

**STATE OF NEW MEXICO**

**DULCE INDEPENDENT SCHOOLS**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2014**

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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, 2014

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STATE OF NEW MEXICO  
Dulce Independent Schools

OFFICIAL ROSTER  
June 30, 2014

<u>Name</u>		<u>Title</u>
	<u>Board of Education</u>	
Joanna Dykehouse		President
Adrian Notsinneh		Vice President
Manuel Gomez		Secretary
Connie Gomez		Member
Everett Vigil		Member
	<u>School Officials</u>	
Tom Savage		Superintendent
Naomi Vicenti		Business Manager

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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  
The Governing Board  
Dulce Independent Schools  
Dulce, New Mexico

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons of the general fund and the major special revenue funds of Dulce Independent Schools (the "District") as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise Dulce Independent Schools' basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Dulce Independent Schools' nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

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 involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Dulce Independent Schools' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dulce Independent Schools' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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## **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, 2014, and the respective changes in financial position where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Dulce Independent Schools as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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.

## **Other Information**

Our audit was conducted for the purpose of forming opinions on Dulce Independent Schools' financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards 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 other schedules as required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The other schedules required by 2.2.2 NMAC are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other schedules as required by 2.2.2 NMAC are fairly stated in all material respects in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2014 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* in considering Dulce Independent Schools' internal control over financial reporting and compliance.

*Precision Accounting LLC*

Precision Accounting, LLC  
Albuquerque, New Mexico  
August 25, 2014

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

June 30, 2014

This Management Discussion and Analysis of the fiscal performance of the Dulce Independent School District for the period ending June 30, 2014 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 Position 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, 2014. 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."

The Dulce Independent School District is a comprehensive K-12 public school district serving 700 students. The District offers a wide variety of educational programs designed to inspire learning that will prepare students to thrive in the ever-changing and demanding global economy of the 21<sup>st</sup> century.

Dulce Elementary students in grades K-4 focus on an academic block in the mornings that focus on reading and math. Students also study their indigenous home-language of Jicarilla Apache and learn about the culture and history of their ancestry. Technology infrastructure is superior and students interface with a wide array of research-based software intended to remediate and/or accelerate instruction. Afternoons find students performing inquiry-based science and social studies. Basic skills, physical education, nutrition, character education and enrichments are also provided. Teachers collaborate well and emphasize fundamental academics at every opportunity.

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

June 30, 2014

Dulce Middle School Students range from grades five through eight. Dulce Middle School is committed to providing a safe learning environment where staff, students, parents, and community accept the responsibility of preparing students for academic success and to face the challenges of the future. Dulce Middle School's environment of trust and mutual respect for all people reflects our belief that all students can learn. Teachers, students and community work together to prepare students to take a role in society as productive citizen by combining high expectations and rigorous academic standards. Students are also encouraged to develop a deep personal commitment to learning. The school has a number of academic supports, including after-school and extended-learning opportunities for all students. Many students participate in a robust athletic program and the Student Council and Close-Up organizations are top notch. The technology program (Smart Lab) is an outstanding component of a rich grouping of academics and electives.

Dulce High School provides a strong academic base for students as evidenced by their above average rating recently awarded to the school by the New Mexico Public Education Department. In addition to a strong academic program, students can choose from a variety of elective programs including the Jicarilla Officer Training Corps, Spanish, Robotics, Smart lab, Computer Aided Drafting, fine and performing arts program, standardized test preparation, Jicarilla Language and Culture, team sports and an extensive after school athletic program.

**Introduction**

The financial performance of the Dulce Schools for the fiscal year ended June 30, 2014 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 2014 are:

- Total Assets of Governmental Activities was \$68,571,459 (Ex. A-1)
- Total Liabilities of Governmental Activities was \$31,762,491 (Ex. A-1)
- Net Position of Governmental Activities was \$36,808,968 (Ex. A-1).
- General Fund revenues exceeded expenditures by \$158,516.
- The District implemented the State mandates for all teaching tiers; and the 6.13% increase in the employer's contribution for medical insurance.

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

June 30, 2014

**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 Position:**

The Statement of Net Position 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 position. Over time, increases or decreases in net position 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 position) remain materially the same as the prior year balances.

**Summary of Statement of Net Position**

<b>Assets</b>	<b>June 30, 2012</b>	<b>June 30, 2013</b>	<b>June 30, 2014</b>
Current Assets	\$ 15,994,628	\$ 12,931,773	\$ 6,397,707
Capital Assets	76,883,428	77,597,180	83,985,998
Less Accumulated Depreciation	(17,345,179)	(19,668,075)	(21,812,246)
Total Assets	\$ 75,786,389	\$ 71,152,066	\$ 68,571,459
<b>Liabilities</b>			
Accounts payable	\$ 123,525	\$ 87,963	\$ 417,918
Accrued Payroll	52,910	54,146	-
Accrued Compensated Absences	11,906	31,989	23,001
Accrued interest	298,329	212,562	202,608
Unearned Revenue	474,132	423,370	331,738
Current Long Term Liabilities	2,970,000	275,000	2,860,000
Non-Current Liabilities	35,159,864	34,026,911	27,927,226
Total Liabilities	\$ 39,090,666	\$ 35,111,941	\$ 31,762,491
<b>Net Position</b>			
Net investments in capital assets	\$ 19,185,732	\$ 21,351,662	\$ 23,541,782
Restricted	13,837,563	13,574,538	11,929,751
Unrestricted	3,672,428	1,113,925	1,337,435
Total Net Position	\$ 36,695,723	\$ 36,040,125	\$ 36,808,968

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 \$21,812,246.

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

June 30, 2014

**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 Position by showing the overall change in the District's net position for the fiscal year ending June 30, 2014. Net position decreased slightly, liabilities decreased slightly thus our total New Position shows a decrease due to a reduction in cash and cash equivalents.

**Summary of Statement of Activities**

	June 30, 2012	June 30, 2013	June 30, 2014
<b>Revenues for Governmental Activities</b>			
Charges for Services	\$ 776,680	\$ 743,522	\$ 710,459
Operating Grants and Contributions	5,777,407	5,603,163	5,262,200
Capital Grants and Contributions	120,991	150,959	76,688
<b>General Revenues</b>			
Property taxes	9,552,630	4,325,703	5,593,878
Federal and state aid	3,476,624	3,583,295	3,623,612
Other revenues	204,339	203,132	201,778
Total revenues	\$ 13,233,593	\$ 8,107,965	\$ 9,419,268
<b>Expenses</b>			
Instruction	5,778,372	5,445,381	5,656,742
Support services	4,137,168	4,019,687	3,827,968
Food service	531,506	517,353	390,881
Capital Outlay	3,705,226	3,896,868	4,075,702
Interest on long term debt	1,366,021	1,381,919	616,430
Total expenses	\$ 15,518,293	\$ 15,261,207	\$ 14,567,723
Net Position - beginning	33,253,345	36,695,723	36,040,125
Changes in net position	4,390,378	(655,598)	900,892
Net Position-Restatement	(947,935)	-	119,149
Changes in net position – ending	\$ 36,695,723	\$ 36,040,125	\$ 36,808,968

**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 \$15,471,411. Total expenditures for the District were \$22,209,859. The total ending fund balance was \$5,625,050;

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

June 30, 2014

a decrease of \$(6,741,244) from the previous year (Ex. B-2). Property taxes collections, mainly Oil & Gas taxes, went from \$4,325,703 to \$5,593,878 because of production in the school district.

**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 25% of the total revenues received in fiscal year 2014. In 2012, the District received 50% from the State Equalization Guarantee Formula. In 2013 the District received 25% 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 \$15,471,411 and expenditures of \$22,209,859. The net change in the governmental fund balance for the fiscal year decreased \$(6,741,244). These governmental funds are accounted for using the modified accrual basis of accounting as required by the New Mexico Public Education Department. Increase in revenues is mainly from Oil & Gas tax collections. The State makes up a portion of taxes through SEG in the Operating fund, but does not make it up in SB-9, HB-33, and Debt. Those funds make up most of the loss of the \$6,741,244.

**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.

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

June 30, 2014

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 \$7,348,458 of the total \$15,471,411 in overall District revenues (47%).

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 %
2009-2010	2,622,211	-22%
2010-2011	3,252,655	24%
2011-2012	3,476,624	7%
2012-2013	3,583,295	3%
2013-2014	3,623,612	1%

Because the General Fund is the main fund whose expenditures are significantly related to the educational process, \$7,189,942 was expended in the year ending June 30, 2014. The most significant inter-fund expenditure was for the function noted as "Direct Instruction". This expenditure was \$3,534,021 and represents 49% 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 16% 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 10% 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, 2014

**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) (Teachergage Fund), (Transportation Fund),(Instructional Materials Fund), Capital Outlay (Bond Building Fund), (Capital improvements HB-33 Fund) and the Debt Service. In addition, thirty-two (32) non-major Special Revenue Funds and two (2) 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 06/30/10	Balance 06/30/11	Balance 06/30/12	Balance 06/30/13	Balance 06/30/14
Land, Buildings & Improvements	\$ 38,000,604	\$ 71,667,951	\$ 73,197,998	\$ 73,462,871	\$ 73,848,071
Furniture, Fixtures & Equipment	3,584,038	3,684,038	3,385,430	3,687,007	3,611,521
Total Capital Assets	41,284,516	75,251,989	76,883,428	77,079,737	77,459,592
Less Accumulated Depreciation	<u>(13,507,411)</u>	<u>(15,334,191)</u>	<u>(17,345,179)</u>	<u>(19,668,075)</u>	<u>(21,812,246)</u>
Capital Assets-Net	\$ 27,777,105	\$ 60,405,911	\$ 59,538,249	\$ 57,929,105	\$ 62,173,752

In the fiscal year ending June 30, 2014 the Statement of Revenues and Expenditures and Changes in Fund Balances shows the District expended \$8,169,240 for capital outlays. The District expanded the Middle School to accommodate a new Elementary.

**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.

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

June 30, 2014

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, 2014. In 2013-14, long term debt decreased by \$5,945,000.

Year Ended June 30	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2015	\$ 2,860,000	\$ 1,167,150	\$ 4,027,150
2016	1,950,000	1,080,350	3,030,350
2017	3,270,000	979,050	4,249,050
2018	4,865,000	848,550	5,713,550
2019-2023	<u>17,785,000</u>	<u>2,031,575</u>	<u>19,816,575</u>
Total	\$ 30,730,000	\$ 6,106,775	\$ 36,836,675

**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. The District is working with the Jicarilla Apache Nation to purchase the existing Elementary Building.

Enrollment figures this year have been lower than projection. We had a slight decrease of 60 students in enrollment.

The district maintains an A2 bond rating, and was successful in a 2 mil Senate Bill 9 election in February, 2013. In general our financial condition remains stable. The district is concerned with the collections from Oil & Gas. The past two years have shown declining revenue from Oil & Gas taxes. The District plans to have an election in the spring of 2015 for the HB-33 renewal. The District does not plan to issue any Debt in the near future.

