

**STATE OF NEW MEXICO**

**DULCE INDEPENDENT SCHOOLS**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2015**

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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, 2015

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STATE OF NEW MEXICO  
Dulce Independent Schools

OFFICIAL ROSTER  
June 30, 2015

<u>Name</u>		<u>Title</u>
	<u>Board of Education</u>	
Joanna Dykehouse		President
Manuel H. Gomez		Vice President
Connie Gomez		Secretary
Wesley L. Vigil		Member
Stanford Salazar		Member
	<u>School Officials</u>	
Tom Savage		Superintendent
Naomi Vicenti		Business Manager

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**FINANCIAL SECTION**

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Precision Accounting, LLC.

## INDEPENDENT AUDITOR'S REPORT

Timothy Keller  
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, 2015, 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, 2015, as listed in the table of contents. We did not audit the 2014 Schedule of Employer Allocations and Pension Amounts of the State of New Mexico Educational Retirement Board (ERB), the administrator of the cost sharing pension plan for the District. The schedules and statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the District, is based solely on the report of the other auditors.

### **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.

### **Opinions**

In our opinion, based on our report and the report of the other auditors, 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, 2015, 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

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position of each nonmajor governmental fund of Dulce Independent Schools as of June 30, 2015, 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, the *Schedule of Proportionate Share of the Net Pension Liability* on page 129, the *Schedule of Contributions* on page 131, and the notes to the required supplementary information on page 133 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 Schedule of Expenditures of Federal Awards and 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.

The Schedule of Vendor Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2015 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  
September 9, 2015

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**State of New Mexico**  
Dulce Independent Schools  
Management's Discussion and Analysis  
June 30, 2015

This Management Discussion and Analysis of the fiscal performance of the Dulce Independent School District for the period ending June 30, 2015 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, 2015. 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 Jr-Sr High school, serving grades 7-12 and one Elementary school, serving grades K-6. 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 over 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-6 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.

Dulce Jr-Sr 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

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Management's Discussion and Analysis  
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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, 2015 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 2015 are:

- Total Assets of Governmental Activities was \$59,899,014 (Ex. A-1)
- Total Liabilities of Governmental Activities was \$37,923,925 (Ex. A-1)
- Deferred Inflows of Resources was \$1,058,278 (Ex. A-1)
- Net Position of Governmental Activities was \$20,916,811 (Ex. A-1).
- General Fund expenditures exceeded revenues by \$(6,341,416).
- The District implemented the State mandates for all teaching tiers; and 4% increase in the employer's contribution for medical insurance.

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Management's Discussion and Analysis  
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**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, 2013</b>	<b>June 30, 2014</b>	<b>June 30, 2015</b>
Current Assets	\$ 12,931,773	\$ 6,397,707	\$ 5,565,344
Capital Assets	77,597,180	83,985,998	84,635,485
Less Accumulated Depreciation	(19,668,075)	(21,812,246)	(31,082,660)
Deferred Outflows of Resources	-	-	780,845
Total Assets	\$ 71,152,066	\$ 68,571,459	\$ 59,899,014
<b>Liabilities</b>			
Accounts payable	\$ 87,963	\$ 417,918	\$ 87,076
Accrued Payroll	54,146	-	67,720
Accrued Compensated Absences	31,989	23,001	107,160
Accrued interest	212,562	202,608	186,283
Unearned Revenue	423,370	331,738	288,281
Long Term Liabilities	2,765,000	2,860,000	1,950,000
Non-Current Liabilities	34,026,911	27,927,226	24,341,857
Net Pension Liability	-	-	10,002,708
Total Liabilities	\$ 35,111,941	\$ 31,762,491	\$ 37,923,925
<b>Deferred Inflows of Resources</b>	-	-	1,058,278
<b>Net Position</b>			
Invested in Capital Assets	\$ 21,351,662	\$ 23,541,782	\$ 26,368,128
Restricted	13,574,538	11,929,751	7,293,498
Unrestricted	1,113,925	1,337,435	(12,744,815)
Total Net Position	\$ 36,040,125	\$ 36,808,968	\$ 20,916,811

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.

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**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 assets for the fiscal year ending June 30, 2015. Net assets decreased slightly, liabilities decreased slightly thus our total New Position shows a decrease due to a reduction in cash and equivalents.

**Summary of Statement of Activities**

	June 30, 2013	June 30, 2014	June 30, 2015
Revenues for Governmental Activities			
Charges for Services	\$ 743,522	\$ 710,459	\$ 766,964
Operating Grants and Contributions	5,603,163	5,262,200	5,677,105
Capital Grants and Contributions	150,959	76,688	128,016
General Revenues			
Property taxes	\$ 4,320,703	\$ 5,593,878	\$ 4,748,780
Federal and state aid	3,583,295	3,623,612	3,628,069
Other revenues	<u>203,967</u>	<u>201,778</u>	<u>205,629</u>
Total revenues	<u>14,605,609</u>	<u>15,468,615</u>	<u>15,154,563</u>
Expenses			
Instruction	5,445,381	5,656,742	6,057,909
Support services	4,019,687	3,827,968	3,897,146
Food service	517,353	390,881	421,674
Depreciation	3,896,868	4,705,702	9,968,424
Interest on long term debt	<u>1,381,918</u>	<u>\$ 616,430</u>	<u>1,150,826</u>
Total expenses	<u>15,261,207</u>	<u>14,567,723</u>	<u>21,495,979</u>
Changes in net position	(655,598)	900,892	(6,341,416)
Restatement	-	(132,049)	(9,550,741)
Net Position-Restated	36,695,723	35,908,076	27,258,227
Net Position- ending	<u>\$ 36,040,125</u>	<u>\$ 38,808,968</u>	<u>\$ 20,916,811</u>

**Fund Financial Statements**

The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. The District uses many funds to account for a multitude of various transactions. Within the basic financial statements, fund financial statements focus only on the District's most significant funds rather than the District as a whole. Fund Financial Statements are based on a modified accrual basis of accounting. Major funds are separately reported while all others are combined; individual non-fund data are presented in later sections of this report. The District's major governmental funds, as defined in GASB 34, are the General Fund, Bond Building, HB-33, Impact Aid Construction, Capital Improvements SB-9 capital project funds, and Debt Service. The Statement of Revenues and Expenditures and Changes in Fund Balances gives the reader a meaningful overall view of the District's revenues, expenditures and changes to the fund balance. Total revenues from State, Local and Federal sources were \$15,157,604. Total expenditures for the District were \$15,657,346. The total ending fund balance was \$5,125,308; a decrease of \$(499,742) from the previous year (Ex. B-2). Property taxes collections, mainly Oil & Gas taxes, went from \$5,593,878 to \$4,748,780 a decrease of (\$845,098).

**State of New Mexico**  
Dulce Independent Schools  
Management's Discussion and Analysis  
June 30, 2015

**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 50% of the total revenues received in fiscal year 2015.

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 \$15,157,604, and expenditures of \$15,657,346. The net change in the governmental fund balance for the fiscal year decreased \$(499,742). These governmental funds are accounted for using the modified accrual basis of accounting as required by the New Mexico Public Education Department. Decrease 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 \$825,538.

**State of New Mexico**  
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**General Fund Budgeting Highlights**

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

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

The General Fund revenues represent \$7,738,905 of the total \$15,157,604 in overall District revenues (51%).

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 2009-2011 we were subsidized by Federal Stimulus Funds.

Year	Revenues	Increase %
2010-2011	3,252,655	24%
2011-2012	3,476,624	7%
2012-2013	3,583,295	3%
2013-2014	3,623,612	1%
2014-2015	3,628,069	.12%

Because the General Fund is the main fund whose expenditures are significantly related to the educational process, \$6,895,745 was expended in the year ending June 30, 2015. The most significant inter-fund expenditure was for the function noted as "Direct Instruction". This expenditure was \$3,827,386 and represents 55% 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 11% 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 7% of the total General Fund.

Operation of the Plant accounts for 17% 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, 2015**

**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) (Teachage 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 one gym, and Administration Building.

Asset Type	Balance 06/30/11	Balance 06/30/12	Balance 06/30/13	Balance 06/30/14	Balance 06/30/15
Land, Buildings & Improvements	\$71,667,951	\$73,197,998	\$73,462,871	\$ 73,848,071	\$ 81,041,484
Furniture, Fixtures & Equipment	3,684,038	3,385,430	3,687,007	3,611,521	3,529,304
Total Capital Assets	75,251,989	76,883,428	77,079,737	77,459,592	84,570,788
Less Accumulated Depreciation	(15,334,191)	(17,345,179)	(19,668,075)	(21,812,246)	(31,076,729)
Capital Assets-Net	\$60,405,911	\$59,538,249	\$57,929,105	\$62,173,752	\$53,552,825

In the fiscal year ending June 30, 2015 the Statement of Revenues and Expenditures and Changes in Fund Balances shows the District expended \$1,136,246 for capital outlays. The District expanded the Middle school for an Elementary which houses grades K-6.

**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, 2015**

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, 2015. In 2014-15 long term debt decreased by \$2,585,369.

Year Ended June 30	Principal	Interest	Totals
2016	1,950,000	1,080,350	3,030,350
2017	3,270,000	979,050	4,249,050
2018	4,115,000	848,550	4,963,550
2019	3,990,000	694,488	4,684,488
2020	3,630,000	537,788	4,167,788
2021-2026	10,165,000	799,300	10,964,300
Total	27,120,000	4,939,526	32,059,526

**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 have been very consistent with projection. We have had and will continue to have slight growth 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. This creates a burden on maintaining our buildings and paying long term debt. Some debt was refinanced in January 2013 to lower the interest rate. The District hopes to stabilize the tax rates even with declining tax collections. The District does not plan to issue any Debt in the near future.

The School District contacts are Mr. Tom Savage, Superintendent, and Naomi Vicenti, Business Manager at 575-759-2909 or at 113 Hawk Drive, Dulce, N.M. 87528.

