by NMAC 6.20.2.14.

CRITERIA: NMAC 6.20.2.14 - Cash Control Standards, Section C: Money received and receipted shall be deposited in the bank within 24 hours or one banking day.

CAUSE OF CONDITION: The District did not deposit 2 receipts within one banking day because it appears that the person who normally would make the deposit was out of the office or extremely busy and there is no set procedure for someone else to look in the vault to see if there is a deposit that needs to be made.

EFFECT OF CONDITION: The District does not appear to be compliant with NMAC 6.20.2.14 - Cash Control Standards, Section C: Money received and receipted shall be deposited in the bank within 24 hours or one banking day.

RECOMMENDATION: The District should implement a procedure to insure that all receipts be deposited within 24 hours or one banking day.

COSTS AND BENEFITS OF RECOMMENDED ACTION: The costs of improvements to the system should be minimal and will prevent any monies received and receipted from being deposited late in violation of NMAC 6.20.2.14.

CLIENT RESPONSE: The district is implementing a procedure for when the main depositor is not at work we have a backup to make sure deposits are done within the required timeframe.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012

**C. FINDINGS-FEDERAL AWARDS**

**FA-2012-01 Untimely Filing of Data Collection Form (Significant Deficiency)**

CONDITION: The annual Data Collection report was not submitted to the Federal Clearing House by the required due date of March 31, 2012.

CRITERIA: Federal Regulations and NMAC 2.2.2.9 require an entity receiving federal funds to file a Data Collection Form with the Federal Clearing House on or before March 31, 2012.

CAUSE OF CONDITION: The District's auditor experienced turnover and the audit was not completed in a timely manner. When the report was issued, the District did not agree with the figures and attempted to have the auditor explain or change the figures to no avail. The District did not want to submit the Data Collection Form with numbers that it did not agree with.

EFFECT OF CONDITION: The District appears to be in violation of Federal Regulations and NMAC 2.2.2.9 having failed to submit their annual Data Collection Report by the required due date which could jeopardize the District's eligibility for future funding.

RECOMMENDATION: We recommend that the District and the prior auditor work together to complete the financial and compliance audit and the submission of the Data Collection Report as soon as possible.

COSTS AND BENEFITS OF RECOMMENDED ACTION: The cost of compliance should be minimal and the benefits are compliance with federal grants to ensure future funding.

CLIENT RESPONSE: The 2011 Audit had incorrect SEFA expenditures when submitted by that Auditor. The District would not sign off on those incorrect numbers. The District is in the process of getting that Auditor to make corrections to that SEFA. In the future the District will work closely with new Auditors to file timely correct SEFA data Collection Form.

**D. PRIOR YEAR AUDIT FINDINGS**

FS 07-03 Cash Not Reconciled-**Cleared**  
FS 10-01 Noncompliance with Budget Requirements-**Cleared**  
FS 11-01 Disbursements & Individually Significant-**Cleared**  
FS 11-02 Per Diem and Actual-**Cleared**  
FS 10-02 Cash Receipts-**Repeated**  
FS 10-04 Late Audit Report-**Cleared**

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
OTHER DISCLOSURES  
Year Ended June 30, 2012

**A. AUDITOR PREPARED FINANCIAL STATEMENTS**

Naomi Vicenti, the Business Manager, is capable of preparing, understanding and accepting responsibility for the GAAP basic financial statements. Although the District is responsible for the content of the financial statements they have contracted with the auditor to prepare the GAAP-basis financial statements and footnotes for inclusion in the annual audit report.

**B. EXIT CONFERENCE**

The contents of this report were discussed on August 10, 2012. The following individuals were in attendance.

Dulce Independent Schools

David Montoya, Board President  
James Leshner, Superintendent  
Naomi Vicenti, Business Manager  
Rhonda Stroup, Payroll  
Liz Garcia, Federal Grants

Precision Accounting LLC

Melissa R. Santistevan, CPA, CFE, CGMA  
C. Jack Emmons, CPA, CFE, CGMA