The School District contacts are Mr. Tom Savage, Superintendent, and Ms. 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 POSITION**  
**JUNE 30, 2014**

Exhibit A-1  
(Page 1 of 2)

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 5,566,512
Taxes Receivables	368,239
Due from other Governments	386,084
Other receivables	13,457
Prepaid Assets	62,123
Inventory	1,292
Total current assets	<u>6,397,707</u>
Noncurrent assets:	
Capital assets:	
Other capital assets	83,985,998
Less accumulated depreciation	<u>(21,812,246)</u>
Total Capital assets	<u>62,173,752</u>
Total noncurrent assets	<u>62,173,752</u>
Total assets	<u><u>\$ 68,571,459</u></u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

Exhibit A-1  
(Page 2 of 2)

	<b>Governmental Activities</b>
<b>LIABILITIES AND NET POSITION</b>	
Current liabilities:	
Accounts payable	\$ 417,918
Accrued compensated absences	23,001
Accrued interest	202,608
Unearned revenue	331,738
Current portion of long-term debt	2,860,000
Total current liabilities	3,835,265
Noncurrent liabilities:	
Bonds, loans and other payables:	
Compensated Absences	57,226
Bonds due in more than one year	27,870,000
Total noncurrent liabilities	27,927,226
Total liabilities	31,762,491
Net position:	
Net Investment in Capital Assets	23,541,782
Unrestricted	1,337,435
Restricted for General Funds	164,777
Restricted for Special Revenue Funds	(2,319,626)
Restricted for Capital Projects Funds	6,813,711
Restricted for Debt Service Funds	7,270,889
Total net position	36,808,968
Total liabilities and net position	\$ 68,571,459

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Service</u>
Governmental activities:		
Instruction:		
Direct instruction	\$ 5,656,742	\$ -
Support services:		
Students	849,851	-
Instruction	118,674	-
General Administration	497,550	-
School Administration	431,202	-
Central Services	229,980	-
Operation & Maintenance of Plant	1,431,106	-
Student Transportation	265,878	-
Other Support Services	3,727	696,379
Food Services	390,881	14,080
Capital Outlay	4,075,702	-
Interest on long-term debt	616,430	-
	<u>\$ 14,567,723</u>	<u>\$ 710,459</u>

<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>		
\$ 4,692,678	\$ -	\$	(964,064)
-	76,688		(773,163)
-	-		(118,674)
-	-		(497,550)
-	-		(431,202)
-	-		(229,980)
-	-		(1,431,106)
192,735	-		(73,143)
-	-		692,652
376,787	-		(14)
-	-		(4,075,702)
-	-		(616,430)
<u>\$ 5,262,200</u>	<u>\$ 76,688</u>		<u>(8,518,376)</u>

**General Revenues:**

Property taxes:	
Levied for general purposes	269,523
Levied for debt service	3,162,758
Levied for capital projects	2,161,597
State aid not restricted	3,623,612
Miscellaneous	194,552
Transfers	(2,796)
Unrestricted investment earnings	10,022
	<u>9,419,268</u>
Change in net position	900,892
Net position - beginning	36,040,125
Restatement for GASB 65	(132,049)
Net position - restated	<u>35,908,076</u>
Net position - ending	<u>\$ 36,808,968</u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2014

	General Fund			
	Operational	Teacherage	Transportation	Instructional Materials
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 973,012	\$ 165,607	\$ 1	\$ 8,980
Investments	-	-	-	-
Accounts receivable				
Taxes	16,731	-	-	-
Due from other governments	-	-	-	-
Other accounts receivable	-	-	-	-
Interfund receivable	413,460	-	-	-
Prepaid Assets	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 1,403,203</u>	<u>\$ 165,607</u>	<u>\$ 1</u>	<u>\$ 8,980</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities</i>				
Accounts payable	\$ 44,534	\$ 9,811	\$ -	\$ -
Accrued salaries and benefits	21,234	-	-	-
Interfund payable	-	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>65,768</u>	<u>9,811</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>				
Fund Balance				
Non-spendable	-	-	-	-
Restricted for:				
General Fund	-	155,796	1	8,980
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	<u>1,337,435</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>1,337,435</u>	<u>155,796</u>	<u>1</u>	<u>8,980</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,403,203</u>	<u>\$ 165,607</u>	<u>\$ 1</u>	<u>\$ 8,980</u>



Bond Building	Capital Improvements HB-33	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,429,527	\$ 1,467,705	\$ 521,680	\$ 5,566,512
-	-	-	-	-
-	67,037	217,420	67,051	368,239
-	-	-	399,541	399,541
-	-	-	-	-
-	-	-	-	413,460
58,623	-	-	3,500	62,123
-	-	-	1,292	1,292
<u>58,623</u>	<u>2,496,564</u>	<u>1,685,125</u>	<u>993,064</u>	<u>6,811,167</u>
\$ -	\$ 325,809	\$ -	\$ 37,764	\$ 417,918
-	-	-	1,767	23,001
-	-	-	413,460	413,460
-	-	-	331,738	331,738
<u>-</u>	<u>325,809</u>	<u>-</u>	<u>784,729</u>	<u>1,186,117</u>
-	-	-	1,292	1,292
-	-	-	-	164,777
-	-	-	80,839	80,839
58,623	2,170,755	-	126,204	2,355,582
-	-	1,685,125	-	1,685,125
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,337,435</u>
<u>58,623</u>	<u>2,170,755</u>	<u>1,685,125</u>	<u>208,335</u>	<u>5,625,050</u>
<u>\$ 58,623</u>	<u>\$ 2,496,564</u>	<u>\$ 1,685,125</u>	<u>\$ 993,064</u>	<u>\$ 6,811,167</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 POSITION**  
June 30, 2014

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

Fund balances - total governmental funds	\$ 5,625,050
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 Position	62,173,752
Other assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:	
Property taxes	-
Other liabilities are not due and payable in the current period and therefore are not reported in the funds - accrued interest payable	(202,608)
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>(30,787,226)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 36,808,968</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, 2014

	General Fund			
	Operational	Teachergage	Transportation	Instructional Materials
<i>Revenues:</i>	\$	\$	\$	\$
Taxes				
Taxes levied/assessed	269,523	-	-	-
Local sources				
Tuition	-	-	-	-
Investment income	-	-	-	-
Food services	-	-	-	-
District activities	645,692	-	-	-
Other revenue	7,512	190,040	-	-
State sources				
Unrestricted Grants	3,623,612	-	-	-
Restricted Grants	24,765	-	192,735	45,981
Federal sources				
Unrestricted Grants	2,677,916	-	-	-
Unrestricted -state passthrough	99,438	-	-	-
Restricted Grants	-	-	-	-
Restricted -state passthrough	-	-	-	-
Department of Interior	-	-	-	-
Other items	-	-	-	-
<i>Total revenues</i>	<u>7,348,458</u>	<u>190,040</u>	<u>192,735</u>	<u>45,981</u>
<i>Expenditures:</i>				
Current:				
Instruction	3,534,021	-	-	57,469
Support Services				
Students	1,202,046	-	-	-
Instruction	109,416	-	-	-
General Administration	426,578	-	-	-
School Administration	431,202	-	-	-
Central Services	222,355	-	-	-
Operation & maintenance of plant	1,260,950	169,558	-	-
Student transportation	-	-	191,368	-
Other Support Services	3,727	-	-	-
Operation of Non-instructional Services				
Food services operations	(353)	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,189,942</u>	<u>169,558</u>	<u>191,368</u>	<u>57,469</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>158,516</u>	<u>20,482</u>	<u>1,367</u>	<u>(11,488)</u>
<i>Other financing sources (uses)</i>				
Transfers (In) Out	(71,865)	-	-	-
Bond Premium	-	-	-	-
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(71,865)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	86,651	20,482	1,367	(11,488)
<i>Fund balances - beginning of year</i>	<u>1,250,784</u>	<u>135,314</u>	<u>(1,366)</u>	<u>20,468</u>
<i>Fund balances - end of year</i>	<u>\$ 1,337,435</u>	<u>\$ 155,796</u>	<u>\$ 1</u>	<u>\$ 8,980</u>

Bond Building	Capital Improvements HB-33	Debt Service	Other Governmental Funds	Total Governmental Funds
\$	\$	\$	\$	\$
-	1,078,781	3,162,758	1,082,816	5,593,878
-	-	-	-	-
3,913	6,109	-	-	10,022
-	-	-	14,080	14,080
-	-	-	50,687	696,379
-	-	-	470	198,022
-	-	-	-	3,623,612
-	-	-	324,300	587,781
-	-	-	17,781	2,695,697
-	-	-	-	99,438
-	-	-	846,143	846,143
-	-	-	1,106,359	1,106,359
-	-	-	-	-
-	-	-	-	-
<u>3,913</u>	<u>1,084,890</u>	<u>3,162,758</u>	<u>3,442,636</u>	<u>15,471,411</u>
-	-	-	1,374,576	4,966,066
-	-	-	316,517	1,518,563
-	-	-	9,258	118,674
-	1,789	5,808	63,375	497,550
-	-	-	-	431,202
-	-	-	7,625	229,980
-	-	-	232,000	1,662,508
-	-	-	16,181	207,549
-	-	-	-	3,727
-	-	-	391,234	390,881
3,598,070	3,517,110	-	1,054,060	8,169,240
-	-	2,760,000	-	2,760,000
-	-	1,253,919	-	1,253,919
<u>3,598,070</u>	<u>3,518,899</u>	<u>4,019,727</u>	<u>3,464,826</u>	<u>22,209,859</u>
<u>(3,594,157)</u>	<u>(2,434,009)</u>	<u>(856,969)</u>	<u>(22,190)</u>	<u>(6,738,448)</u>
-	-	-	69,069	(2,796)
-	-	-	-	-
-	-	-	-	-
-	-	-	69,069	(2,796)
<u>(3,594,157)</u>	<u>(2,434,009)</u>	<u>(856,969)</u>	<u>46,879</u>	<u>(6,741,244)</u>
<u>3,652,780</u>	<u>4,604,764</u>	<u>2,542,094</u>	<u>161,456</u>	<u>12,366,294</u>
<u>\$ 58,623</u>	<u>\$ 2,170,755</u>	<u>\$ 1,685,125</u>	<u>\$ 208,335</u>	<u>\$ 5,625,050</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, 2014

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

Net change in fund balances - total governmental funds	\$	(6,741,244)
--	----	-------------

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		6,691,293
Depreciation expense		(2,401,757)

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 position. 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		9,954
Increase in compensated absences		(17,354)
Principal payments on bonds		<u>3,360,000</u>