**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

Exhibit A-1  
(Page 1 of 2)

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 5,039,977
Taxes Receivables	128,095
Due from other Governments	357,735
Other receivables	22,255
Prepaid Assets	15,358
Inventory	1,924
Total current assets	<u>5,565,344</u>
Noncurrent assets:	
Capital assets:	
Other capital assets	84,635,485
Less accumulated depreciation	<u>(31,082,660)</u>
Total Capital assets	<u>53,552,825</u>
Total noncurrent assets	<u>53,552,825</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Post Measurement Date Contributions-Employer	730,534
Change in Assumptions in Net Pension Liability	<u>50,311</u>
Total deferred outflows of resources	780,845
Total assets and deferred outflows of resources	<u><u>\$ 59,899,014</u></u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

Exhibit A-1  
(Page 2 of 2)

	<u><b>Governmental Activities</b></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 87,076
Accrued liabilities	67,720
Accrued interest	186,283
Unearned revenue	288,281
Current portion of long-term debt	<u>1,950,000</u>
Total current liabilities	<u>2,579,360</u>
Noncurrent liabilities:	
Bonds, loans and other payables:	
Compensated Absences	107,160
Capital Lease payable	64,697
Bonds due in more than one year	25,170,000
Net Pension Liability	<u>10,002,708</u>
Total noncurrent liabilities	<u>35,344,565</u>
Total liabilities	37,923,925
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Actuarial Experience in Net Pension Liability	149,003
Investment Experience in Net Pension Liability	909,275
Change in Assumptions in Net Pension Liability	<u>-</u>
Total deferred inflows of resources	1,058,278
<b>NET POSITION</b>	
Net Investment in Capital Assets	26,368,128
Unrestricted	(12,744,815)
Restricted for General Funds	246,893
Restricted for Special Revenue Funds	218,109
Restricted for Capital Projects Funds	2,965,468
Restricted for Debt Service Funds	<u>3,863,028</u>
Total net position	<u>20,916,811</u>
Total liabilities, deferred inflows and net position	<u><u>\$ 59,899,014</u></u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Service</u>
Governmental activities:		
Instruction:		
Direct instruction	\$ 6,057,909	\$ -
Support services:		
Students	1,013,620	-
Instruction	105,776	-
General Administration	612,159	-
School Administration	311,429	-
Central Services	259,478	-
Operation & Maintenance of Plant	1,339,377	-
Student Transportation	241,705	-
Other Support Services	13,602	756,194
Food Services	421,674	10,770
Capital Outlay	9,968,424	-
Interest on long-term debt	1,150,826	-
	<u>\$ 21,495,979</u>	<u>\$ 766,964</u>

<b>Program Revenues</b>		<b>Net</b>
<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>(Expenses) Revenues and Changes in Net Position</b>
\$ 5,089,932	\$ -	\$ (967,977)
-	128,016	(885,604)
-	-	(105,776)
-	-	(612,159)
-	-	(311,429)
-	-	(259,478)
-	-	(1,339,377)
161,204	-	(80,501)
-	-	742,592
425,969	-	15,065
-	-	(9,968,424)
-	-	(1,150,826)
<u>\$ 5,677,105</u>	<u>\$ 128,016</u>	(14,923,894)

**General Revenues:**

Property taxes:	
Levied for general purposes	225,336
Levied for debt service	3,356,693
Levied for capital projects	1,166,751
State aid not restricted	3,628,069
Miscellaneous	203,025
Transfers	-
Unrestricted investment earnings	2,604
	<u>8,582,478</u>
Change in net position	(6,341,416)
Net position - beginning	36,808,968
Restatement for LTD and NPL	(9,550,741)
Net position - restated	<u>27,258,227</u>
Net position - ending	<u>\$ 20,916,811</u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2015

	General Fund			
<b>ASSETS</b>	Operational	Teacherage	Transportation	Instructional Materials
<i>Current Assets</i>				
Cash and cash equivalents	\$ 1,202,524	\$ 228,706	\$ -	\$ 26,669
Investments	-	-	-	-
Accounts receivable				
Taxes	5,301	-	-	-
Due from other governments	-	-	-	-
Other accounts receivable	4,334	-	-	-
Interfund receivable	315,269	-	-	-
Prepaid Assets	11,074	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 1,538,502</u>	<u>\$ 228,706</u>	<u>\$ -</u>	<u>\$ 26,669</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current Liabilities</i>				
Accounts payable	\$ 49,414	\$ 8,482	\$ -	\$ -
Accrued salaries and benefits	67,720	-	-	-
Interfund payable	-	-	-	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>117,134</u>	<u>8,482</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>				
Fund Balance				
Non-spendable	-	-	-	-
Restricted for:				
General Fund	-	220,224	-	26,669
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	1,421,368	-	-	-
<i>Total fund balances</i>	<u>1,421,368</u>	<u>220,224</u>	<u>-</u>	<u>26,669</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,538,502</u>	<u>\$ 228,706</u>	<u>\$ -</u>	<u>\$ 26,669</u>



Bond Building	Capital Improvements HB-33	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,897,353	\$ 902,075	\$ 782,650	\$ 5,039,977
-	-	-	-	-
-	612	100,953	21,229	128,095
-	-	-	375,656	375,656
-	-	-	-	4,334
-	-	-	-	315,269
-	-	-	4,284	15,358
-	-	-	1,924	1,924
<u>\$ -</u>	<u>\$ 1,897,965</u>	<u>\$ 1,003,028</u>	<u>\$ 1,185,743</u>	<u>\$ 5,880,613</u>
\$ -	\$ -	\$ -	\$ 29,180	\$ 87,076
-	-	-	-	67,720
-	-	-	315,269	315,269
-	-	-	288,281	288,281
<u>-</u>	<u>-</u>	<u>-</u>	<u>632,730</u>	<u>758,346</u>
-	-	-	1,924	1,924
-	-	-	-	246,893
-	-	-	222,975	222,975
-	1,897,965	-	334,904	2,232,869
-	-	1,003,028	-	1,003,028
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,790)</u>	<u>1,414,578</u>
<u>-</u>	<u>1,897,965</u>	<u>1,003,028</u>	<u>553,013</u>	<u>5,122,267</u>
<u>\$ -</u>	<u>\$ 1,897,965</u>	<u>\$ 1,003,028</u>	<u>\$ 1,185,743</u>	<u>\$ 5,880,613</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, 2015

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

Fund balances - total governmental funds	\$ 5,122,267
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	53,552,825
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	(186,283)
Long-term liabilities, including bonds payable, compensated absences and net pension liability are not due and payable in the current period and therefore are not reported in the funds	<u>(37,571,998)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 20,916,811</u></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, 2015

	General Fund			
	Operational	Teachergage	Transportation	Instructional Materials
<i>Revenues:</i>	\$	\$	\$	\$
Taxes				
Taxes levied/assessed	225,336	-	-	-
Local sources				
Tuition	-	-	-	-
Investment income	-	-	-	-
Food services	-	-	-	-
District activities	705,111	-	-	-
Other revenue	5,105	197,920	-	-
State sources				
Unrestricted Grants	3,628,069	-	-	-
Restricted Grants	33,729	-	161,204	48,665
Federal sources				
Unrestricted Grants	3,024,982	-	-	-
Unrestricted -state passthrough	106,850	-	-	-
Restricted Grants	-	-	-	-
Restricted -state passthrough	-	-	-	-
Department of Interior	-	-	-	-
Other items	9,723	-	-	-
<i>Total revenues</i>	<u>7,738,905</u>	<u>197,920</u>	<u>161,204</u>	<u>48,665</u>
<i>Expenditures:</i>				
Current:				
Instruction	3,803,216	-	-	30,976
Support Services				
Students	1,367,688	-	-	-
Instruction	99,956	-	-	-
General Administration	521,120	-	-	-
School Administration	311,429	-	-	-
Central Services	245,855	-	-	-
Operation & maintenance of plant	1,205,885	133,492	-	-
Student transportation	-	-	161,205	-
Other Support Services	13,602	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,568,751</u>	<u>133,492</u>	<u>161,205</u>	<u>30,976</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>170,154</u>	<u>64,428</u>	<u>(1)</u>	<u>17,689</u>
<i>Other financing sources (uses)</i>				
Transfers (In) Out	(86,221)	-	-	-
Bond Premium	-	-	-	-
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(86,221)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	83,933	64,428	(1)	17,689
<i>Fund balances - beginning of year</i>	<u>1,337,435</u>	<u>155,796</u>	<u>1</u>	<u>8,980</u>
<i>Fund balances - end of year</i>	<u>\$ 1,421,368</u>	<u>\$ 220,224</u>	<u>\$ -</u>	<u>\$ 26,669</u>

Bond Building	Capital Improvements HB-33	Debt Service	Other Governmental Funds	Total Governmental Funds
\$	\$	\$	\$	\$
-	259,799	3,356,693	906,952	4,748,780
-	-	-	-	-
-	2,604	-	-	2,604
-	-	-	10,770	10,770
-	-	-	51,083	756,194
-	-	-	-	203,025
-	-	-	-	3,628,069
-	-	-	200,207	443,805
-	-	-	-	3,024,982
-	-	-	14,491	121,341
-	-	-	973,164	973,164
-	-	-	1,232,106	1,232,106
-	-	-	-	-
-	-	-	-	9,723
-	<u>262,403</u>	<u>3,356,693</u>	<u>3,388,773</u>	<u>15,154,563</u>
-	-	-	1,478,981	5,313,173
-	-	-	345,968	1,713,656
-	-	-	-	99,956
-	122	11,639	73,347	606,228
-	-	-	-	311,429
-	-	-	13,623	259,478
-	-	-	232,000	1,571,377
-	-	-	22,171	183,376
-	-	-	-	13,602
-	-	-	421,674	421,674
58,623	535,071	-	542,552	1,136,246
-	-	2,860,000	-	2,860,000
-	-	1,167,151	-	1,167,151
<u>58,623</u>	<u>535,193</u>	<u>4,038,790</u>	<u>3,130,316</u>	<u>15,657,346</u>
<u>(58,623)</u>	<u>(272,790)</u>	<u>(682,097)</u>	<u>258,457</u>	<u>(502,783)</u>
-	-	-	86,221	-
-	-	-	-	-
-	-	-	-	-
-	-	-	86,221	-
<u>(58,623)</u>	<u>(272,790)</u>	<u>(682,097)</u>	<u>344,678</u>	<u>(502,783)</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>\$ -</u>	<u>\$ 1,897,965</u>	<u>\$ 1,003,028</u>	<u>\$ 553,013</u>	<u>\$ 5,122,267</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, 2015

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

Net change in fund balances - total governmental funds	\$	(502,783)
--	----	-----------

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		584,790
Depreciation expense		(9,270,414)

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:

Change in deferred outflows		20,600
Decrease in accrued interest		16,325
Increase in compensated absences		(49,934)
Principal payments on bonds		<u>2,860,000</u>

Changes in Net Position of Governmental Activities	\$	<u><u>(6,341,416)</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, 2015

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ 236,526	\$ 236,526	\$ 946,982	\$ 710,456
State sources	3,758,449	3,758,449	3,661,798	(96,651)
Federal sources	2,677,916	2,677,916	3,131,832	453,916
Interest	-	-	-	-
<i>Total revenues</i>	<u>6,672,891</u>	<u>6,672,891</u>	<u>7,740,612</u>	<u>1,067,721</u>
<i>Expenditures:</i>				
Current:				
Instruction	4,245,525	4,245,525	3,827,783	417,742
Support Services				
Students	1,372,541	1,408,741	1,374,426	34,315
Instruction	114,136	120,521	100,381	20,140
General Administration	474,435	525,406	513,286	12,120
School Administration	314,925	314,925	311,429	3,496
Central Services	3,400,646	255,053	250,985	4,068
Operation & maintenance of plant	1,506,172	1,413,573	1,205,768	207,805
Student transportation	-	-	-	-
Other Support Services	37,910	37,910	12,121	25,789
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,466,290</u>	<u>8,321,654</u>	<u>7,596,179</u>	<u>725,475</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(4,793,399)</u>	<u>(1,648,763)</u>	<u>144,433</u>	<u>1,793,196</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	(13,112)	(13,112)
Designated Cash	4,793,399	1,648,763	-	(1,648,763)
<i>Total other financing sources (uses)</i>	<u>4,793,399</u>	<u>1,648,763</u>	<u>(13,112)</u>	<u>(1,661,875)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>131,321</u>	<u>131,321</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,386,472</u>	<u>1,386,472</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,517,793</u>	<u>\$ 1,517,793</u>
<i>Net change in fund balance (Non-GAAP budgetary basis)</i>			\$ 131,321	
<i>Adjustment to revenue for accruals and other deferrals</i>			3,978	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			(51,366)	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ 83,933</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, 2015

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ 150,606	\$ 150,606	\$ 197,902	\$ 47,296
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>150,606</u>	<u>150,606</u>	<u>197,902</u>	<u>47,296</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	260,879	261,879	137,844	124,035
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	2,500	1,500	-	1,500
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>263,379</u>	<u>263,379</u>	<u>137,844</u>	<u>125,535</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(112,773)</u>	<u>(112,773)</u>	<u>60,058</u>	<u>172,831</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated Cash	112,773	112,773	-	(112,773)
<i>Total other financing sources (uses)</i>	<u>112,773</u>	<u>112,773</u>	<u>-</u>	<u>(112,773)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>60,058</u>	<u>60,058</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>165,607</u>	<u>165,607</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,665</u>	<u>\$ 225,665</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 60,058	
<i>Adjustment to revenue for accruals and other deferrals</i>			4,370	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ 64,428</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, 2015

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	173,572	161,204	161,203	(1)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>173,572</u>	<u>161,204</u>	<u>161,203</u>	<u>(1)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	173,572	161,204	161,204	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>173,572</u>	<u>161,204</u>	<u>161,204</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ (1)	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ (1)</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, 2015**

Exhibit C-4

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	33,452	38,944	48,665	9,721
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>33,452</u>	<u>38,944</u>	<u>48,665</u>	<u>9,721</u>
<i>Expenditures:</i>				
Current:				
Instruction	33,945	39,437	30,976	8,461
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>33,945</u>	<u>39,437</u>	<u>30,976</u>	<u>8,461</u>
<i>Excess (deficiency) of revenues</i>				
<i>over (under) expenditures</i>	<u>(493)</u>	<u>(493)</u>	<u>17,689</u>	<u>18,182</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Designated Cash	493	493	-	(493)
<i>Total other financing sources (uses)</i>	<u>493</u>	<u>493</u>	<u>-</u>	<u>(493)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>17,689</u>	<u>17,689</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,980</u>	<u>8,980</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,669</u>	<u>\$ 26,669</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 17,689	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ 17,689</u>	

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**AGENCY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
June 30, 2015

Exhibit D

**ASSETS**

*Current Assets*

Cash \$ 269,996

*Total assets* \$ 269,996

**LIABILITIES**

*Current Liabilities*

Deposits held in trust for others \$ 269,996

*Total liabilities* \$ 269,996

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STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2015

**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, 2015

**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, 2015

**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, 2015

**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, 2015.

*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, 2015

**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, 2015 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, 2015

**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, 2015.

**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, 2015

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

*D. 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.

**Pensions:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2015

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

*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 \$3,628,069 in state equalization guarantee distributions during the year ended June 30, 2015.

**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 \$926,930 in tax revenues in the governmental fund financial statements during the year ended June 30, 2015. 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 \$3,821,850 in Oil and Gas Taxes in the governmental fund financial statements during the year ended June 30, 2015.

**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 \$161,204 in transportation distributions during the year ended June 30, 2015.

**Instructional Materials:** The District had allocations allowed by the State for the current year of \$48,665. 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 \$- in state SB-9 Matching during the year ended June 30, 2015.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*E. Revenues (continued)*

**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 \$14,491 in commodities for the year ended June 30, 2015.

**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.

STATE OF NEW MEXICO  
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**NOTE 2. Stewardship, Compliance and Accountability (continued)**

*Budgetary Information (continued)*

7. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over in the next fiscal year by budgeting those in the subsequent fiscal year's budget.
8. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.
9. Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The School Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administrative Code 6.20.2.9 prohibits a school district from exceeding budgetary control at the function level.

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

**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, 2015.

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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DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
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**NOTE 3. Cash and Temporary Investments (continued)**

<u>Type</u>	<u>Wells Fargo</u>	<u>Total Bank</u>
General	\$ 5,675,296	\$ 5,675,296
FDIC Coverage	<u>(250,000)</u>	<u>(250,000)</u>
Total uninsured public funds	5,425,296	5,425,296
Collateral requirement (50%)	2,712,648	2,712,648
Pledged Securities	<u>3,311,267</u>	<u>3,311,267</u>
(over) under collateralized	\$ (598,619)	\$ (598,619)

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, 2015, \$2,114,029 of the District's bank balance of \$5,675,296 was exposed to custodial credit risk as follows:

<u>Custodial Credit Risk Deposits</u>	
Account Balance	\$ 5,675,296
FDIC Insured	250,000
Collateral:	
Collateral held by the pledging bank, not in the District's name	3,311,267
Uninsured and uncollateralized	<u>2,114,029</u>
Total Deposits	\$ 5,675,296

Reconciliation of Cash and Temporary Investments

<u>Governmental Funds – Balance Sheet</u>	
Cash and cash equivalents per Exhibit A-1	\$ 5,039,977
Cash per Exhibit D-1	269,996
Less Investments in LGIP	-
Add outstanding checks and other reconciling items	<u>365,323</u>
Bank Balance of deposits	\$ 5,675,296

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, 2015, the District had no investments exposed to custodial credit risk.

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**NOTE 4. Accounts Receivable**

Accounts receivable as of June 30, 2015, are as follows:

	General Fund	Capital Improvements HB-33 Fund	Debt Service Fund	Total Nonmajor Funds	Total
Property taxes	\$ 5,301	\$ 612	\$100,953	\$ 21,229	\$ 128,095
Due from other governments:					
Food Service	-	-	-	17,921	17,921
Title I	-	-	-	74,230	74,230
IDEA B Entitlement	-	-	-	26,508	26,508
IDEA B Preschool	-	-	-	2,313	2,313
21 <sup>st</sup> Century	-	-	-	108,172	108,172
IDEA Risk Pool	-	-	-	-	-
English Language Acquisition	-	-	-	14,640	14,640
Teacher /Principal Training	-	-	-	3,938	3,938
Rural & Low Income Schools	-	-	-	1,897	1,897
Literacy 4 Children	-	-	-	-	-
Robotics 3013	-	-	-	-	-
Indian Ed	-	-	-	8,120	8,120
K3 Plus	-	-	-	1,600	1,600
NM Reads Result	-	-	-	100,451	100,451
Reads to Lead	-	-	-	2,061	2,061
Medicaid HSD	-	-	-	13,805	13,805
Other Receivables	4,334	-	-	-	4,334
	<u>\$ 9,635</u>	<u>\$ 612</u>	<u>\$100,953</u>	<u>\$ 396,885</u>	<u>\$ 508,085</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, 2015.

	Other Governmental	Total
Impact Aid Special Education	22,206	22,206
Impact Aid	266,075	266,075
Total	<u>\$ 288,281</u>	<u>\$ 288,281</u>

STATE OF NEW MEXICO  
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**NOTE 5. Accounts Payables**

Accounts payable as of June 30, 2015, are as follows:

Payable to suppliers	\$	87,076
Accrued interest		186,283
Total accounts payable and accrued expenses	\$	<u>273,359</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, 2015 is as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 315,269	\$ -
Nonmajor Funds:		
Title I Entitlement	-	45,013
IDEA B Entitlement	-	24,442
IDEA B Preschool	-	2,313
IDEA B Risk Pool	-	-
21 <sup>st</sup> Century	-	114,962
English Language Acquisition	-	14,568
Teacher/Principal Training	-	2,214
Rural and Low Income Education	-	1,125
Literacy 4 Children	-	-
Robotics 2013	-	-
Indian Ed	-	8,120
Kindergarten Three Plus	-	-
	<u>\$ 315,269</u>	<u>\$ 315,269</u>

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**NOTE 7. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2015, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

	Balance June 30, 2014	Additions and Transfers In	Deletions and Transfers Out	Balance June 30, 2015
Capital assets not being depreciated:				
Land	\$ 70,141	\$ -	\$ -	\$ 70,141
Construction in Progress	6,456,265	-	(6,456,265)	-
Total capital assets not being depreciated	6,526,406	-	-	70,141
Capital assets being depreciated:				
Land Improvements	1,564,947	-	(410,452)	1,154,495
Building and Building Improvements	72,283,124	7,533,724	-	79,816,848
Furniture, Fixtures, and Equipment	3,611,521	130,289	(147,809)	3,594,001
Total capital assets being depreciated	77,459,592	7,664,013	(558,261)	84,565,344
Total capital assets	83,985,998	7,664,013	(7,014,526)	84,635,485
Less accumulated depreciation:				
Land Improvements	401,990	56,129	-	458,119
Building and Building Improvements	19,087,980	9,040,043	-	28,128,023
Furniture, Fixtures, and Equipment	2,322,276	322,051	(147,809)	2,496,518
Total accumulated depreciation	21,812,246	9,418,223	(147,809)	31,082,660
<b>Total capital assets, net of depreciation</b>	<b>\$ 62,173,752</b>	<b>\$ (1,754,210)</b>	<b>\$ (6,866,717)</b>	<b>\$ 53,552,825</b>