Changes in Net Position of Governmental Activities	\$	<u><u>900,892</u></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, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ 351,510	\$ 351,510	\$ 922,252	\$ 570,742
State sources	3,623,188	3,577,613	3,648,377	70,764
Federal sources	2,716,588	2,816,026	2,777,354	(38,672)
Interest	-	-	-	-
<i>Total revenues</i>	<u>6,691,286</u>	<u>6,745,149</u>	<u>7,347,983</u>	<u>602,834</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	4,125,334	4,125,334	3,514,712	610,622
Support Services				
Students	1,342,754	1,337,631	1,199,315	138,316
Instruction	121,095	121,095	92,779	28,316
General Administration	454,459	468,751	436,354	32,397
School Administration	434,081	435,126	431,202	3,924
Central Services	3,431,610	233,060	230,713	2,347
Operation & maintenance of plant	1,484,192	1,561,097	1,235,885	325,212
Student transportation	-	-	-	-
Other Support Services	40,523	40,523	2,623	37,900
Operation of Non-instructional Services				
Food services operations	80,000	80,000	(353)	80,353
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,514,048</u>	<u>8,402,617</u>	<u>7,143,230</u>	<u>1,259,387</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(4,822,762)</u>	<u>(1,657,468)</u>	<u>204,753</u>	<u>1,862,221</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	(71,865)	(71,865)
Designated Cash	4,822,762	1,657,468	-	(1,657,468)
<i>Total other financing sources (uses)</i>	<u>4,822,762</u>	<u>1,657,468</u>	<u>(71,865)</u>	<u>(1,729,333)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>132,888</u>	<u>132,888</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,253,584</u>	<u>1,253,584</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,386,472</u>	<u>\$ 1,386,472</u>
<i>Excess(deficiency) of revenues over expenditures</i>			\$ 204,753	
<i>Adjustment to revenue for accruals and other deferrals</i>			(16,500)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			(29,737)	
<i>Excess (deficiency) of revenues over expenditures (GAAP basis)</i>			<u>\$ 158,516</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, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ 150,500	\$ 150,500	\$ 190,040	\$ 39,540
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>150,500</u>	<u>150,500</u>	<u>190,040</u>	<u>39,540</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	218,839	296,784	174,998	121,786
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>218,839</u>	<u>296,784</u>	<u>174,998</u>	<u>121,786</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(68,339)</u>	<u>(146,284)</u>	<u>15,042</u>	<u>161,326</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated Cash	68,339	146,284	4,280	(142,004)
<i>Total other financing sources (uses)</i>	<u>68,339</u>	<u>146,284</u>	<u>4,280</u>	<u>(142,004)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>19,322</u>	<u>19,322</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>146,285</u>	<u>146,285</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,607</u>	<u>\$ 165,607</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 19,322	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			1,160	
<i>Excess (deficiency) of revenues over expenditures (GAAP basis)</i>			<u>\$ 20,482</u>	

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

Exhibit C-3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	200,890	192,735	192,735	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>200,890</u>	<u>192,735</u>	<u>192,735</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	200,890	192,735	192,735	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>200,890</u>	<u>192,735</u>	<u>192,735</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>			1,367	
<i>Excess (deficiency) of revenues over expenditures (GAAP basis)</i>			<u>\$ 1,367</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, 2014**

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	37,493	44,406	45,981	1,575
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>37,493</u>	<u>44,406</u>	<u>45,981</u>	<u>1,575</u>
<i>Expenditures:</i>				
Current:				
Instruction	57,963	64,876	57,469	7,407
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>57,963</u>	<u>64,876</u>	<u>57,469</u>	<u>7,407</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(20,470)</u>	<u>(20,470)</u>	<u>(11,488)</u>	<u>8,982</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated Cash	20,470	20,470	-	(20,470)
<i>Total other financing sources (uses)</i>	<u>20,470</u>	<u>20,470</u>	<u>-</u>	<u>(20,470)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(11,488)</u>	<u>(11,488)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>20,468</u>	<u>20,468</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,980</u>	<u>\$ 8,980</u>
<i>Excess(deficiency) of revenues over expenditures (Non-GAAP basis)</i>			\$ (11,488)	
<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>\$ (11,488)</u>	

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**AGENCY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
June 30, 2014

Exhibit D

**ASSETS**

*Current Assets*

Cash \$ 234,750

*Total assets* \$ 234,750

**LIABILITIES**

*Current Liabilities*

Deposits held in trust for others \$ 234,750

*Total liabilities* \$ 234,750

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STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2014

**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 statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures. 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. 61. 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, 2014

**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 position and the statement of activities) report information on all of the non-fiduciary 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, 2014

**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 others 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, 2014

**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 are now included in GASB guidance from the Accounting Codification Standards.

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 include in the direct expense of each function, except for that portion of the deprecation 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, 2014.

*D. Assets, Liabilities and Net Position 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.

**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.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2014

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

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

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 2014 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2014 unless undetermined.

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.

**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 Unearned Revenue was recorded for unused commodity inventory as of June 30, 2014.

**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

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2014

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

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

**Unearned 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 unearned 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 unearned revenues in the governmental fund financial statements.

**Deferred Inflows/Outflows of Resources:** GASB 63 amended previous guidance on Unearned Revenues in the Government-Wide Financial Statements to include deferred outflow of resources, which is the consumption of net assets by the government that is applicable to a future reporting period and deferred inflow of resources, which is acquisition of net assets by the government that is applicable to a future reporting period. Uncollected property taxes could not be determined at June 30, 2014.

**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 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. No liability is reported for unpaid accumulated sick leave, as no payment is required upon termination of service by employees.

**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 position. 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 deferred inflows of resources while discounts on debt issuances are reported as deferred outflows of resources. 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.

*Net investments in capital assets* 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.



STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2014

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

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

*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.

**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 \$3,623,612 in state equalization guarantee distributions during the year ended June 30, 2014.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2014

D. *Revenues (continued)*

**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 \$984,098 in tax revenues in the governmental fund financial statements during the year ended June 30, 2014. 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 \$4,609,784 in Oil and Gas Taxes in the governmental fund financial statements during the year ended June 30, 2014.

**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 \$192,735 in transportation distributions during the year ended June 30, 2014.

**Instructional Materials:** The District had allocations allowed by the State for the current year of \$45,981. 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 unit shall be reduced as necessary. The District received \$18,449 in state SB-9 Matching during the year ended June 30, 2014.

**Federal Grants:** The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the Federal Department or the flow through agency (usually the New Mexico Department of Education). The various budgets are approved by the Local School Board and the New Mexico Public Education Department. The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food services operation, and the distribution of commodities through the New Mexico Human Services Department. The District received \$17,781 in commodities for the year ended June 30, 2014.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2014

**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.

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.

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

*Budgetary Information (continued)*

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.

**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, 2014.

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.

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

<u>Type</u>	<u>Wells Fargo</u>	<u>Total Bank</u>
General	\$ 6,910,031	\$ 6,910,031
FDIC Coverage	<u>(250,000)</u>	<u>(250,000)</u>
Total uninsured public funds	6,660,031	6,660,031
Collateral requirement (50%)	3,330,016	3,330,016
Pledged Securities	<u>3,361,560</u>	<u>3,361,560</u>
(over) under collateralized	\$ (31,544)	\$ (31,544)

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, 2014, \$3,298,471 of the District's bank balance of \$6,910,031 was exposed to custodial credit risk as follows:

<u>Custodial Credit Risk Deposits</u>	
Account Balance	\$ 6,910,031
FDIC Insured	250,000
Collateral:	
Collateral held by the pledging bank, not in the District's name	3,361,560
Uninsured and uncollateralized	<u>3,298,471</u>
Total Deposits	\$ 6,910,031

Reconciliation of Cash and Temporary Investments

<u>Governmental Funds – Balance Sheet</u>	
Cash and cash equivalents per Exhibit A-1	\$ 5,566,512
Cash per Exhibit D-1	234,750
Less Investments in LGIP	-
Add outstanding checks and other reconciling items	<u>1,108,769</u>
Bank Balance of deposits	\$ 6,910,031

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 one hundred two percent of the fair value of the securities underlying overnight repurchase accounts invested with the institution.

As of June 30, 2014, the District had no investments exposed to custodial credit risk.

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**NOTE 4. Accounts Receivable**

Accounts receivable as of June 30, 2014, are as follows:

	General Fund	Capital Improvements HB-33 Fund	Debt Service Fund	Total Nonmajor Funds	Total
Property taxes	\$ 16,731	\$ 67,037	\$217,420	\$ 67,051	\$ 368,239
Due from other governments:					
Food Service	-	-	-	13,457	13,457
Title I	-	-	-	88,754	88,754
IDEA B Entitlement	-	-	-	52,835	52,835
IDEA B Preschool	-	-	-	996	996
21 <sup>st</sup> Century	-	-	-	154,585	154,585
IDEA Risk Pool	-	-	-	1,154	1,154
English Language Acquisition	-	-	-	2,356	2,356
Teacher /Principal Training	-	-	-	16,020	16,020
Rural & Low Income Schools	-	-	-	13,380	13,380
Literacy 4 Children	-	-	-	9,258	9,258
Robotics 3013	-	-	-	8,722	8,722
Indian Ed	-	-	-	4,024	4,024
K3 Plus	-	-	-	15,551	15,551
Capital Improvements SB-9	-	-	-	18,449	18,449
	<u>\$ 16,731</u>	<u>\$ 67,037</u>	<u>\$217,420</u>	<u>\$ 466,592</u>	<u>\$ 767,780</u>

The above receivables are deemed 100% collectible. In accordance with GASB no. 33, property tax receivables are presented net of deferred on the governmental fund financial statements.

**Unearned Revenues**

Unearned Revenue represents advances on grants which have not been earned at June 30, 2014.

	Other Governmental	Total
Impact Aid Special Education	82,735	82,735
Impact Aid	249,003	249,003
Total	<u>\$ 331,738</u>	<u>\$ 331,738</u>

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**NOTE 5. Accounts Payables**

Accounts payable as of June 30, 2014, are as follows:

Payable to suppliers	\$	417,918
Accrued interest		<u>202,608</u>
Total accounts payable and accrued expenses	\$	<u><u>620,526</u></u>

**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, 2014 is as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 413,460	\$ -
Nonmajor Funds:		
Title I Entitlement	-	59,538
IDEA B Entitlement	-	50,769
IDEA B Preschool	-	996
IDEA B Risk Pool	-	1,154
21 <sup>st</sup> Century	-	233,748
English Language Acquisition	-	12,704
Teacher/Principal Training	-	14,296
Rural and Low Income Education	-	12,608
Literacy 4 Children	-	9,258
Robotics 2013	-	8,722
Indian Ed	-	4,024
Kindergarten Three Plus	-	5,643
	<u>\$ 413,460</u>	<u>\$ 413,460</u>

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**NOTE 7. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2014, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

	Balance June 30, 2013	Addition and Transfers In	Deletions and Transfers Out	Balance June 30, 2014
Capital assets not being depreciated:				
Land	\$ 70,141	\$ -	\$ -	\$ 70,141
Construction in Progress	447,302	6,053,852	(44,889)	6,456,265
Total capital assets not being depreciated	517,443	6,053,852	(44,889)	6,526,406
Capital assets being depreciated:				
Land Improvements	1,154,495	410,452	-	1,564,947
Building and Building Improvements	72,238,235	44,889	-	72,283,124
Furniture, Fixtures, and Equipment	3,687,007	182,100	(257,586)	3,611,521
Total capital assets being depreciated	77,079,737	637,441	(257,586)	77,459,592
Total capital assets	77,597,180	6,691,293	(302,475)	83,985,998
Less accumulated depreciation:				
Land Improvements	345,512	56,478	-	401,990
Building and Building Improvements	17,055,469	2,032,511	-	19,087,980
Furniture, Fixtures, and Equipment	2,267,094	312,768	(257,586)	2,322,276
Total accumulated depreciation	19,668,075	2,401,757	(257,586)	21,812,246
<b>Total capital assets, net of depreciation</b>	<b>\$ 57,929,105</b>	<b>4,289,536</b>	<b>\$ (44,889)</b>	<b>\$ 62,173,752</b>

Capital assets, net of accumulated depreciation, at June 30, 2014 appear in the Statement of Net Position as follows:

Governmental activities	\$ 62,173,752
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Depreciation expense for the year ended June 30, 2014 was charged to the following functions and funds:

Direct instruction	\$ 15,503
Pupil Transportation	58,329
Support Services	6,461
Operations & Maintenance	598
Capital Outlay	2,320,866
<b>Total</b>	<b>\$ 2,401,757</b>



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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, 2014 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, 2014, are comprised of the following:

Series	Date of Issue	Original Amount	Interest Rate	Balance
The Bank of New York 5/15/06	05/15/06	7,000,000	3.65% - 4.00%	1,150,000
The Bank of New York 6/1/07	06/01/07	10,000,000	4.00% - 4.25%	2,790,000
The Bank of New York 9/1/08	09/01/08	10,000,000	4.00% - 5.00%	6,075,000
General Obligation Bonds Series 2009 3/1/09	03/01/09	8,000,000	2.25% - 4.40%	7,600,000
General Obligation Bonds Series 2011 4/12/11	04/12/11	12,550,000	3.25% - 4.00%	12,105,000
General Obligation Refunding Bond Series 2013 1/13/13	1/23/13	2,985,000	1.25%	1,010,000
			Total	<u>30,730,000</u>

The following is a summary of the long-term debt and the activity for the year ended June 30, 2014:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
General obligation bonds	\$ 34,090,000	\$ -	\$ 3,360,000	\$ 30,730,000	\$ 2,860,000
Compensated Absences	71,861	72,144	63,778	80,227	23,001
	<u>\$ 34,164,861</u>	<u>\$ 72,144</u>	<u>\$ 3,423,778</u>	<u>\$ 30,810,227</u>	<u>\$ 2,883,001</u>

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

The annual requirements to amortize the General Obligation Bonds as of June 30, 2014, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	2,860,000	1,167,150	4,027,150
2016	1,950,000	1,080,350	3,030,350
2017	3,270,000	979,050	4,249,050
2018	4,865,000	848,550	5,713,550
2019-2024	16,785,000	2,011,575	18,796,575
2025-2029	1,000,000	20,000	1,020,000
	<b>\$ 30,730,000</b>	<b>\$ 6,106,675</b>	<b>\$ 36,836,675</b>

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

**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, 2014, 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.

21 <sup>st</sup> Century	(75,873)
English Language Acquisition	(10,348)

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 District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities and some state agency employees) 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.**

Member contributions: Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the plan: 10.10% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

**Employer Contributions**

In the fiscal year 2014, the District was required to contribute 13.15% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 13.15% of the gross covered salary for employees whose annual salary is more than \$20,000.

In the future, the District will contribute the following percentages of the gross covered salary of employees: 13.9% of gross covered salary in fiscal year 2015.

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, 2014, 2013 and 2012 were \$1,117,054, \$968,915, and \$1,027,784, respectively, which equal the required contributions for each year.

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**NOTE 12. Post-Employment Benefits-State Retiree Healthcare Plan**

*Plan description:* Dulce Independent Schools contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment 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.

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 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. Employers that chose to become participating employers after January 1, 1998 are required to make contributions to the RHCA fund in the amount determined to be appropriate by the Board.

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. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plan 3, 4 or 5; municipal fire member coverage plan 3, 4, or 5; municipal detention office member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15 (G) NMSA 1978, at the first session of the Legislature following July 1, 2014, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2014, 2013 and 2012 were \$145,024, \$143,226, and \$139,282, respectively, which equal the required contributions for each year.

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Notes to the Financial Statements  
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**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, 2014 was \$17,781.

**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 totaling \$

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

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**NOTE 16. Memorandum of Understanding/Joint Powers Agreement (continued)**

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

NM School Boards Association (NMSBA)

Purpose: To assist member school with the revision and formatting of the Member School's policies.

Participants: Dulce Independent Schools and NMSBA

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

Beginning and Ending Date of Agreement: Effective May 1, 2014

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

Los Cumbres Community Services, Inc.

Purpose: To identify, evaluate and transition children from Early Intervention to Preschool Special Education or Early Head Start/Head Start which may delivered in other community settings. To collaborate on a continuing system of screening, referral and community health fairs to provide education and referral information to parents.

Participants: Dulce Independent Schools and Los Cumbres Community Services

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

Beginning and Ending Date of Agreement: May 2, 2014 to May 2, 2018

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

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**NOTE 16. Memorandum of Understanding/Joint Powers Agreement (continued)**

Northern Mexico Inquiry Science Education Consortium

Purpose: To increase K-6 student learning in science and literacy in participating northern NM school districts by replicating a National Science Resources Center inquiry-based science education program with a strong literacy component.

Participants: Dulce Independent Schools and Los Alamos National Laboratory Foundation

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

Beginning and Ending Date of Agreement: July 1, 2012 to July 1, 2015 unless terminated sooner by either party

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

**NOTE 17. Commitments**

The District had a contract with FCI Contractors of New Mexico, LLC for construction services for the school renovations totaling \$6,349,971.25 of which \$5,850,368.37 was expended and paid by June 30, 2014. At June 30, 2014, the outstanding balance on the contract is \$499,602.88

**NOTE 18. Subsequent Accounting Standard Pronouncements**

Statement No. 67, Financial Reporting for Pension Plans. This statement also amends Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trust or equivalent arrangements. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered plans that provide postemployment benefits other than pensions. This Statement is effective for financial statements for the fiscal years beginning after June 15, 2013 with earlier application encouraged. The District has reviewed the statement and has determined that this does not apply to the District.

Statement No. 68, Accounting and Financial Reporting for Pensions. The statement replaces the requirements of GASBS 27, Accounting for Pensions by State and Local Governmental Employers, and the requirements of GASBS 50 Pension Disclosures, as they related to pensions that are provided through pension plans administered as trusts. The requirements of Statements 27 and 50 remain applicable for pensions that are covered by GASBS 68. This statement is effective for financial statements for fiscal years beginning after June 15, 2014. The District is reviewing the effects of the implementation of this statement.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2014

**NOTE 18. Subsequent Accounting Standard Pronouncements (continued)**

Statement No. 69, Government Combinations and Disposals of Government Operations. This statement establishes accounting and financial reporting standards related to government mergers, acquisitions, and transfers of operations. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013 and should be applied on a prospective basis. The District has reviewed the statement and has determined that this does not apply to the District.

Statement No. 70, Accounting and Financial Reporting for Non-exchange Financial Guarantees. This statement establishes accounting and financial reporting standards for financial guarantees that are non-exchange transactions extended or received by a state or local government. A non-exchange financial guarantee is a guarantee of an obligation of a legally separate entity or individual, including a blended or discretely presented component unit, which requires the guarantor to indemnify a third-party obligation holder under specified conditions. This statement is effective for financial statements for reporting periods beginning after June 15, 2013. The District has reviewed the statement and has determined that this does not apply to the District.

**NOTE 19. Restatement of Net Position**

GASB 65 requires a restatement of bond issuance costs and related amortization to Net Position as it has been determined that such costs should be expensed in the year of acquisition.

Beginning Net Position	\$36,040,125
Restatement for GASB 65	<u>(132,049)</u>
Beginning Net Position, restated	<u>\$35,908,076</u>

**NOTE 20. Subsequent Events Review**

Dulce Independent Schools has evaluated subsequent events through August 25, 2014, which is the date the financial statements were available to be issued. 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.

**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.

**IDEA B Risk Pool**- 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.

**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.

**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.

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

**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.

**Dual Credit-** The purpose of this state grant is to provide funds for instructional materials for the dual credit program. The fund was created by grant provisions.

**Literacy 4 Children-** The purpose of this state grant is to provide funds for library resources for public school libraries statewide. Authority for creation of this fund is SB 66, Laws of 2012, 2<sup>nd</sup> Session, Chapter 54 Section 10.B.(32).

**Reads to Lead-** The purpose of this state grant is to provide for the implementation of the K-3 reading initiative activities as specified by the legislation. The fund was created by grant provisions.

**Robotics 2013–** The purpose of this state grant is to provide funds for use in teaching and competing in robotics. Authority for creation of this fund is Laws of 1997, Chapter 32.

**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.

**Indian Ed-** The objective of this program is to provide services to American Indian students for school year 2013-2014. Funding is provided by the New Mexico Public Education Department.

**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.

**Breakfast for Elementary Students** – The objective of this program is to provide breakfast to elementary students. Funding is provided by the New Mexico Public Education Department.

**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.

**State 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.

**MS Science-** The purpose of this program is to account for revenues and expenditures used for the Middle School Science Department. The fund was created by grant provisions.

**Bus Replacement-** The purpose of this program is to account for an allocation of funding for bus replacement expenditures. The fund was created by grant provisions.

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

**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.

**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.

**Farm to Table** – The objective of this program to provide healthy food options to students. The fund is provided by PED and the Department of Agriculture.

**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, 2014

<b>ASSETS</b>	Food Service	Athletics	Title I
<i>Current Assets</i>			
Cash and cash equivalents	\$ 79,262	\$ 39,995	\$ -
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	13,457	-	88,754
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Prepaid Assets	-	-	-
Inventory	1,292	-	-
	<u>94,011</u>	<u>39,995</u>	<u>88,754</u>
<i>Total assets</i>	<u>\$ 94,011</u>	<u>\$ 39,995</u>	<u>\$ 88,754</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ 16,232	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interfund payable	-	-	59,538
Unearned revenue	-	-	-
	<u>16,232</u>	<u>-</u>	<u>59,538</u>
<i>Total liabilities</i>	<u>16,232</u>	<u>-</u>	<u>59,538</u>
 <i>Fund Balances</i>			
Fund Balance			
Non-spendable	1,292	-	-
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	76,487	39,995	29,216
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	-	-	-
	<u>77,779</u>	<u>39,995</u>	<u>29,216</u>
<i>Total fund balances</i>	<u>77,779</u>	<u>39,995</u>	<u>29,216</u>
<i>Total liabilities and fund balances</i>	<u>\$ 94,011</u>	<u>\$ 39,995</u>	<u>\$ 88,754</u>

IDEA-B Entitlement	IDEA-B Discretionary	IDEA-B Preschool	21st Century
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
52,835	-	996	154,585
-	-	-	-
-	-	-	3,500
-	-	-	-
<u>52,835</u>	<u>-</u>	<u>996</u>	<u>158,085</u>
<u>\$ 52,835</u>	<u>\$ -</u>	<u>\$ 996</u>	<u>\$ 158,085</u>
\$ -	\$ -	\$ -	\$ 210
-	-	-	-
50,769	-	996	233,748
-	-	-	-
<u>50,769</u>	<u>-</u>	<u>996</u>	<u>233,958</u>
-	-	-	-
-	-	-	-
2,066	-	-	(75,873)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,066	-	-	(75,873)
<u>2,066</u>	<u>-</u>	<u>-</u>	<u>(75,873)</u>
<u>\$ 52,835</u>	<u>\$ -</u>	<u>\$ 996</u>	<u>\$ 158,085</u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2014

	IDEA-B Risk Pool	English Language Acquisition	Teacher/ Principal Training
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	1,154	2,356	16,020
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Prepaid Assets	-	-	-
Inventory	-	-	-
	<u>1,154</u>	<u>2,356</u>	<u>16,020</u>
<i>Total assets</i>	<u>\$ 1,154</u>	<u>\$ 2,356</u>	<u>\$ 16,020</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interfund payable	1,154	12,704	14,296
Unearned revenue	-	-	-
	<u>1,154</u>	<u>12,704</u>	<u>14,296</u>
<i>Total liabilities</i>	<u>1,154</u>	<u>12,704</u>	<u>14,296</u>
 <i>Fund Balances</i>			
Fund Balance			
Non-spendable	-	-	-
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	-	(10,348)	1,724
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	-	-	-
	<u>-</u>	<u>(10,348)</u>	<u>1,724</u>
<i>Total fund balances</i>	<u>-</u>	<u>(10,348)</u>	<u>1,724</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,154</u>	<u>\$ 2,356</u>	<u>\$ 16,020</u>