Capital assets, net of accumulated depreciation, at June 30, 2015 appear in the Statement of Net Position as follows:

Governmental activities	\$ 53,522,825
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Depreciation expense for the year ended June 30, 2015 was charged to the following functions and funds:

Direct instruction	\$ 15,366
Pupil Transportation	58,329
Support Services	5,820
Operations & Maintenance	-
Capital Outlay	9,338,708
<b>Total</b>	<b>\$ 9,418,223</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, 2015 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, 2015, 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%	-
The Bank of New York 6/1/07	06/01/07	10,000,000	4.00% - 4.25%	2,040,000
The Bank of New York 9/1/08	09/01/08	10,000,000	4.00% - 5.00%	5,575,000
General Obligation Bonds Series 2009 3/1/09	03/01/09	8,000,000	2.25% - 4.40%	7,400,000
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%	-
<b>Total</b>				<u><u>27,120,000</u></u>

The following is a summary of the long-term debt and the activity for the year ended June 30, 2015:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
General obligation bonds	\$ 30,730,000	\$ -	\$ 3,610,000	\$ 27,120,000	\$ 1,950,000
Note payable, capital lease	64,697	-	-	64,697	18,865
Compensated Absences	80,227	-	-	80,227	-
	<u>\$ 30,874,924</u>	<u>\$ -</u>	<u>\$ 3,610,000</u>	<u>\$ 27,264,924</u>	<u>\$ 1,968,865</u>

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DULCE INDEPENDENT SCHOOLS  
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**NOTE 8. Long-term Debt (continued)**

The annual requirements to amortize the General Obligation Bonds as of June 30, 2015, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2016	1,950,000	1,080,350	3,030,350
2017	3,270,000	979,050	4,249,050
2018	4,115,000	848,550	4,963,550
2019	3,990,000	694,488	4,684,488
2020	3,630,000	537,788	4,167,788
2021-2026	10,165,000	799,300	10,964,300
	<b>\$ 27,120,000</b>	<b>\$ 4,939,526</b>	<b>\$ 32,059,526</b>

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

The District has a capital lease in the amount of \$64,697 for the phone system with CIT Finance LLC for a lease term of sixty (60) months and no payment has been made as of June 30, 2015. Monthly payments are \$1,078 and there are no interest payments with this arrangement as there is a \$1 buyout at the end of the lease agreement.

**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, 2015, there have been no claims that have exceeded insurance coverage.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
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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	\$(6,790)
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Deficit Fund Balances will be funded by general fund transfers or additional grant funds.

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

Capital Improvements SB-9	\$(2,280)
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**NOTE 11. Pension Plan- Educational Retirement Board**

**Plan Description.** ERB was created by the state's Educational Retirement Act, Section 22-11-1 through 22-11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees' Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico legislature has the authority to set or amend contribution rates.

ERB issues a publicly available report and a comprehensive annual financial report that can be obtained at [www.nmerb.org](http://www.nmerb.org).

**Benefits provided.** A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows:

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum of 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

STATE OF NEW MEXICO  
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**NOTE 11. Pension Plan- Educational Retirement Board (continued)**

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the COLA would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

**Contributions.** The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$730,534 for the year ended June 30, 2015.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the District reported a liability of \$10,002,708 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District's proportion was 0.17531 percent, which was an increase of 0.00108% from its proportion measured as of June 30, 2013.

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**NOTE 11. Pension Plan- Educational Retirement Board (continued)**

For the year ended June 30, 2015, the District recognized pension expense of \$709,934. At the June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 149,003
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	909,275
Changes in proportion and differences between District contributions and proportionate share of contributions	50,311	-
District contributions subsequent to the measurement date	<u>730,534</u>	<u>-</u>
<b>Total</b>	<b>\$ <u>780,845</u></b>	<b>\$ <u>1,058,278</u></b>

\$730,534 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (261,592)
2017	(261,592)
2018	(257,480)
2019	(227,303)
2020	\$ -

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**NOTE 11. Pension Plan- Educational Retirement Board (continued)**

**actuarial assumptions.** As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. Specifically, the liabilities measured as of June 30, 2014 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 20, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment to 2014 using Scale AA (one year setback for females)

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**NOTE 11. Pension Plan- Educational Retirement Board (continued)**

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30-year return assumptions are summarized in the following table:

Asset Class	2014 Long-Term Expected Real Rate of Return	2013 Long-Term Expected Real Rate of Return
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.5%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%
International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

**Discount rate:** A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels.

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DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2015

**NOTE 11. Pension Plan- Educational Retirement Board (continued)**

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1- percentage-point higher (8.75 percent) than the current rate.

	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
District's proportionate share of the net pension liability	\$ 13,609,840	\$ 10,002,710	\$ 6,989,641

**Pension plan fiduciary net position.** Detailed information about the ERB's fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at [www.nmerb.org](http://www.nmerb.org).

**Payables to the pension plan.** At June 30, 2015, the District had no outstanding amount of contributions to the pension plan and therefore, had no payables reported at fiscal year 2015.



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June 30, 2015

**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, 2015, 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, 2015, 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, 2015, 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, 2015, 2014 and 2013 were \$157,934, \$145,024, and \$143,226, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2015

**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, 2015 was \$14,941.

**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 \$51,638 from fund 27200 State Directed Activities.

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

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2015

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

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 2015 to January 2018

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

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

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
Notes to the Financial Statements  
June 30, 2015

**NOTE 17. Commitments**

The District had a contract with Dekker/Perich/Sabatini for architect services for the school renovations totaling \$587,128 of which \$576,213 was expended and paid by June 30, 2015. At June 30, 2015, the outstanding balance on the contract is \$10,915.

**NOTE 18. Restatement of Net Position**

A restatement of Net Position on the General Obligation bond loan balance was made as it has been determined that the outstanding balance of the bond as of June 30, 2015 was overstated by \$750,000. The restatement also includes GASB statement 68 which requires a government-wide financial reporting of a net pension liability for the District effective this fiscal year 2015.

Beginning Net Position	\$ 36,808,968
Restatement – Long-term Debt (LTD)	750,000
Restatement – Net Pension Liability (NPL)	<u>(10,300,741)</u>
Beginning Net Position, restated	<u>\$ 27,258,227</u>

**NOTE 19. Subsequent Events Review**

Dulce Independent Schools has evaluated subsequent events through September 9, 2015, which is the date the financial statements were available to be issued. The District did not renew its food service contract with Summit Food Services. It will employ its own food service employees to make and serve fresh, healthy meals to their students, which will increase cost but the District is proactively implementing and teaching healthy eating habits.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**Fresh Fruits & Vegetables** – The objective is primarily to purchase fresh fruits and vegetables to be made available at no charge to the students, at a minimum of twice a week. Authority for creation of this fund is the United States Department of Agriculture (USDA) Fresh Fruit Vegetable Program (FFVP) for SY 2014-2015. No minimum balance required according to legislation.

**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. The authority for this program is under CFDA 84.2877 After School Learning Centers through USDE. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**IDEA-B NM Real Results Plan** – The purpose of the plan is to further support activities included in the school’s Educational Plan for Student Success, or in areas in need of improvement, as identified through the instructional audit. This is part New Mexico’s State Systemic Improvement Plan required by the U.S. Department of Education Office of Special Education Programs. New Mexico’s plan supports PED’s waiver under the Elementary and Secondary Education Act and the A-F School Grading System. This plan and all of its resources specifically target students with disabilities enrolled in Title I schools. Authority creation for this fund is U.S. Department of Education. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

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

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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). No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. Funding is provided by the Literacy and Early Childhood Bureau of the Public Education Department. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**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. The authority for this program is pursuant to Title XIX of the Social Security Act. No minimum balance required according to legislation.

**These funds are on a reimbursement basis and therefore there are no reverting funds.**

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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 these 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. No minimum balance required according to legislation.

**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. No minimum balance required according to legislation.

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2015

<b>ASSETS</b>	Food Service	Athletics	Title I
<i>Current Assets</i>			
Cash and cash equivalents	\$ 125,040	\$ 28,782	\$ -
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	17,921	-	74,230
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Prepaid Assets	-	-	-
Inventory	1,924	-	-
	<u>144,885</u>	<u>28,782</u>	<u>74,230</u>
<i>Total assets</i>	<u>\$ 144,885</u>	<u>\$ 28,782</u>	<u>\$ 74,230</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ 22,744	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interfund payable	-	-	45,013
Unearned revenue	-	-	-
	<u>22,744</u>	<u>-</u>	<u>45,013</u>
<i>Total liabilities</i>	<u>22,744</u>	<u>-</u>	<u>45,013</u>
 <i>Fund Balances</i>			
Fund Balance			
Non-spendable	1,924	-	-
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	120,217	28,782	29,217
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>122,141</u>	<u>28,782</u>	<u>29,217</u>
<i>Total fund balances</i>	<u>122,141</u>	<u>28,782</u>	<u>29,217</u>
<i>Total liabilities and fund balances</i>	<u>\$ 144,885</u>	<u>\$ 28,782</u>	<u>\$ 74,230</u>

IDEA-B Entitlement	IDEA-B Preschool	Fresh Fruits & Vegetables	21st Century
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
26,508	2,313	-	108,172
-	-	-	-
-	-	-	-
-	-	-	-
<u>26,508</u>	<u>2,313</u>	<u>-</u>	<u>108,172</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
24,442	2,313	-	114,962
-	-	-	-
<u>24,442</u>	<u>2,313</u>	<u>-</u>	<u>114,962</u>
-	-	-	-
-	-	-	-
2,066	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	(6,790)
<u>2,066</u>	<u>-</u>	<u>-</u>	<u>(6,790)</u>
\$ <u>26,508</u>	\$ <u>2,313</u>	\$ <u>-</u>	\$ <u>108,172</u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2015