Rural & Low Income Schools	Impact Aid Special Education	Impact Aid Education	Dual Credit
\$ -	\$ 83,619	\$ 249,003	\$ -
-	-	-	-
-	-	-	-
13,380	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>13,380</u>	<u>83,619</u>	<u>249,003</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -
-	884	-	-
12,608	-	-	-
<u>-</u>	<u>82,735</u>	<u>249,003</u>	<u>-</u>
<u>12,608</u>	<u>83,619</u>	<u>249,003</u>	<u>-</u>
-	-	-	-
-	-	-	-
772	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>772</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 13,380</u>	<u>\$ 83,619</u>	<u>\$ 249,003</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2014

<b>ASSETS</b>	Literacy 4 Children	Reads to Lead	Robotics 2013
<i>Current Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	9,258	-	8,722
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Prepaid Assets	-	-	-
Inventory	-	-	-
	-	-	-
<i>Total assets</i>	\$ 9,258	\$ -	\$ 8,722

**LIABILITIES AND FUND BALANCES**

<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interfund payable	9,258	-	8,722
Unearned revenue	-	-	-
	-	-	-
<i>Total liabilities</i>	9,258	-	8,722
<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>	\$ 9,258	\$ -	\$ 8,722



Incentive for School Improvement PED	Indian Education	Beginning Teacher Mentoring	Breakfast for Elementary Students
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	4,024	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>4,024</u>	<u>-</u>	<u>-</u>
\$ <u>-</u>	\$ <u>4,024</u>	\$ <u>-</u>	\$ <u>-</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	4,024	-	-
-	-	-	-
<u>-</u>	<u>4,024</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>-</u>	\$ <u>4,024</u>	\$ <u>-</u>	\$ <u>-</u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2014

	School Improvement Framework	Kindergarten Three Plus	State 21st Century	MS Science
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	-
Investments	-	-	-	-
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	15,551	-	-
Other accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
Prepaid Assets	-	-	-	-
Inventory	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 15,551</u>	<u>\$ -</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities</i>				
Accounts payable	\$ -	\$ 136	\$ -	-
Accrued salaries and benefits	-	-	-	-
Interfund payable	-	5,643	-	-
Unearned revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>-</u>	<u>5,779</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>				
Fund Balance				
Non-spendable	-	-	-	-
Restricted for:				
General Fund	-	-	-	-
Special Revenue Funds	-	9,772	-	-
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	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>-</u>	<u>9,772</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 15,551</u>	<u>\$ -</u>	<u>-</u>

Bus Replacement	State Directed Activities IDEA-B Discretionary	Medicaid HSD	Gear-up CHE
\$ -	\$ -	\$ 7,923	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>7,923</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,923</u>	<u>\$ -</u>
\$ -	\$ -	\$ 12	\$ -
-	-	883	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>895</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	7,028	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>7,028</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,923</u>	<u>\$ -</u>

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STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2014

Statement A-1  
(Page 5 of 5)

	Farm to Table	School Based Health Center	Impact Aid Capital Projects-Federal	Capital Improvements SB-9	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
<i>Current Assets</i>					
Cash and cash equivalents	\$ -	\$ -	\$ 1,116	\$ 60,762	\$ 521,680
Investments	-	-	-	-	-
Accounts receivable					
Taxes	-	-	-	67,051	67,051
Due from other governments	-	-	-	18,449	399,541
Other accounts receivable	-	-	-	-	-
Interfund receivable	-	-	-	-	-
Prepaid Assets	-	-	-	-	3,500
Inventory	-	-	-	-	1,292
<i>Total assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,116</u>	<u>\$ 146,262</u>	<u>\$ 993,064</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<i>Current Liabilities</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ 21,174	\$ 37,764
Accrued salaries and benefits	-	-	-	-	1,767
Interfund payable	-	-	-	-	413,460
Unearned revenue	-	-	-	-	331,738
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,174</u>	<u>784,729</u>
<i>Fund Balances</i>					
Fund Balance					
Non-spendable	-	-	-	-	1,292
Restricted for:					
General Fund	-	-	-	-	-
Special Revenue Funds	-	-	-	-	80,839
Capital Projects Funds	-	-	1,116	125,088	126,204
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>	<u>-</u>	<u>-</u>	<u>1,116</u>	<u>125,088</u>	<u>208,335</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,116</u>	<u>\$ 146,262</u>	<u>\$ 993,064</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, 2014

	Food Services	Athletics	Title I
<i>Revenues.</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	14,080	-	-
District activities	-	50,687	-
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	9,522	-	-
Federal sources			
Unrestricted Grants	17,781	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	349,484	-	257,502
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>390,867</u>	<u>50,687</u>	<u>257,502</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	52,520	227,849
Support Services			
Students	-	-	22,844
Instruction	-	-	-
General Administration	-	-	9,117
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	391,234	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>391,234</u>	<u>52,520</u>	<u>259,810</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(367)</u>	<u>(1,833)</u>	<u>(2,308)</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>	(367)	(1,833)	(2,308)
<i>Fund balances - beginning of year</i>	<u>78,146</u>	<u>41,828</u>	<u>31,524</u>
<i>Fund balances - end of year</i>	<u>\$ 77,779</u>	<u>\$ 39,995</u>	<u>\$ 29,216</u>

IDEA-B Entitlement	IDEA-B Discretionary	IDEA-B Preschool	21st Century
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
158,685	-	6,343	259,871
-	-	-	-
-	-	-	-
<u>158,685</u>	<u>-</u>	<u>6,343</u>	<u>259,871</u>
134,890	-	6,343	188,856
18,680	-	-	-
-	-	-	-
5,116	-	-	45,718
-	-	-	-
-	-	-	7,625
-	-	-	-
-	-	-	16,181
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>158,686</u>	<u>-</u>	<u>6,343</u>	<u>258,380</u>
(1)	-	-	1,491
-	10,997	-	-
-	-	-	-
-	-	-	-
-	10,997	-	-
(1)	10,997	-	1,491
2,067	(10,997)	-	(77,364)
<u>\$ 2,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (75,873)</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, 2014

	IDEA-B Risk Pool	English Language Acquisition	Teacher/ Principal 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	-	-	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	1,417	7,317	47,300
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>1,417</u>	<u>7,317</u>	<u>47,300</u>
<i>Expenditures:</i>			
Current:			
Instruction	1,417	7,317	22,301
Support Services			
Students	-	-	22,469
Instruction	-	-	-
General Administration	-	-	1,631
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>1,417</u>	<u>7,317</u>	<u>46,401</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>899</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>	-	-	899
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>(10,348)</u>	<u>825</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ (10,348)</u>	<u>\$ 1,724</u>



Rural & Low Income Schools	Impact Aid Special Education	Impact Aid Education	Dual Credit
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	1,366
-	-	-	-
-	-	-	-
-	170,268	675,875	-
18,440	-	-	-
-	-	-	-
-	-	-	-
<u>18,440</u>	<u>170,268</u>	<u>675,875</u>	<u>1,366</u>
21,896	111,924	510,877	1,366
-	58,344	164,998	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>21,896</u>	<u>170,268</u>	<u>675,875</u>	<u>1,366</u>
<u>(3,456)</u>	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(3,456)	-	-	-
4,228	-	-	-
<u>\$ 772</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, 2014

	Literacy 4 Children	Reads to Lead	Robotics 2013
<i>Revenues:</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	-	-	-
District activities	-	-	-
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	9,258	39,903	13,689
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	-	-	-
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>9,258</u>	<u>39,903</u>	<u>13,689</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	39,903	13,689
Support Services			
Students	-	-	-
Instruction	9,258	-	-
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>9,258</u>	<u>39,903</u>	<u>13,689</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>	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Incentive for School Improvement PED	Indian Education	Beginning Teacher Mentoring	Breakfast for Elementary Students
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	4,024	-	1,430
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	4,024	-	1,430
-	4,024	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	4,024	-	-
-	-	-	-
-	-	-	1,430
1,464	-	(3,203)	-
-	-	-	-
-	-	-	-
1,464	-	(3,203)	-
1,464	-	(3,203)	1,430
(1,464)	-	3,203	(1,430)
\$ -	\$ -	\$ -	\$ -

**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, 2014

	School Improvement Framework	Kindergarten Three Plus	State 21st Century	MS Science
<i>Revenues:</i>				
Taxes	\$	\$	\$	\$
Taxes levied/assessed	-	-	-	-
Local sources				
Tuition	-	-	-	-
Investment income	-	-	-	-
Food services	-	-	-	-
District activities	-	-	-	-
Other revenue	-	-	-	-
State sources				
Unrestricted Grants	-	-	-	-
Restricted Grants	-	43,123	-	129
Federal sources				
Unrestricted Grants	-	-	-	-
Unrestricted -state passthrough	-	-	-	-
Restricted Grants	-	-	-	-
Restricted -state passthrough	-	-	-	-
Department of Interior	-	-	-	-
Other items	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>43,123</u>	<u>-</u>	<u>129</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	29,404	-	-
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>29,404</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>13,719</u>	<u>-</u>	<u>129</u>
<i>Other financing sources (uses)</i>				
Transfers	3,959	-	-	-
Bond Premium	-	-	-	-
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,959</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	3,959	13,719	-	129
<i>Fund balances - beginning of year</i>	<u>(3,959)</u>	<u>(3,947)</u>	<u>-</u>	<u>(129)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 9,772</u>	<u>\$ -</u>	<u>\$ -</u>

Bus Replacement	State Directed Activities IDEA-B Discretionary	Medicaid HSD	Gear-up CHE
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
171,400	(1)	12,008	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
171,400	(1)	12,008	-
-	-	-	-
-	-	29,182	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
171,400	-	-	-
-	-	-	-
171,400	-	29,182	-
-	(1)	(17,174)	-
-	-	-	22,122
-	-	-	-
-	-	-	22,122
-	(1)	(17,174)	22,122
-	1	24,202	(22,122)
\$ -	\$ -	\$ 7,028	\$ -

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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, 2014

Statement A-2  
(Page 5 of 5)

	Farm to Table	School Based Health Center	Impact Aid Capital Projects-Federal	Capital Improvements SB-9	Total Nonmajor Governmental Funds
<i>Revenues:</i>					
Taxes	\$	\$	\$	\$	\$
Taxes levied/assessed	-	-	-	1,082,816	1,082,816
Local sources					
Tuition	-	-	-	-	-
Investment income	-	-	-	-	-
Food services	-	-	-	-	14,080
District activities	-	-	-	-	50,687
Other revenue	470	-	-	-	470
State sources					
Unrestricted Grants	-	-	-	-	-
Restricted Grants	-	-	-	18,449	324,300
Federal sources					
Unrestricted Grants	-	-	-	-	17,781
Unrestricted -state passthrough	-	-	-	-	-
Restricted Grants	-	-	-	-	846,143
Restricted -state passthrough	-	-	-	-	1,106,359
Department of Interior	-	-	-	-	-
Other items	-	-	-	-	-
<i>Total revenues</i>	<u>470</u>	<u>-</u>	<u>-</u>	<u>1,101,265</u>	<u>3,442,636</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	-	-	-	1,374,576
Support Services					
Students	-	-	-	-	316,517
Instruction	-	-	-	-	9,258
General Administration	-	-	-	1,793	63,375
School Administration	-	-	-	-	-
Central Services	-	-	-	-	7,625
Operation & maintenance of plant	-	-	-	232,000	232,000
Student transportation	-	-	-	-	16,181
Other Support Services	-	-	-	-	-
Operation of Non-instructional Services					
Food services operations	-	-	-	-	391,234
Capital outlay	-	-	-	882,660	1,054,060
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,116,453</u>	<u>3,464,826</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>470</u>	<u>-</u>	<u>-</u>	<u>(15,188)</u>	<u>(22,190)</u>
<i>Other financing sources (uses)</i>					
Transfers	-	33,730	-	-	69,069
Bond Premium	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>33,730</u>	<u>-</u>	<u>-</u>	<u>69,069</u>
<i>Net changes in fund balances</i>	470	33,730	-	(15,188)	46,879
<i>Fund balances - beginning of year</i>	(470)	(33,730)	1,116	140,276	161,456
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,116</u>	<u>\$ 125,088</u>	<u>\$ 208,335</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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 49,500	\$ 49,500	\$ 14,080	\$ (35,420)
State sources	-	-	9,522	9,522
Federal sources	456,810	456,810	351,246	(105,564)
Interest	-	-	-	-
<i>Total revenues</i>	<u>506,310</u>	<u>506,310</u>	<u>374,848</u>	<u>(131,462)</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	616,173	576,908	366,184	210,724
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>616,173</u>	<u>576,908</u>	<u>366,184</u>	<u>210,724</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(109,863)</u>	<u>(70,598)</u>	<u>8,664</u>	<u>79,262</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	109,863	70,598	-	(70,598)
<i>Total other financing sources (uses)</i>	<u>109,863</u>	<u>70,598</u>	<u>-</u>	<u>(70,598)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>8,664</u>	<u>8,664</u>
<i>Cash balances - beginning of year</i>	<u>109,863</u>	<u>70,598</u>	<u>70,598</u>	<u>-</u>
<i>Cash balances - end of year</i>	<u>\$ 109,863</u>	<u>\$ 70,598</u>	<u>\$ 79,262</u>	<u>\$ 8,664</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 8,664	
Adjustment to revenue for accruals and other deferrals			(2,911)	
Adjustment to expenditures for payables, prepaids and other accruals			(6,120)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (367)</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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 48,500	\$ 48,500	\$ 50,687	\$ 2,187
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>48,500</u>	<u>48,500</u>	<u>50,687</u>	<u>2,187</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	90,974	90,974	52,520	38,454
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	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>90,974</u>	<u>90,974</u>	<u>52,520</u>	<u>38,454</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(42,474)</u>	<u>(42,474)</u>	<u>(1,833)</u>	<u>40,641</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	42,474	42,474	-	(42,474)
<i>Total other financing sources (uses)</i>	<u>42,474</u>	<u>42,474</u>	<u>-</u>	<u>(42,474)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,833)</u>	<u>(1,833)</u>
<i>Cash balances - beginning of year</i>	<u>42,474</u>	<u>42,474</u>	<u>41,828</u>	<u>(646)</u>
<i>Cash balances - end of year</i>	<u>\$ 42,474</u>	<u>\$ 42,474</u>	<u>\$ 39,995</u>	<u>\$ (2,479)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (1,833)	
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>\$ (1,833)</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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	266,829	293,931	233,818	(60,113)
Interest	-	-	-	-
<i>Total revenues</i>	<u>266,829</u>	<u>293,931</u>	<u>233,818</u>	<u>(60,113)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	234,601	257,346	224,644	32,702
Support Services				
Students	24,029	27,468	23,742	3,726
Instruction	-	-	-	-
General Administration	8,199	9,117	9,117	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>266,829</u>	<u>293,931</u>	<u>257,503</u>	<u>36,428</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(23,685)</u>	<u>(23,685)</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>(23,685)</u>	<u>(23,685)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(35,853)</u>	<u>(35,853)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (59,538)</u>	<u>\$ (59,538)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (23,685)	
Adjustment to revenue for accruals and other deferrals			16,874	
Adjustment to expenditures for payables, prepaids and other accruals			4,503	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (2,308)</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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	149,438	166,715	119,896	(46,819)
Interest	-	-	-	-
<i>Total revenues</i>	<u>149,438</u>	<u>166,715</u>	<u>119,896</u>	<u>(46,819)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	126,166	142,919	134,890	8,029
Support Services				
Students	18,680	18,680	18,680	-
Instruction	-	-	-	-
General Administration	4,592	5,116	5,116	-
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>149,438</u>	<u>166,715</u>	<u>158,686</u>	<u>8,029</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(38,790)</u>	<u>(38,790)</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>(38,790)</u>	<u>(38,790)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(11,979)</u>	<u>(11,979)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,769)</u>	<u>\$ (50,769)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (38,790)	
Adjustment to revenue for accruals and other deferrals			38,789	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (1)</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, 2014**

	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**  
**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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	5,364	9,772	5,347	(4,425)
Interest	-	-	-	-
<i>Total revenues</i>	<u>5,364</u>	<u>9,772</u>	<u>5,347</u>	<u>(4,425)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	5,364	9,772	6,343	3,429
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>5,364</u>	<u>9,772</u>	<u>6,343</u>	<u>3,429</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(996)</u>	<u>(996)</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>(996)</u>	<u>(996)</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>\$ (996)</u>	<u>\$ (996)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (996)	
Adjustment to revenue for accruals and other deferrals			996	
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**  
**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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	406,516	226,397	(180,119)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>406,516</u>	<u>226,397</u>	<u>(180,119)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	300,555	188,856	111,699
Support Services				
Students	-	4,316	-	4,316
Instruction	-	-	-	-
General Administration	-	62,191	45,508	16,683
School Administration	-	-	-	-
Central Services	-	17,932	9,325	8,607
Operation & maintenance of plant	-	-	-	-
Student transportation	-	21,522	16,181	5,341
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>406,516</u>	<u>259,870</u>	<u>146,646</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(33,473)</u>	<u>(33,473)</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>(33,473)</u>	<u>(33,473)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(200,275)</u>	<u>(200,275)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (233,748)</u>	<u>\$ (233,748)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (33,473)	
Adjustment to revenue for accruals and other deferrals			35,174	
Adjustment to expenditures for payables, prepaids and other accruals			(210)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 1,491</u>	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**IDEA-B RISK POOL 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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	1,501	263	(1,238)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,501</u>	<u>263</u>	<u>(1,238)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	1,501	1,417	84
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	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,501</u>	<u>1,417</u>	<u>84</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,154)</u>	<u>(1,154)</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>(1,154)</u>	<u>(1,154)</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>\$ (1,154)</u>	<u>\$ (1,154)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (1,154)	
Adjustment to revenue for accruals and other deferrals			1,154	
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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	9,859	13,451	7,806	(5,645)
Interest	-	-	-	-
<i>Total revenues</i>	<u>9,859</u>	<u>13,451</u>	<u>7,806</u>	<u>(5,645)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	9,859	13,451	7,317	6,134
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	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>9,859</u>	<u>13,451</u>	<u>7,317</u>	<u>6,134</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>489</u>	<u>489</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>489</u>	<u>489</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(13,193)</u>	<u>(13,193)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,704)</u>	<u>\$ (12,704)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 489	
Adjustment to revenue for accruals and other deferrals			(489)	
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**  
**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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	39,034	54,224	49,080	(5,144)
Interest	-	-	-	-
<i>Total revenues</i>	<u>39,034</u>	<u>54,224</u>	<u>49,080</u>	<u>(5,144)</u>
<i>Expenditures:</i>				
Current:				
Instruction	13,624	28,373	22,301	6,072
Support Services				
Students	24,017	24,017	23,368	649
Instruction	-	-	-	-
General Administration	1,393	1,834	1,631	203
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>39,034</u>	<u>54,224</u>	<u>47,300</u>	<u>6,924</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,780</u>	<u>1,780</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>1,780</u>	<u>1,780</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(16,076)</u>	<u>(16,076)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,296)</u>	<u>\$ (14,296)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 1,780	
Adjustment to revenue for accruals and other deferrals			(1,780)	
Adjustment to expenditures for payables, prepaids and other accruals			899	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 899</u>	

**STATE OF NEW MEXICO**  
**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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	11,993	19,026	16,352	(2,674)
Interest	-	-	-	-
<i>Total revenues</i>	<u>11,993</u>	<u>19,026</u>	<u>16,352</u>	<u>(2,674)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	11,993	19,026	17,668	1,358
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>11,993</u>	<u>19,026</u>	<u>17,668</u>	<u>1,358</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,316)</u>	<u>(1,316)</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>(1,316)</u>	<u>(1,316)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(11,292)</u>	<u>(11,292)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,608)</u>	<u>\$ (12,608)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (1,316)	
Adjustment to revenue for accruals and other deferrals			(2,912)	
Adjustment to expenditures for payables, prepaids and other accruals			772	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (3,456)</u>	

**STATE OF NEW MEXICO**  
**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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	94,500	94,500	92,069	(2,431)
Interest	-	-	-	-
<i>Total revenues</i>	<u>94,500</u>	<u>94,500</u>	<u>92,069</u>	<u>(2,431)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	178,209	178,209	111,040	67,169
Support Services				
Students	53,652	79,709	60,829	18,880
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	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>231,861</u>	<u>257,918</u>	<u>171,869</u>	<u>86,049</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(137,361)</u>	<u>(163,418)</u>	<u>(79,800)</u>	<u>83,618</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	137,361	163,418	-	(163,418)
<i>Total other financing sources (uses)</i>	<u>137,361</u>	<u>163,418</u>	<u>-</u>	<u>(163,418)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(79,800)</u>	<u>(79,800)</u>
<i>Cash balances - beginning of year</i>	<u>137,361</u>	<u>163,418</u>	<u>163,419</u>	<u>1</u>
<i>Cash balances - end of year</i>	<u>\$ 137,361</u>	<u>\$ 163,418</u>	<u>\$ 83,619</u>	<u>\$ (79,799)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (79,800)	
Adjustment to revenue for accruals and other deferrals			79,800	
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**  
**IMPACT AID 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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	679,147	679,147	669,479	(9,668)
Interest	-	-	-	-
<i>Total revenues</i>	<u>679,147</u>	<u>679,147</u>	<u>669,479</u>	<u>(9,668)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	651,002	666,002	510,877	155,125
Support Services				
Students	233,332	270,183	166,637	103,546
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	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>884,334</u>	<u>936,185</u>	<u>677,514</u>	<u>258,671</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(205,187)</u>	<u>(257,038)</u>	<u>(8,035)</u>	<u>249,003</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	205,187	257,038	-	(257,038)
<i>Total other financing sources (uses)</i>	<u>205,187</u>	<u>257,038</u>	<u>-</u>	<u>(257,038)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(8,035)</u>	<u>(8,035)</u>
<i>Cash balances - beginning of year</i>	<u>205,187</u>	<u>257,038</u>	<u>257,038</u>	<u>-</u>
<i>Cash balances - end of year</i>	<u>\$ 205,187</u>	<u>\$ 257,038</u>	<u>\$ 249,003</u>	<u>\$ (8,035)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (8,035)	
Adjustment to revenue for accruals and other deferrals			8,035	
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**  
**DUAL CREDIT 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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	1,378	1,366	(12)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,378</u>	<u>1,366</u>	<u>(12)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	1,378	1,366	12
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	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,378</u>	<u>1,366</u>	<u>12</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**  
**LITERACY 4 CHILDREN 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, 2014**