	IDEA-B Risk Pool	IDEA-B NM Real Results Plan	English Language Acquisition
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and cash equivalents	\$ -	\$ -	-
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	100,451	14,640
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Prepaid Assets	-	4,284	-
Inventory	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 104,735</u>	<u>\$ 14,640</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	-
Accrued salaries and benefits	-	-	-
Interfund payable	-	100,451	14,568
Unearned revenue	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total liabilities</i>	<u>-</u>	<u>100,451</u>	<u>14,568</u>
 <i>Fund Balances</i>			
Fund Balance			
Non-spendable	-	-	-
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	-	4,284	72
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>
<i>Total fund balances</i>	<u>-</u>	<u>4,284</u>	<u>72</u>
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 104,735</u>	<u>\$ 14,640</u>



Teacher/ Principal Training	Rural & Low Income Schools	Impact Aid Special Education	Impact Aid Education
\$ -	\$ -	\$ 22,206	\$ 266,075
-	-	-	-
-	-	-	-
3,938	1,897	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>3,938</u>	<u>1,897</u>	<u>22,206</u>	<u>266,075</u>

**LIABILITIES**

\$ -	\$ -	\$ -	\$ -
-	-	-	-
2,214	1,125	-	-
-	-	22,206	266,075
<u>2,214</u>	<u>1,125</u>	<u>22,206</u>	<u>266,075</u>
-	-	-	-
-	-	-	-
1,724	772	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,724</u>	<u>772</u>	<u>-</u>	<u>-</u>
<u>3,938</u>	<u>1,897</u>	<u>22,206</u>	<u>266,075</u>

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2015

	Literacy 4 Children	Reads to Lead	Robotics 2013
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and cash equivalents	\$ -	\$ 1	\$ -
Investments	-	-	-
Accounts receivable			
Taxes	-	-	-
Due from other governments	-	2,061	-
Other accounts receivable	-	-	-
Interfund receivable	-	-	-
Prepaid Assets	-	-	-
Inventory	-	-	-
	-	-	-
<i>Total assets</i>	\$ -	\$ 2,062	\$ -
<b>AND FUND BALANCES</b>			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-
Interfund payable	-	2,061	-
Unearned revenue	-	-	-
	-	-	-
<i>Total liabilities</i>	-	2,061	-
<i>Fund Balances</i>			
Fund Balance			
Non-spendable	-	-	-
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	-	1	-
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
	-	1	-
<i>Total fund balances</i>	-	1	-
<i>Total liabilities and fund balances</i>	\$ -	\$ 2,062	\$ -

Indian Education	Breakfast for Elementary Students	Kindergarten Three Plus	Medicaid HSD	Impact Aid Capital Projects-Federal	Capital Improvements SB-9	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 8,308	\$ 12,830	\$ 80,467	\$ 238,941	\$ 782,650
-	-	-	-	-	-	-
-	-	-	-	-	21,229	21,229
8,120	-	1,600	13,805	-	-	375,656
-	-	-	-	-	-	-
-	-	-	-	-	-	4,284
-	-	-	-	-	-	1,924
<u>\$ 8,120</u>	<u>\$ -</u>	<u>\$ 9,908</u>	<u>\$ 26,635</u>	<u>\$ 80,467</u>	<u>\$ 260,170</u>	<u>\$ 1,185,743</u>
\$ -	\$ -	\$ 203	\$ 500	\$ -	\$ 5,733	\$ 29,180
-	-	-	-	-	-	-
8,120	-	-	-	-	-	315,269
-	-	-	-	-	-	288,281
<u>8,120</u>	<u>-</u>	<u>203</u>	<u>500</u>	<u>-</u>	<u>5,733</u>	<u>632,730</u>
-	-	-	-	-	-	1,924
-	-	-	-	-	-	-
-	-	9,705	26,135	-	-	222,975
-	-	-	-	80,467	254,437	334,904
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(6,790)
<u>\$ 8,120</u>	<u>\$ -</u>	<u>\$ 9,908</u>	<u>\$ 26,635</u>	<u>\$ 80,467</u>	<u>\$ 260,170</u>	<u>\$ 1,185,743</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, 2015

	Food Services	Athletics	Title I
<i>Revenues</i>			
Taxes	\$	\$	\$
Taxes levied/assessed	-	-	-
Local sources			
Tuition	-	-	-
Investment income	-	-	-
Food services	10,770	-	-
District activities	-	51,083	-
Other revenue	-	-	-
State sources			
Unrestricted Grants	-	-	-
Restricted Grants	35,405	-	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	14,491	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	376,073	-	230,075
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>436,739</u>	<u>51,083</u>	<u>230,075</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	62,296	196,369
Support Services			
Students	-	-	22,989
Instruction	-	-	-
General Administration	-	-	10,716
School Administration	-	-	-
Central Services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	-
Other Support Services	-	-	-
Operation of Non-instructional Services			
Food services operations	392,377	-	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>392,377</u>	<u>62,296</u>	<u>230,074</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>44,362</u>	<u>(11,213)</u>	<u>1</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>	44,362	(11,213)	1
<i>Fund balances - beginning of year</i>	<u>77,779</u>	<u>39,995</u>	<u>29,216</u>
<i>Fund balances - end of year</i>	<u>\$ 122,141</u>	<u>\$ 28,782</u>	<u>\$ 29,217</u>

IDEA-B Entitlement	IDEA-B Preschool	Fresh Fruits & Vegetables	21st Century
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
166,310	5,457	14,944	268,381
-	-	-	-
-	-	-	-
<u>166,310</u>	<u>5,457</u>	<u>14,944</u>	<u>268,381</u>
137,506	5,457	-	189,858
21,229	-	-	-
-	-	-	-
7,575	-	-	49,519
-	-	-	-
-	-	-	13,623
-	-	-	-
-	-	-	22,171
-	-	-	-
-	-	14,944	-
-	-	-	-
-	-	-	-
<u>166,310</u>	<u>5,457</u>	<u>14,944</u>	<u>275,171</u>
-	-	-	(6,790)
-	-	-	75,873
-	-	-	-
-	-	-	-
-	-	-	75,873
-	-	-	69,083
2,066	-	-	(75,873)
<u>\$ 2,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,790)</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, 2015

	IDEA-B Risk Pool	IDEA-B NM Real Results Plan	English Language Acquisition
<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	-	113,507	14,755
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>113,507</u>	<u>14,755</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	109,223	14,220
Support Services			
Students	-	-	-
Instruction	-	-	-
General Administration	-	-	463
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>109,223</u>	<u>14,683</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>4,284</u>	<u>72</u>
<i>Other financing sources (uses)</i>			
Transfers	-	-	10,348
Bond Premium	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>10,348</u>
<i>Net changes in fund balances</i>	-	4,284	10,420
<i>Fund balances - beginning of year</i>	-	-	(10,348)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 4,284</u>	<u>\$ 72</u>

Teacher/ Principal Training	Rural & Low Income Schools	Impact Aid Special Education	Impact Aid Education
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
32,840	9,764	154,639	739,174
-	-	-	-
-	-	-	-
<u>32,840</u>	<u>9,764</u>	<u>154,639</u>	<u>739,174</u>
6,695	9,764	86,935	569,255
24,563	-	67,704	169,919
-	-	-	-
1,582	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>32,840</u>	<u>9,764</u>	<u>154,639</u>	<u>739,174</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,724	772	-	-
<u>1,724</u>	<u>772</u>	<u>-</u>	<u>-</u>
\$ <u>1,724</u>	\$ <u>772</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, 2015

	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	-	50,000	-
Federal sources			
Unrestricted Grants	-	-	-
Unrestricted -state passthrough	-	-	-
Restricted Grants	-	-	-
Restricted -state passthrough	-	-	-
Department of Interior	-	-	-
Other items	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>50,000</u>	<u>-</u>
<i>Expenditures:</i>			
Current:			
Instruction	-	49,999	-
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>49,999</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>1</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>	-	1	-
<i>Fund balances - beginning of year</i>	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>