	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	9,858	9,858	9,258	600
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>9,858</u>	<u>9,858</u>	<u>9,258</u>	<u>600</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(9,858)</u>	<u>(9,858)</u>	<u>(9,258)</u>	<u>600</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	9,858	9,858	-	(9,858)
<i>Total other financing sources (uses)</i>	<u>9,858</u>	<u>9,858</u>	<u>-</u>	<u>(9,858)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(9,258)</u>	<u>(9,258)</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>\$ (9,258)</u>	<u>\$ (9,258)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (9,258)	
Adjustment to revenue for accruals and other deferrals			9,258	
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**  
**READS TO LEAD 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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	43,207	39,903	(3,304)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	43,207	39,903	(3,304)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	43,207	39,903	3,304
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	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	43,207	39,903	3,304
<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**  
**ROBOTICS 2013 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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	13,723	4,967	(8,756)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	13,723	4,967	(8,756)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	13,723	13,689	34
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	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	13,723	13,689	34
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	(8,722)	(8,722)
<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>	-	-	(8,722)	(8,722)
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (8,722)	\$ (8,722)
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (8,722)	
Adjustment to revenue for accruals and other deferrals			8,722	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ -	

**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, 2014**

	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	-	-	1,464	1,464
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	(1,464)	(1,464)
<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**  
**INDIAN 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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	20,000	-	(20,000)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	20,000	-	(20,000)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	20,000	4,024	15,976
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	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	20,000	4,024	15,976
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	(4,024)	(4,024)
<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>	-	-	(4,024)	(4,024)
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (4,024)	\$ (4,024)
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (4,024)	
Adjustment to revenue for accruals and other deferrals			4,024	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ -	

**STATE OF NEW MEXICO**  
**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, 2014**

	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	-	-	(3,203)	(3,203)
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(3,203)</u>	<u>(3,203)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,203)</u>	<u>(3,203)</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>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (3,203)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			3,203	
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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	4,995	4,995
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>4,995</u>	<u>4,995</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	-	-	-	-
<i>Debt Service:</i>				
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>4,995</u>	<u>4,995</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>4,995</u>	<u>4,995</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,995)</u>	<u>(4,995)</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)			\$ 4,995	
Adjustment to revenue for accruals and other deferrals			(3,565)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 1,430</u>	

**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, 2014**

	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	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	3,959	3,959
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	3,959	3,959
<i>Net change in fund balances</i>	-	-	3,959	3,959
<i>Cash balances - beginning of year</i>	-	-	(3,959)	(3,959)
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 3,959	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(3,959)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ -	

**STATE OF NEW MEXICO**  
**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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	47,632	55,818	55,236	(582)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	47,632	55,818	55,236	(582)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	47,632	55,818	43,123	12,695
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>	47,632	55,818	43,123	12,695
<i>Excess (deficiency) of revenues</i>				
<i>over (under) expenditures</i>	-	-	12,113	12,113
<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>	-	-	12,113	12,113
<i>Cash balances - beginning of year</i>	-	-	(17,756)	(17,756)
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ (5,643)	\$ (5,643)
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 12,113	
Adjustment to revenue for accruals and other deferrals			(12,114)	
Adjustment to expenditures for payables, prepaids and other accruals			13,720	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ 13,719	

**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, 2014**

	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	-	-	(1,077)	(1,077)
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	(1,077)	(1,077)
<i>Net change in fund balances</i>	-	-	(1,077)	(1,077)
<i>Cash balances - beginning of year</i>	-	-	1,077	1,077
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (1,077)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			1,077	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ -	



**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**MS SCIENCE 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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	129	129
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	129	129
<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>	-	-	129	129
<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>	-	-	129	129
<i>Cash balances - beginning of year</i>	-	-	-	-
<i>Cash balances - end of year</i>	\$ -	\$ -	\$ 129	\$ 129
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 129	
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)			\$ 129	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**BUS REPLACEMENT 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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	171,400	171,400	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	171,400	171,400	-
<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	-	171,400	171,400	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	171,400	171,400	-
<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

Statement A-29

## 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, 2014

	Budgeted Amounts			
	Original	Final	Actual	Variance
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	(1)	(1)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	(1)	(1)
<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>	-	-	(1)	(1)
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	1	1
<i>Total other financing sources (uses)</i>	-	-	1	1
<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			(1)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ (1)	

**STATE OF NEW MEXICO**  
**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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	45,000	45,000	12,008	(32,992)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>45,000</u>	<u>45,000</u>	<u>12,008</u>	<u>(32,992)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	69,286	69,286	29,038	40,248
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	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>69,286</u>	<u>69,286</u>	<u>29,038</u>	<u>40,248</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(24,286)</u>	<u>(24,286)</u>	<u>(17,030)</u>	<u>7,256</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	24,286	24,286	-	(24,286)
<i>Total other financing sources (uses)</i>	<u>24,286</u>	<u>24,286</u>	<u>-</u>	<u>(24,286)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(17,030)</u>	<u>(17,030)</u>
<i>Cash balances - beginning of year</i>	<u>24,286</u>	<u>24,286</u>	<u>24,953</u>	<u>667</u>
<i>Cash balances - end of year</i>	<u>\$ 24,286</u>	<u>\$ 24,286</u>	<u>\$ 7,923</u>	<u>\$ (16,363)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (17,030)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(144)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (17,174)</u>	

**STATE OF NEW MEXICO**  
**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, 2014**

	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	-	-	-	-
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	-	-	-	-
<i>Debt Service:</i>				
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**  
**FARM TO TABLE 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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ 470	\$ 470
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>470</u>	<u>470</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	-	-	-	-
<i>Debt Service:</i>				
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>470</u>	<u>470</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>470</u>	<u>470</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(470)</u>	<u>(470)</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)			\$ 470	
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>\$ 470</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, 2014**

	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	-	-	-	-
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	-	-	-	-
<i>Debt Service:</i>				
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**  
**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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	3,913	3,913
<i>Total revenues</i>	<u>4,000</u>	<u>4,000</u>	<u>3,913</u>	<u>(87)</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	3,439,874	3,688,718	3,688,631	87
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,439,874</u>	<u>3,688,718</u>	<u>3,688,631</u>	<u>87</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,435,874)</u>	<u>(3,684,718)</u>	<u>(3,684,718)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	3,435,874	3,684,718	-	(3,684,718)
<i>Total other financing sources (uses)</i>	<u>3,435,874</u>	<u>3,684,718</u>	<u>-</u>	<u>(3,684,718)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,684,718)</u>	<u>(3,684,718)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,684,718</u>	<u>3,684,718</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)			\$ (3,684,718)	
Adjustment to revenue for accruals and other deferrals			38,583	
Adjustment to expenditures for payables, prepaids and other accruals			51,978	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (3,594,157)</u>	



**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**IMPACT AID 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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	1,116	1,116
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,116</u>	<u>1,116</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	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,116</u>	<u>1,116</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>1,116</u>	<u>1,116</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>\$ 1,116</u>	<u>\$ 1,116</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 1,116	
Adjustment to revenue for accruals and other deferrals			(1,116)	
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**  
**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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 1,413,392	\$ 1,413,392	\$ 1,075,547	\$ (337,845)
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	6,109	6,109
<i>Total revenues</i>	<u>1,413,392</u>	<u>1,413,392</u>	<u>1,081,656</u>	<u>(331,736)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,646	2,246	1,789	457
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	6,284,270	5,958,340	3,197,604	2,760,736
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>6,285,916</u>	<u>5,960,586</u>	<u>3,199,393</u>	<u>2,761,193</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(4,872,524)</u>	<u>(4,547,194)</u>	<u>(2,117,737)</u>	<u>2,429,457</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	4,872,524	4,547,194	-	(4,547,194)
<i>Total other financing sources (uses)</i>	<u>4,872,524</u>	<u>4,547,194</u>	<u>-</u>	<u>(4,547,194)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,117,737)</u>	<u>(2,117,737)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,547,264</u>	<u>4,547,264</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,429,527</u>	<u>\$ 2,429,527</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (2,117,737)	
Adjustment to revenue for accruals and other deferrals			3,232	
Adjustment to expenditures for payables, prepaids and other accruals			(319,504)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (2,434,009)</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, 2014**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 1,411,392	\$ 1,411,392	\$ 1,080,782	\$ (330,610)
State sources	-	18,449	18,762	313
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,411,392</u>	<u>1,429,841</u>	<u>1,099,544</u>	<u>(330,297)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,412	2,012	1,793	219
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	1,409,980	1,484,695	1,093,925	390,770
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,411,392</u>	<u>1,486,707</u>	<u>1,095,718</u>	<u>390,989</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(56,866)</u>	<u>3,826</u>	<u>60,692</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	56,866	-	(56,866)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>56,866</u>	<u>-</u>	<u>(56,866)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>3,826</u>	<u>3,826</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>56,936</u>	<u>56,936</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,762</u>	<u>\$ 60,762</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ 3,826	
Adjustment to revenue for accruals and other deferrals			1,721	
Adjustment to expenditures for payables, prepaids and other accruals			(20,735)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (15,188)</u>	

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

Statement A-38

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 4,013,570	\$ 4,013,570	\$ 3,063,808	\$ (949,762)
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>4,013,570</u>	<u>4,013,570</u>	<u>3,063,808</u>	<u>(949,762)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	5,619	7,119	5,808	1,311
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plan	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Service:				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	2,760,000	2,760,000	2,760,000	-
Interest	1,253,570	1,491,220	1,253,919	237,301
<i>Total expenditures</i>	<u>4,019,189</u>	<u>4,258,339</u>	<u>4,019,727</u>	<u>238,612</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(5,619)</u>	<u>(244,769)</u>	<u>(955,919)</u>	<u>(711,150)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	5,619	244,769	-	(244,769)
<i>Total other financing sources (uses)</i>	<u>5,619</u>	<u>244,769</u>	<u>-</u>	<u>(244,769)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(955,919)</u>	<u>(955,919)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,423,624</u>	<u>2,423,624</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,467,705</u>	<u>\$ 1,467,705</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP Budgetary basis)			\$ (955,919)	
Adjustment to revenue for accruals and other deferrals			98,950	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (856,969)</u>	