Indian Education	Breakfast for Elementary Students	Kindergarten Three Plus	Medicaid HSD	Impact Aid Capital Projects-Federal	Capital Improvements SB-9	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 906,952	\$ 906,952
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	10,770
-	-	-	-	-	-	51,083
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,301	14,353	32,477	58,671	-	-	200,207
-	-	-	-	-	-	-
-	-	-	-	-	-	14,491
-	-	-	-	79,351	-	973,164
-	-	-	-	-	-	1,232,106
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>9,301</u>	<u>14,353</u>	<u>32,477</u>	<u>58,671</u>	<u>79,351</u>	<u>906,952</u>	<u>3,388,773</u>
8,860	-	32,544	-	-	-	1,478,981
-	-	-	39,564	-	-	345,968
-	-	-	-	-	-	-
441	-	-	-	-	3,051	73,347
-	-	-	-	-	-	-
-	-	-	-	-	-	13,623
-	-	-	-	-	232,000	232,000
-	-	-	-	-	-	22,171
-	-	-	-	-	-	-
-	14,353	-	-	-	-	421,674
-	-	-	-	-	542,552	542,552
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>9,301</u>	<u>14,353</u>	<u>32,544</u>	<u>39,564</u>	<u>-</u>	<u>777,603</u>	<u>3,130,316</u>
-	-	(67)	19,107	79,351	129,349	258,457
-	-	-	-	-	-	86,221
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	86,221
-	-	(67)	19,107	79,351	129,349	344,678
-	-	9,772	7,028	1,116	125,088	208,335
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,705</u>	<u>\$ 26,135</u>	<u>\$ 80,467</u>	<u>\$ 254,437</u>	<u>\$ 553,013</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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 14,000	\$ 14,000	\$ 10,770	\$ (3,230)
State sources	10,000	10,000	35,405	25,405
Federal sources	350,000	350,000	371,609	21,609
Interest	-	-	-	-
<i>Total revenues</i>	<u>374,000</u>	<u>374,000</u>	<u>417,784</u>	<u>43,784</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	404,299	451,779	372,006	79,773
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>404,299</u>	<u>451,779</u>	<u>372,006</u>	<u>79,773</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(30,299)</u>	<u>(77,779)</u>	<u>45,778</u>	<u>123,557</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	30,299	77,779	-	(77,779)
<i>Total other financing sources (uses)</i>	<u>30,299</u>	<u>77,779</u>	<u>-</u>	<u>(77,779)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>45,778</u>	<u>45,778</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>79,262</u>	<u>79,262</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,040</u>	<u>\$ 125,040</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 45,778	
<i>Adjustment to revenue for accruals and other deferrals</i>			5,096	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			(6,512)	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ 44,362</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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 27,295	\$ 27,295	\$ 51,083	\$ 23,788
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>27,295</u>	<u>27,295</u>	<u>51,083</u>	<u>23,788</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	73,270	73,270	62,296	10,974
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>73,270</u>	<u>73,270</u>	<u>62,296</u>	<u>10,974</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(45,975)</u>	<u>(45,975)</u>	<u>(11,213)</u>	<u>34,762</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	45,975	45,975	-	(45,975)
<i>Total other financing sources (uses)</i>	<u>45,975</u>	<u>45,975</u>	<u>-</u>	<u>(45,975)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(11,213)</u>	<u>(11,213)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>39,995</u>	<u>39,995</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,782</u>	<u>\$ 28,782</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ (11,213)	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ (11,213)</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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	240,069	276,495	244,599	(31,896)
Interest	-	-	-	-
<i>Total revenues</i>	<u>240,069</u>	<u>276,495</u>	<u>244,599</u>	<u>(31,896)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	205,872	240,606	196,369	44,237
Support Services				
Students	23,049	23,049	22,989	60
Instruction	-	-	-	-
General Administration	11,148	12,840	10,716	2,124
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>240,069</u>	<u>276,495</u>	<u>230,074</u>	<u>46,421</u>
<i>Excess (deficiency) of revenues</i> <i>over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>14,525</u>	<u>14,525</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>14,525</u>	<u>14,525</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(59,538)</u>	<u>(59,538)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (45,013)</u>	<u>\$ (45,013)</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 14,525	
<i>Adjustment to revenue for accruals and other deferrals</i>			(14,524)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ 1</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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	142,618	166,608	192,637	26,029
Interest	-	-	-	-
<i>Total revenues</i>	<u>142,618</u>	<u>166,608</u>	<u>192,637</u>	<u>26,029</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	118,158	137,805	137,507	298
Support Services				
Students	17,827	21,228	21,228	-
Instruction	-	-	-	-
General Administration	6,633	7,575	7,575	-
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>142,618</u>	<u>166,608</u>	<u>166,310</u>	<u>298</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>26,327</u>	<u>26,327</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>26,327</u>	<u>26,327</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(50,769)</u>	<u>(50,769)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,442)</u>	<u>\$ (24,442)</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 26,327	
<i>Adjustment to revenue for accruals and other deferrals</i>			(26,327)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	5,036	9,024	4,140	(4,884)
Interest	-	-	-	-
<i>Total revenues</i>	<u>5,036</u>	<u>9,024</u>	<u>4,140</u>	<u>(4,884)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	5,036	9,024	5,457	3,567
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>5,036</u>	<u>9,024</u>	<u>5,457</u>	<u>3,567</u>
<i>Excess (deficiency) of revenues</i> <i>over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,317)</u>	<u>(1,317)</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>(1,317)</u>	<u>(1,317)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(996)</u>	<u>(996)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,313)</u>	<u>\$ (2,313)</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ (1,317)	
<i>Adjustment to revenue for accruals and other deferrals</i>			1,317	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	15,072	14,944	(128)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>15,072</u>	<u>14,944</u>	<u>(128)</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	-	15,072	14,944	128
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>15,072</u>	<u>14,944</u>	<u>128</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>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ -	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	331,476	314,794	(16,682)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>331,476</u>	<u>314,794</u>	<u>(16,682)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	228,538	189,858	38,680
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	60,944	49,729	11,215
School Administration	-	-	-	-
Central Services	-	16,988	10,123	6,865
Operation & maintenance of plant	-	-	-	-
Student transportation	-	25,006	22,171	2,835
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>331,476</u>	<u>271,881</u>	<u>59,595</u>
<i>Excess (deficiency) of revenues</i>				
<i>over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>42,913</u>	<u>42,913</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	75,873	75,873
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>75,873</u>	<u>75,873</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>118,786</u>	<u>118,786</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(233,748)</u>	<u>(233,748)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (114,962)</u>	<u>\$ (114,962)</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 118,786	
<i>Adjustment to revenue for accruals and other deferrals</i>			(49,913)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			210	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ 69,083</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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	1,154	1,154
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,154</u>	<u>1,154</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</i>				
<i>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>(1,154)</u>	<u>(1,154)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 1,154	
<i>Adjustment to revenue for accruals and other deferrals</i>			(1,154)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ -</u>	

**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**IDEA B NM REAL RESULTS PLAN 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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	125,000	13,056	(111,944)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>125,000</u>	<u>13,056</u>	<u>(111,944)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	125,000	113,507	11,493
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>125,000</u>	<u>113,507</u>	<u>11,493</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(100,451)</u>	<u>(100,451)</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>(100,451)</u>	<u>(100,451)</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>\$ (100,451)</u>	<u>\$ (100,451)</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ (100,451)	
<i>Adjustment to revenue for accruals and other deferrals</i>			100,451	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			4,284	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ 4,284</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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	10,160	23,307	2,471	(20,836)
Interest	-	-	-	-
<i>Total revenues</i>	<u>10,160</u>	<u>23,307</u>	<u>2,471</u>	<u>(20,836)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	9,953	22,772	14,220	8,552
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	207	535	463	72
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>10,160</u>	<u>23,307</u>	<u>14,683</u>	<u>8,624</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(12,212)</u>	<u>(12,212)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	10,348	10,348
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>10,348</u>	<u>10,348</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,864)</u>	<u>(1,864)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(12,704)</u>	<u>(12,704)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,568)</u>	<u>\$ (14,568)</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ (1,864)	
<i>Adjustment to revenue for accruals and other deferrals</i>			12,284	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ 10,420</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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	31,471	41,914	44,922	3,008
Interest	-	-	-	-
<i>Total revenues</i>	<u>31,471</u>	<u>41,914</u>	<u>44,922</u>	<u>3,008</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	5,387	15,345	6,695	8,650
Support Services				
Students	24,623	24,623	24,563	60
Instruction	-	-	-	-
General Administration	1,461	1,946	1,582	364
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>31,471</u>	<u>41,914</u>	<u>32,840</u>	<u>9,074</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>12,082</u>	<u>12,082</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>12,082</u>	<u>12,082</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(14,296)</u>	<u>(14,296)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,214)</u>	<u>\$ (2,214)</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 12,082	
<i>Adjustment to revenue for accruals and other deferrals</i>			(12,082)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ -</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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	12,714	13,799	21,247	7,448
Interest	-	-	-	-
<i>Total revenues</i>	<u>12,714</u>	<u>13,799</u>	<u>21,247</u>	<u>7,448</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	12,714	13,799	9,764	4,035
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>12,714</u>	<u>13,799</u>	<u>9,764</u>	<u>4,035</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>11,483</u>	<u>11,483</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>11,483</u>	<u>11,483</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(12,608)</u>	<u>(12,608)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,125)</u>	<u>\$ (1,125)</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 11,483	
<i>Adjustment to revenue for accruals and other deferrals</i>			(11,483)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ -</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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	92,070	92,070	94,110	2,040
Interest	-	-	-	-
<i>Total revenues</i>	<u>92,070</u>	<u>92,070</u>	<u>94,110</u>	<u>2,040</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	102,343	102,343	87,819	14,524
Support Services				
Students	74,915	74,915	67,704	7,211
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>177,258</u>	<u>177,258</u>	<u>155,523</u>	<u>21,735</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(85,188)</u>	<u>(85,188)</u>	<u>(61,413)</u>	<u>23,775</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	85,188	85,188	-	(85,188)
<i>Total other financing sources (uses)</i>	<u>85,188</u>	<u>85,188</u>	<u>-</u>	<u>(85,188)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(61,413)</u>	<u>(61,413)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>83,619</u>	<u>83,619</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,206</u>	<u>\$ 22,206</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ (61,413)	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			61,413	
<i>Net change in fund balance (GAAP basis)</i>			<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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	669,479	669,479	756,246	86,767
Interest	-	-	-	-
<i>Total revenues</i>	<u>669,479</u>	<u>669,479</u>	<u>756,246</u>	<u>86,767</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	742,985	742,985	569,255	173,730
Support Services				
Students	204,027	204,027	169,919	34,108
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>947,012</u>	<u>947,012</u>	<u>739,174</u>	<u>207,838</u>
<i>Excess (deficiency) of revenues</i>				
<i>over (under) expenditures</i>	<u>(277,533)</u>	<u>(277,533)</u>	<u>17,072</u>	<u>294,605</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	277,533	277,533	-	(277,533)
<i>Total other financing sources (uses)</i>	<u>277,533</u>	<u>277,533</u>	<u>-</u>	<u>(277,533)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>17,072</u>	<u>17,072</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>249,003</u>	<u>249,003</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,075</u>	<u>\$ 266,075</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 17,072	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			(17,072)	
<i>Net change in fund balance (GAAP basis)</i>			<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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	9,258	9,258
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>9,258</u>	<u>9,258</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</i>				
<i>over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>9,258</u>	<u>9,258</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>9,258</u>	<u>9,258</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(9,258)</u>	<u>(9,258)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 9,258	
<i>Adjustment to revenue for accruals and other deferrals</i>			(9,258)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	50,000	50,000	47,939	(2,061)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>50,000</u>	<u>50,000</u>	<u>47,939</u>	<u>(2,061)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	50,000	50,000	49,999	1
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>50,000</u>	<u>50,000</u>	<u>49,999</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,060)</u>	<u>(2,060)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,060)</u>	<u>(2,060)</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>\$ (2,060)</u>	<u>\$ (2,060)</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ (2,060)	
<i>Adjustment to revenue for accruals and other deferrals</i>			2,061	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ 1</u>	

**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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	8,722	8,722
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>8,722</u>	<u>8,722</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</i>				
<i>over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>8,722</u>	<u>8,722</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>8,722</u>	<u>8,722</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(8,722)</u>	<u>(8,722)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 8,722	
<i>Adjustment to revenue for accruals and other deferrals</i>			(8,722)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	25,000	5,205	(19,795)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>25,000</u>	<u>5,205</u>	<u>(19,795)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	23,839	8,860	14,979
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	1,161	441	720
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>25,000</u>	<u>9,301</u>	<u>15,699</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,096)</u>	<u>(4,096)</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>(4,096)</u>	<u>(4,096)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,024)</u>	<u>(4,024)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,120)</u>	<u>\$ (8,120)</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ (4,096)	
<i>Adjustment to revenue for accruals and other deferrals</i>			4,096	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	14,678	14,353	(325)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>14,678</u>	<u>14,353</u>	<u>(325)</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	-	14,678	14,353	325
Capital outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>14,678</u>	<u>14,353</u>	<u>325</u>
<i>Excess (deficiency) of revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>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>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ -	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ -</u>	

**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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	65,952	67,567	46,428	(21,139)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>65,952</u>	<u>67,567</u>	<u>46,428</u>	<u>(21,139)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	65,952	67,567	32,477	35,090
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>65,952</u>	<u>67,567</u>	<u>32,477</u>	<u>35,090</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>13,951</u>	<u>13,951</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>13,951</u>	<u>13,951</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,643)</u>	<u>(5,643)</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,308</u>	<u>\$ 8,308</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 13,951	
<i>Adjustment to revenue for accruals and other deferrals</i>			(13,951)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			(67)	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ (67)</u>	

**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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	20,000	35,000	44,866	9,866
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>20,000</u>	<u>35,000</u>	<u>44,866</u>	<u>9,866</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	20,000	42,923	39,959	2,964
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>20,000</u>	<u>42,923</u>	<u>39,959</u>	<u>2,964</u>
<i>Excess (deficiency) of revenues</i>				
<i>over (under) expenditures</i>	<u>-</u>	<u>(7,923)</u>	<u>4,907</u>	<u>12,830</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	-	7,923	-	(7,923)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>7,923</u>	<u>-</u>	<u>(7,923)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>4,907</u>	<u>4,907</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>7,923</u>	<u>7,923</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,830</u>	<u>\$ 12,830</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 4,907	
<i>Adjustment to revenue for accruals and other deferrals</i>			13,805	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			395	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ 19,107</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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	-	-	79,351	79,351
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>79,351</u>	<u>79,351</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</i>				
<i>over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>79,351</u>	<u>79,351</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>79,351</u>	<u>79,351</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,116</u>	<u>1,116</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,467</u>	<u>\$ 80,467</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 79,351	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ 79,351</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, 2015**

	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	0	-	-	-
<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>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ -	
<i>Adjustment to revenue for accruals and other deferrals</i>			(58,623)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ (58,623)</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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 951,885	\$ 951,885	\$ 326,224	\$ (625,661)
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	2,604	2,604
<i>Total revenues</i>	<u>951,885</u>	<u>951,885</u>	<u>328,828</u>	<u>(623,057)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	1,816	1,816	122	1,694
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	2,733,969	3,379,526	860,880	2,518,646
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,735,785</u>	<u>3,381,342</u>	<u>861,002</u>	<u>2,520,340</u>
<i>Excess (deficiency) of revenues</i> <i>over (under) expenditures</i>	<u>(1,783,900)</u>	<u>(2,429,457)</u>	<u>(532,174)</u>	<u>1,897,283</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	1,783,900	2,429,457	-	(2,429,457)
<i>Total other financing sources (uses)</i>	<u>1,783,900</u>	<u>2,429,457</u>	<u>-</u>	<u>(2,429,457)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(532,174)</u>	<u>(532,174)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,429,527</u>	<u>2,429,527</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,897,353</u>	<u>\$ 1,897,353</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ (532,174)	
<i>Adjustment to revenue for accruals and other deferrals</i>			(66,425)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			325,809	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ (272,790)</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, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 952,434	\$ 952,434	\$ 952,774	\$ 340
State sources	-	19,397	18,449	(948)
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>952,434</u>	<u>971,831</u>	<u>971,223</u>	<u>(608)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	771	771	3,051	(2,280)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	959,095	1,031,751	789,993	241,758
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>959,866</u>	<u>1,032,522</u>	<u>793,044</u>	<u>239,478</u>
<i>Excess (deficiency) of revenues</i> <i>over (under) expenditures</i>	<u>(7,432)</u>	<u>(60,691)</u>	<u>178,179</u>	<u>238,870</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	7,432	60,691	-	(60,691)
<i>Total other financing sources (uses)</i>	<u>7,432</u>	<u>60,691</u>	<u>-</u>	<u>(60,691)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>178,179</u>	<u>178,179</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>60,762</u>	<u>60,762</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 238,941</u>	<u>\$ 238,941</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ 178,179	
<i>Adjustment to revenue for accruals and other deferrals</i>			(64,271)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			15,441	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ 129,349</u>	

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

Statement A-28

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance
	Original	Final		
<i>Revenues:</i>				
Local and county sources	\$ 4,027,151	\$ 4,027,151	\$ 3,473,160	\$ (553,991)
State sources	-	-	-	-
Federal sources	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>4,027,151</u>	<u>4,027,151</u>	<u>3,473,160</u>	<u>(553,991)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	6,443	13,443	11,639	1,804
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other Support Services	-	-	-	-
Operation of Non-instructional Services				
Food services operations	-	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	2,860,000	2,860,000	2,860,000	-
Interest	1,167,151	1,167,151	1,167,151	-
<i>Total expenditures</i>	<u>4,033,594</u>	<u>4,040,594</u>	<u>4,038,790</u>	<u>1,804</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(6,443)</u>	<u>(13,443)</u>	<u>(565,630)</u>	<u>(552,187)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bonds	-	-	-	-
Designated Cash	6,443	13,443	-	(13,443)
<i>Total other financing sources (uses)</i>	<u>6,443</u>	<u>13,443</u>	<u>-</u>	<u>(13,443)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(565,630)</u>	<u>(565,630)</u>
<i>Cash balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,467,705</u>	<u>1,467,705</u>
<i>Cash balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 902,075</u>	<u>\$ 902,075</u>
<i>Net change in fund balance (Non-GAAP Budgetary basis)</i>			\$ (565,630)	
<i>Adjustment to revenue for accruals and other deferrals</i>			(116,467)	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net change in fund balance (GAAP basis)</i>			<u>\$ (682,097)</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, 2015**

	Beginning Balance June 30, 2014	Additions	Deletions	Ending Balance June 30, 2015
<b>ASSETS</b>				
Class of 2014	\$ 272	\$ 538	\$ 272	\$ 538
Class of 2015	4,957	2,705	5,135	2,527
Class of 2016	3,053	2,455	3,928	1,580
Class of 2017	1,158	1,655	179	2,634
Athletic Scholarships	14,000	-	102	13,898
ROTC	86	1,168	604	650
MS Activity	1,547	266	1,771	42
MS Student Council	6,239	3,757	5,177	4,819
Transportation	130,811	48,592	20,982	158,421
MS Library	1,174	652	1,232	594
FFA	4,134	1,991	3,244	2,881
HS Library	6,182	1,689	2,133	5,738
HS Cheerleaders	204	-	-	204
HS Student Council	292	3,309	2,032	1,569
Elementary Activity	5,995	1,740	1,942	5,793
Elementary Library	6,619	18,930	15,631	9,918
Elementary Sports	7,426	4,299	4,962	6,763
HS Activity	77	2,669	1,411	1,335
HS Yearbook	1,877	1,225	1,162	1,940
All Sports	33,017	38,406	28,195	43,228
HS Volleyball	979	-	-	979
7AA	25	-	25	-
1AA	447	5,224	5,302	369
Ski Club	1,092	2,035	1,891	1,236
MS Closeup	3,087	58,941	59,750	2,278
Total	<u>\$ 234,750</u>	<u>\$ 202,246</u>	<u>\$ 167,062</u>	<u>\$ 269,934</u>
<b>LIABILITIES</b>				
Deposits held for others	<u>234,750</u>	<u>202,246</u>	<u>167,062</u>	<u>269,934</u>
Total Liabilities	<u>\$ 234,750</u>	<u>\$ 202,246</u>	<u>\$ 167,062</u>	<u>\$ 269,934</u>

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**PENSION LIABILITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
 Required Supplemental Information  
 June 30, 2015

REQUIRED SUPPLEMENTAL INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 Educational Retirement Board (ERB) Plan  
 Last 10 fiscal years\*

	<b>2015</b>
District's proportion of net pension liability (asset)	0.17531%
District's proportionate share of the net pension liability (asset)	\$ 10,002,708
District's covered-employee payroll	\$ 4,832,089
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	207.01%
Plan fiduciary net position as a percentage of total pension liability	66.54%

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the State of New Mexico will present information for those years for which information is available

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
 Required Supplemental Information  
 June 30, 2015

REQUIRED SUPPLEMENTAL INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 EDUCATIONAL RETIREMENT BOARD (ERB) Pension PLAN  
 LAST 10 FISCAL YEARS\*

	<b>2015</b>
Contractually required contribution	\$ 730,534
Contributions in relation to the contractually required contribution	\$ 730,534
Contribution deficiency (excess)	\$ -
District's Covered-employee payroll	\$ 4,831,098
Contributions as a percentage of covered-employee payroll	15.12%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

*Note: Employee contributions are not included in this schedule.*

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
Required Supplemental Information  
For the Year Ended June 30, 2015

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**

***Changes of benefit terms.*** The COLA and retirement eligibility benefits changes in recent years are described in the ***Benefits Provided*** subsection of the financial statement note disclosure ***General Information on the Pension Plan***.

***Changes of assumptions.***

ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on April 26, 2013, ERB implemented the following changes in assumptions for fiscal years 2014 and 2013.

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:
  - a. Lower wage inflation from 4.75% to 4.25%
  - b. Lower payroll growth from 3.75% to 3.50%
  - c. Minor changes to demographic assumptions
  - d. Population growth per year from 0.75% to 0.50%
2. Assumptions that were not changed:
  - a. Investment return will remain at 7.75%
  - b. Inflation will remain at 3.00%

See also the **Actuarial Assumptions** subsection of the financial statement note disclosure **General Information on the Pension Plan**.