**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, 2014**

	Beginning Balance June 30, 2013	Additions	Deletions	Ending Balance June 30, 2014
<b>ASSETS</b>				
Class of 2013	\$ 641	\$ -	\$ 641	\$ -
Class of 2014	206	2,348	2,282	272
Class of 2015	8,848	3,042	6,933	4,957
Class of 2016	557	2,889	393	3,053
Class of 2017	-	1,593	435	1,158
Athletic Scholarships	15,000	-	1,000	14,000
ROTC	506	88	508	86
MS Activity	1,891	502	846	1,547
MS Student Council	5,694	9,711	9,166	6,239
Transportation	104,512	50,518	24,219	130,811
MS Library	1,006	168	-	1,174
FFA	3,897	1,480	1,243	4,134
HS Library	5,605	777	200	6,182
HS Cheerleaders	204	-	-	204
HS Student Council	1,830	2,425	3,963	292
Elementary Activity	7,956	146	2,107	5,995
Elementary Library	6,168	16,128	15,677	6,619
German Club	293	-	293	-
Elementary Sports	5,310	3,024	908	7,426
HS Activity	814	1,114	1,851	77
HS Yearbook	1,702	175	-	1,877
All Sports	22,498	41,626	31,107	33,017
HS Volleyball	-	1,289	310	979
7AA	8,177	6,231	14,383	25
1AA	2,250	25	1,828	447
Ski Club	1,388	2,397	2,693	1,092
MS Closeup	3,803	27,312	28,028	3,087
Total	<u>\$ 210,756</u>	<u>\$ 175,008</u>	<u>\$ 151,014</u>	<u>\$ 234,750</u>
<b>LIABILITIES</b>				
Deposits held for others	210,756	175,008	151,014	234,750
Total Liabilities	<u>\$ 210,756</u>	<u>\$ 175,008</u>	<u>\$ 151,014</u>	<u>\$ 234,750</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, 2014

Schedule I

Name of Depository	Description of Pledged Collateral	PAR/ Market Value June 30, 2014	Name and Location of Safekeeper
Wells Fargo Bank	FNMA FNMS, maturity date 02/01/43 Cusip # 3138NY4W2, 3.0%	\$ 115,118	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FNMA FNMS, maturity date 6/1/43 Cusip # 3138W6RL2, 3.5%	64,907	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FNMA FNMS, maturity date 6/1/43 Cusip # 3138WTRR9 3.0%	3,015,356	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FNMA FNMS, maturity date 1/1/43 Cusip # 31417ETE1, 3.0%	166,179	Wells Fargo Bank Northwest, NA
	Total Collateral Pledged	\$ <u>3,361,560</u>	

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS**  
June 30, 2014

Schedule II

Deposit or Investment Account Type	Wells Fargo Bank	Total
General Checking- Interest Bearing	\$ 6,676,726	\$ 6,676,726
Activity Checking- Interest Bearing	233,304	233,304
Total On Deposit	6,910,031	6,910,031
Reconciling Items	(1,108,769)	(1,108,769)
Reconciled Balance June 30, 2014	\$ 5,801,262	\$ 5,801,262
Reconciliation to financial statements:		
Cash and cash equivalents:		
Total cash and cash equivalents per Statement of Net Position		\$ 5,566,512
Total cash and cash equivalents per Fiduciary Statement of Assets and Liabilities		234,750
Total Cash and Investments		\$ 5,801,262

**STATE OF NEW MEXICO**  
Dulce Independent Schools  
Cash Reconciliation  
June 30, 2014

	Operational Account	Teacherage Account	Transportation Account	Instructional Materials Account	Food Services Account
Cash per June 30, 2013 audit report	\$ 1,253,584	\$ 146,285	\$ 1	\$ 20,468	\$ 70,598
Add:					
2013-14 revenues	7,347,982	190,040	192,735	45,981	392,629
Other reconciling items	(71,508)	4,281	-	-	-
Loans from other funds	-	-	-	-	-
Total cash available	8,530,058	340,606	192,736	66,449	463,227
Less:					
2013-14 expenditures	(7,143,583)	(174,999)	(192,735)	(57,469)	(383,965)
Loans (to) other funds	-	-	-	-	-
Cash June 30, 2014	<u>\$ 1,386,475</u>	<u>\$ 165,607</u>	<u>\$ 1</u>	<u>\$ 8,980</u>	<u>\$ 79,262</u>



Athletics Account	Activity Fund	Federal Flowthrough Fund	Federal Direct Fund	State Flowthrough Fund	State Direct Fund	Local/State Fund
\$ 41,828	\$ 210,756	\$ (299,593)	\$ 420,456	\$ (29,173)	\$ 2,831	\$ (34,200)
50,687	175,008	658,959	761,549	289,039	12,008	470
-	-	10,926	-	(4,749)	22,121	33,730
-	-	-	-	-	-	-
92,515	385,764	370,292	1,182,005	255,117	36,960	-
(52,520)	(151,014)	(756,106)	(849,384)	(282,764)	(29,038)	-
-	-	-	-	-	-	-
<u>\$ 39,995</u>	<u>\$ 234,750</u>	<u>\$ (385,814)</u>	<u>\$ 332,621</u>	<u>\$ (27,647)</u>	<u>\$ 7,922</u>	<u>\$ -</u>

**STATE OF NEW MEXICO**  
Dulce Independent Schools  
Cash Reconciliation

	Bond Building	Special Capital Outlay Federal	Capital Improv. HB 33	Capital Improv. SB 9
Cash per June 30, 2013 audit report	\$ 3,684,718	\$ -	\$ 4,547,264	\$ 56,936
Add:				
2013-14 revenues	3,913	1,116	1,081,656	1,099,544
Adjustments	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	<u>3,688,631</u>	<u>1,116</u>	<u>5,628,920</u>	<u>1,156,480</u>
Less:				
2013-14 expenditures	(3,688,631)	-	(3,199,393)	(1,095,718)
Loans (to) from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>\$ -</u>	<u>\$ 1,116</u>	<u>\$ 2,429,527</u>	<u>\$ 60,762</u>

Operating bank balance at June 30, 2014  
Activity Fund bank balance at June 30, 2014  
Deposits in transit  
Less Outstanding checks  
Cash June 30, 2014

Schedule III  
 (Page 2 of 2)

Debt Service Fund	Total
\$ 2,423,624	\$ 12,516,383
3,063,808	15,367,124
-	(5,199)
-	-
5,487,432	27,878,308
(4,019,727)	(22,077,046)
-	-
\$ 1,467,705	\$ 5,801,262
	\$ 6,676,726
	233,304
	21,239
	(1,130,007)
	\$ 5,801,262
	\$ 5,801,262

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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*  
INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the General fund and Special Revenue funds, of the Dulce Independent Schools as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Dulce Independent Schools' basic financial statements, and the combining and individual and related budgetary comparisons of Dulce Independent Schools, presented as supplemental information, and have issued our report thereon dated August 25, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Dulce Independent Schools' internal control over financial reporting to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dulce Independent Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Dulce Independent Schools' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned function, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a 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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we did not identify certain deficiencies in internal control over financial reporting that we would consider to be material weaknesses and significant deficiencies.

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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 such 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 and which are described in the accompanying schedule of findings and responses as item 2014-001.

### **Dulce Independent Schools' Response to Findings**

Dulce Independent Schools' responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Dulce Independent Schools' responses were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Dulce Independent Schools' internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Dulce Independent Schools' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Precision Accounting LLC*

*Precision Accounting LLC*

Albuquerque, New Mexico

August 25, 2014

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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  
INDEPENDENT AUDITOR'S REPORT**

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

*Report on Compliance for Each Major Federal Program*

We have audited Dulce Independent Schools' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Dulce Independent Schools' major federal programs for the year ended June 30, 2014. 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.

*Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its federal programs.

Our responsibility is to express an opinion on compliance for each of Dulce Independent Schools' major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Dulce Independent Schools' compliance.

*Opinion on Each Major Federal Program*

In our opinion, Dulce Independent Schools' complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

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## Report on Internal Control Over Compliance

The management of Dulce Independent Schools' is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered Dulce Independent Schools' internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance on each major program 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.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Precision Accounting LLC  
Albuquerque, New Mexico  
August 25, 2014

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2014

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- Operational Part 8002	84.041	11000	2,677,916	\$ 2,677,916
Impact Aid Special Education	84.041	25145	170,268	170,268
Impact Aid Education	84.041	25147	675,875	675,875
Subtotal Department of Education			<u>846,143</u>	<u>846,143</u>
U.S. Department of Agriculture				
Forest Reserve	10.672	11000	99,438	99,438
Subtotal Department of Agriculture			<u>99,438</u>	<u>99,438</u>
<i>Pass Through Programs:</i>				
U.S. Department of Agriculture				
Passed through NM Public Education Department:				
Commodities Program	10.550	21000	17,781	17,781
National School Lunch Program	10.555	21000	214,310	214,310
National School Breakfast Program	10.553	21000	130,625	130,625
Total U.S. Department of Agriculture			<u>362,716</u>	<u>362,716</u>
U.S. Department of Education				
Passed through NM Public Education Department:				
Title I	84.010	24101	293,031	259,810
IDEA B Entitlement	84.027	24106	166,675	158,686
IDEA B Preschool	84.173	24109	6,343	6,343
IDEA B Risk Pool	84.024	24120	1,417	1,417
21st Century	84.287	24119	259,871	258,380
Title III English Language Acquisition	84.365A	24153	7,317	7,317
Teacher/Principal Training and Recruiting	84.367A	24154	47,300	46,401
Rural & Low Income Schools	84.358	24160	18,440	21,896
Total U.S. Department of Education			<u>800,394</u>	<u>760,250</u>
Total Federal Financial Assistance			<u>\$ 2,108,691</u>	<u>\$ 2,068,547</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 statements.

2. Subrecipients

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

3. Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2014 was \$17,781.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,068,547
Total expenditures funded by other sources	<u>20,141,312</u>
Total expenditures	<u>\$ 22,209,859</u>

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STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2014

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Dulce Independent Schools.
2. No significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Dulce Independent Schools were disclosed during the audit.
4. There were no audit findings 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 unmodified opinion.
6. The programs tested as major were the 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**

**2014-001 Activities Funds (Other matter)**

**CONDITION:** During our testwork of forty (40) Activity Fund receipts we noted one (1), instance totaling \$363.02, where a secondary sign off was not performed as part of an internal verification of the cash count at close of the event. This resulted in a 2.5% error rate and when projected over the entire population yields seven (7) errors.

**CRITERIA:** The District's internal policy provides specific guidance on the requirements of handling cash, where two signatures are required when completing the Receipting form for cash collected at every event to ensure all monies received are accounted for timely and accurately.

**CAUSE OF CONDITION:** The responsible person or party handling cash during an event may be unaware of the requirements of the District's internal policy on handling cash.

**EFFECT OF CONDITION:** When the District's internal control policy for cash receipts is not properly followed the potential for errors may exist and go undetected.

**RECOMMENDATION:** The District should re-train all employees on internal controls on handling cash to ensure compliance with cash collection and reporting of activity funds.

**CLIENT RESPONSE:** The district will train all employees as to the district internal policy and monitor that fund raisers comply with the dual signatures as required on documents.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2014

**C. FINDINGS-FEDERAL AWARDS**

NONE

**D. PRIOR YEAR AUDIT FINDINGS**

FS 10-02 Cash Receipts-**Cleared**

FS 2012-01 Untimely Filing of Data Collection Form-**Cleared**

**Note:** For traceability purposes, the audit finding reference numbers reported in prior year audit reports are presented in brackets, and where applicable, have been renumbered to comply with reporting standards.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
OTHER DISCLOSURES  
Year Ended June 30, 2014

**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 14, 2014. The following individuals were in attendance.

Dulce Independent Schools

Tom Savage, Superintendent  
Naomi Vicenti, Business Manager  
Rhonda Stroup, Payroll  
Beverly Martinez, Accounts Payable

Precision Accounting LLC

Melissa R. Santistevan, CPA, CFE, CICA, CGMA  
Mei Y. To, CPA  
Michele Jaramillo, Staff Accountant  
Daniel Perea, Staff Accountant

A board member was not present at the August 14, 2014 meeting so a separate meeting was held face to face with Connie Gomez, Board Member on August 25, 2014.