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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, 2015

Schedule I

Name of Depository	Description of Pledged Collateral	Market Value June 30, 2015	Name and Location of Safekeeper
Wells Fargo Bank	FNMA FNMS, maturity date 1/1/26 Cusip # 3138A2NS4, 3.5%	\$ 301,077	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FNMA FNMS, maturity date 12/1/26 Cusip # 33138AYLZ0, 3.0%	64,420	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FNMA FNMS, maturity date 6/1/43 Cusip # 3138WTRR9 3.0%	39,189	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FNMA FNMS, maturity date 1/1/42 Cusip # 3138E2TA3, 3.5%	11,926	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FNMA FNMS, maturity date 3/1/43 Cusip # 3138EKYF6, 3.5%	114,760	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FNMA FNMS, maturity date 9/1/43 Cusip # 3138EL4Q3, 4.0%	653,313	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FNMA FNMS, maturity date 1/1/43 Cusip # 3138MRLD1 3.0%	63,222	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FNMA FNMS, maturity date 3/1/43 Cusip # 3138W64S2, 3.0%	677,601	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FNMA FNMS, maturity date 8/1/43 Cusip # 3138W9K74, 4.0%	943,821	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FNMA FNMS, maturity date 9/1/43 Cusip # 3138WZCT7, 3.5%	388,362	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FNMA FNMS, maturity date 5/1/43 Cusip # 31417GM45, 3.5%	44,549	Wells Fargo Bank Northwest, NA
Wells Fargo Bank	FNMA FNMS, maturity date 9/1/40 Cusip # 31419CZD8, 4.5%	9,027	Wells Fargo Bank Northwest, NA
	Total Collateral Pledged	\$ <u><u>3,311,267</u></u>	

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS**  
June 30, 2015

Schedule II

Deposit or Investment Account Type	Wells Fargo Bank	Total
General Checking- Interest Bearing	\$ 5,405,582	\$ 5,405,582
Activity Checking- Interest Bearing	269,714	269,714
Total On Deposit	5,675,296	5,675,296
Reconciling Items	(365,323)	(365,323)
Reconciled Balance June 30, 2015	\$ 5,309,973	\$ 5,309,973
Reconciliation to financial statements:		
Cash and cash equivalents:		
Total cash and cash equivalents per Statement of Net Position		\$ 5,039,977
Total cash and cash equivalents per Fiduciary Statement of Assets and Liabilities		269,996
Total Cash and Investments		\$ 5,309,973

**STATE OF NEW MEXICO**  
Dulce Independent Schools  
Cash Reconciliation  
June 30, 2015

	Operational Account	Teacherage Account	Transportation Account	Instructional Materials Account	Food Services Account
Cash per June 30, 2014 audit report	\$ 1,288,936	\$ 165,607	\$ 1	\$ 8,980	\$ 79,212
Add:					
2014-15 revenues	7,042,504	200,960	161,204	48,665	417,784
Other reconciling items	165,259	3,041	-	-	50
Loans from other funds	-	-	-	-	-
Total cash available	8,496,699	369,608	161,205	57,645	497,046
Less:					
2014-15 expenditures	(6,895,744)	(137,843)	(161,204)	(30,976)	(372,006)
Loans (to) other funds	(86,221)	-	-	-	-
Cash June 30, 2015	<u>\$ 1,514,734</u>	<u>\$ 231,765</u>	<u>\$ 1</u>	<u>\$ 26,669</u>	<u>\$ 125,040</u>



Athletics Account	Activity Fund	Federal Flowthrough Fund	Federal Direct Fund	State Flowthrough Fund	State Direct Fund	Local/State Fund
\$ 39,995	\$ 234,750	\$ (385,814)	\$ 332,621	\$ (27,647)	\$ 7,922	\$ -
51,083	202,299	853,964	850,355	131,907	44,866	-
-	-	86,221	-	-	-	-
-	-	-	-	-	-	-
91,078	437,049	554,371	1,182,976	104,260	52,788	-
(62,296)	(167,053)	(859,460)	(894,696)	(106,131)	(39,958)	-
-	-	-	-	-	-	-
<u>\$ 28,782</u>	<u>\$ 269,996</u>	<u>\$ (305,089)</u>	<u>288,280</u>	<u>(1,871)</u>	<u>12,830</u>	<u>-</u>

**STATE OF NEW MEXICO**  
Dulce Independent Schools  
Cash Reconciliation  
June 30, 2015

	Bond Building	Special Capital Outlay Federal	Capital Improv. HB 33	Capital Improv. SB 9
Cash per June 30, 2014 audit report	\$ -	\$ 1,116	\$ 2,429,527	\$ 60,762
Add:				
2014-15 revenues	-	79,351	328,828	971,223
Adjustments	-	-	-	-
Loans from other funds	-	-	-	-
Total cash available	-	80,467	2,758,355	1,031,985
Less:				
2014-15 expenditures	-	-	(861,002)	(793,044)
Loans (to) from other funds	-	-	-	-
Cash June 30, 2015	<u>\$ -</u>	<u>\$ 80,467</u>	<u>\$ 1,897,353</u>	<u>\$ 238,941</u>

Operating bank balance at June 30, 2015  
Activity Fund bank balance at June 30, 2015  
Less Outstanding checks  
Cash June 30, 2015

Schedule III  
 (Page 2 of 2)

<u>Debt Service Fund</u>	<u>Total</u>
\$ 1,467,705	\$ 5,703,673
3,473,160	14,858,153
-	254,571
-	-
4,940,865	20,816,397
(4,038,790)	(15,420,203)
-	(86,221)
\$ 902,075	\$ 5,309,973
	\$ 5,405,582
	269,714
	(365,323)
	\$ 5,309,973

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**STATE OF NEW MEXICO**  
 Dulce Independent Schools  
 Schedule of Vendor Information for purchases exceeding \$60,000 (excluding GRT)  
 For the Year Ended June 30, 2015

<b>RFP# RFB#/RFP# / State-Wide Price Agreement</b>	<b>Type of Procurement</b>	<b>Awarded Vendor</b>	<b>\$ Amount of Awarded Contract</b>	<b>\$ Amount of Amended Contract</b>	<b>Name and Physical Address of ALL Vendors that responded</b>	<b>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</b>	<b>Was the vendor instate and chose Veteran's preference (Y or N)</b>	<b>Brief Description of the Scope of Work</b>
2013 RFP Contract # 11-0083.006	2012-2013 RFP for Construction	FCI Constructors of New Mexico, LLC	6,349,971.25		1427 W. Aztec Blvd. Ste C3, Aztec, NM 87410	Y	N	Remodel High School Building
Continued contract 11-0083.006	2012-2013 RFP for Construction	FCI Constructors of New Mexico, LLC		Amendments paid in 2014-2015 \$448,129.73	1427 W. Aztec Blvd. Ste C3, Aztec, NM 87410	Y	N	Remodel High School Building

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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**

Timothy Keller  
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, 2015, 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 September 9, 2015.

**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 2015-001.

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

Dulce Independent Schools' response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Dulce Independent Schools' response was not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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

September 9, 2015

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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**

Timothy Keller  
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, 2015. 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, 2015.

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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  
September 9, 2015

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**STATE OF NEW MEXICO**  
**DULCE INDEPENDENT SCHOOLS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2015

Schedule V

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	\$ 3,024,982	\$ 3,024,982
Impact Aid Special Education	84.041	25145	154,639	154,639
Impact Aid Education	84.041	25147	739,174	739,174
Subtotal Department of Education			893,813	893,813
U.S. Department of Agriculture				
Forest Reserve	10.672	11000	106,850	106,850
Subtotal Department of Agriculture			106,850	106,850
<i>Pass Through Programs:</i>				
U.S. Department of Agriculture				
Passed through NM Public Education Department:				
Commodities Program	10.550	21000	14,491	14,491
National School Lunch Program	10.555	21000	218,130	218,130
National School Breakfast Program	10.553	21000	139,384	139,384
Total U.S. Department of Agriculture			372,005	372,005
U.S. Department of Education				
Passed through NM Public Education Department:				
Title I	84.010	33501	276,495	230,074
IDEA B Entitlement	84.027	33506	166,608	166,310
IDEA B Preschool	84.173	33509	9,024	5,457
IDEA B Risk Pool	84.024	33520	147	-
IDEA B NM Real Results Plan	84.024	33532	125,000	109,223
Fresh Fruits and Vegetables		33518	15,072	14,944
21st Century	84.287	33519	331,476	275,171
Title III English Language Acquisition	84.365A	33553	23,307	14,683
Teacher/Principal Training and Recruiting	84.367A	33554	34,957	32,840
Rural & Low Income Schools	84.358	33560	13,799	9,764
Total U.S. Department of Education			995,885	858,466
Total Federal Financial Assistance			\$ 2,368,553	\$ 2,231,134

**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, 2015 was \$14,491.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,231,134
Total expenditures funded by other sources	13,426,212
Total expenditures	\$ 15,657,346

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STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015

**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. One instance of noncompliance material to the financial statements of Dulce Independent Schools was 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 **low** risk auditee.

**B. FINDINGS-FINANCIAL STATEMENT AUDIT**

**2015-001 Excess expenditures over budget (Control Deficiency)**

**CONDITION:** During our testwork of budgetary compliance, we noted one fund that had expenditures in excess of budget. The Capital Improvements SB-9 was over budget by \$2,280. The expenditure was related to county collection costs associated with Property taxes.

**CRITERIA:** NMSA 6-6-6 requires that actual expenditures do not exceed budgeted expenditures by function or fund.

**CAUSE OF CONDITION:** The District estimated the expenditures based on prior year collections and monitors this on a quarterly basis. A budget amendment was sent to the budget department but did not obtain approval for the adjustment, and therefore the excess expenditure over budget for the SB-9 fund existed at year end.

**EFFECT OF CONDITION:** The District appears to be out of compliance with State regulations related to the budgetary process.

**RECOMMENDATION:** We recommend that the District implement controls to monitor the spending of funds and to make budget adjustments whenever necessary.

**CLIENT RESPONSE:** Effective August 2015, the District is implementing a process to have the Business Manager post the 1% fee monthly and not wait until the quarter end. The 1% fee is part of the receipt as funds are received. The Business Manager will be responsible for the implementation thus making budget monitoring more manageable and timely.

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015

**C. FINDINGS-FEDERAL AWARDS**

NONE

**D. PRIOR YEAR AUDIT FINDINGS**

2014-001 Activities Funds - cleared

STATE OF NEW MEXICO  
DULCE INDEPENDENT SCHOOLS  
OTHER DISCLOSURES  
Year Ended June 30, 2015

**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 September 9, 2015. The following individuals were in attendance.

Dulce Independent Schools  
Wesley Vigil, Board Member  
Tom Savage, Superintendent  
Naomi Vicenti, Business Manager  
Rhonda Stroup, Payroll

Precision Accounting LLC  
Melissa R. Santistevan, CPA, CFE, CICA, CGMA  
Mei Y. To, CPA