

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2008

WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

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OFFICIAL ROSTER

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STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

OFFICIAL ROSTER
June 30, 2008

Board of Education

Robert L. Romero	Board President
Alex T. Montoya	Board Vice President
George A. Trujillo	Board Secretary
Ronald J. Duran	Board Member
Dante E. Vigil	Board Member

School Officials

Dora M. Romero	Superintendent
Agnes Padilla	Business Manager

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FINANCIAL SECTION

FISCAL YEAR 2008

JULY 1, 2007 THROUGH JUNE 30, 2008

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KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101
Farmington, NM 87401

keystone@keystoneacct.com

Telephone (505) 566-1900
Fax (505) 566-1911

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor
And the Board of Education of
Mora Independent School District No. 44

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mora Independent School District No. 44, as of and for the year ended June 30, 2008, which collectively comprise Mora Independent School District No. 44's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Mora Independent School District No. 44's nonmajor governmental presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of Mora Independent School District No. 44's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Mora Independent School District No. 44, as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons of the General Fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Mora Independent School District No. 44, as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital projects funds, debt service fund, and all nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 4, 2008, on our consideration of the Mora Independent School District No. 44's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in assessing the results of our audit.

KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101
Farmington, NM 87401

keystone@keystoneacct.com

Telephone (505) 566-1900
Fax (505) 566-1911

Hector H. Balderas, State Auditor
And the Board of Education of
Mora Independent School District No. 44

The District has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not a required part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Keystone Accounting, LLC

November 4, 2008

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

STATEMENT OF NET ASSETS
June 30, 2008

	<u>Governmental Activities</u>
 <u>ASSETS</u>	
Cash and cash equivalents	\$ 1,292,765
Receivables:	
Delinquent property taxes receivable	88,718
Grant	1,311,053
Due from other governments	6,313
Deferred bond issuance costs, net of amortization	104,893
USDA commodities inventory	2,594
Food inventory	1,488
Non-current:	
Non-depreciable assets	1,370,211
Depreciable capital assets, net	<u>12,941,092</u>
Total assets	<u>17,119,127</u>
 <u>LIABILITIES</u>	
Accounts payable	248,123
Interest payable	10,721
Deferred grant revenue	237,991
Compensated absences	49,425
Noncurrent liabilities:	
Due within one year	250,000
Due in more than one year	<u>2,840,869</u>
Total liabilities	<u>3,637,129</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	11,220,434
Restricted:	
Debt service	478,066
Capital projects	776,138
Inventories	4,082
Unrestricted	<u>1,003,278</u>
Total net assets	<u>\$ 13,481,998</u>

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

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

STATEMENT OF ACTIVITIES
Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Primary government:					
Governmental activities:					
Instruction	\$ 4,167,857	\$ 25,977	\$ 1,699,072	\$ 1,753	\$ (2,441,055)
Support Services - Students	1,108,371	-	451,839	466	(656,066)
Support Services - Instruction	630,497	-	257,029	265	(373,203)
Support Services - General Administration	400,259	-	163,170	168	(236,921)
Support Services - School Administration	281,535	-	114,771	118	(166,646)
Central Services	165,522	-	67,477	70	(97,975)
Operations & Maintenance of Plant	1,092,069	-	445,194	459	(646,416)
Student Transportation	535,823	-	580,695	225	45,097
Food Services	345,443	686	329,705	-	(15,052)
Bond interest paid	110,874	-	-	-	(110,874)
	<u>\$ 8,838,250</u>	<u>\$ 26,663</u>	<u>\$ 4,108,952</u>	<u>\$ 3,524</u>	<u>(4,699,111)</u>
General revenues:					
Property Taxes:					
					17,007
					318,295
					108,329
					5,417,617
					3,770
					5,865,018
					1,165,907
					12,316,091
					\$ 13,481,998

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

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2008

	General Fund	Food Service Fund	Headstart Fund	Debt Service Fund	Bond Building Fund	Special Capital Outlay - State Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>								
Pooled cash and investments	\$ 776,535	\$ 272,795	\$ 148,740	\$ 308,411	\$ 736,361	\$ (610,976)	\$ (339,101)	1,292,765
Receivables:								
Delinquent property taxes	3,608	-	-	70,723	-	-	14,387	88,718
Grant	-	6,289	-	-	-	774,157	530,607	1,311,053
Due from other governments	228	-	-	4,760	-	-	1,325	6,313
USDA commodities inventory	-	2,594	-	-	-	-	-	2,594
Food inventory	-	1,488	-	-	-	-	-	1,488
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 780,371</u>	<u>\$ 283,166</u>	<u>\$ 148,740</u>	<u>\$ 383,894</u>	<u>\$ 736,361</u>	<u>\$ 163,181</u>	<u>\$ 207,218</u>	<u>\$ 2,702,931</u>
<u>LIABILITIES AND FUND BALANCE</u>								
Liabilities:								
Accounts payable	\$ 8,283	\$ -	\$ -	\$ -	\$ 76,659	\$ 163,181	\$ -	\$ 248,123
Deferred revenue:								
Federal, state, and local grants	-	-	148,740	-	-	-	89,251	237,991
Delinquent property taxes	3,324	-	-	64,762	-	-	12,997	81,083
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>11,607</u>	<u>-</u>	<u>148,740</u>	<u>64,762</u>	<u>76,659</u>	<u>163,181</u>	<u>102,248</u>	<u>567,197</u>
Fund balance:								
Reserved:								
Retirement of long-term debt	-	-	-	319,132	-	-	-	319,132
Inventories	-	4,082	-	-	-	-	-	4,082
Unreserved reported in:								
General fund	768,764	-	-	-	-	-	-	768,764
Special revenue funds	-	279,084	-	-	-	-	1,531	280,615
Capital projects funds	-	-	-	-	659,702	-	103,439	763,141
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>768,764</u>	<u>283,166</u>	<u>-</u>	<u>319,132</u>	<u>659,702</u>	<u>-</u>	<u>104,970</u>	<u>2,135,734</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 780,371</u>	<u>\$ 283,166</u>	<u>\$ 148,740</u>	<u>\$ 383,894</u>	<u>\$ 736,361</u>	<u>\$ 163,181</u>	<u>\$ 207,218</u>	<u>\$ 2,702,931</u>

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

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

RECONCILIATION OF THE BALANCE SHEET - ALL
GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2008

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

Fund balances - total governmental funds	\$ 2,135,734
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	14,311,303
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	81,083
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(3,046,122)</u>
Net assets of governmental activities	<u>\$ 13,481,998</u>

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

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2008

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Headstart Fund</u>	<u>Debt Service Fund</u>	<u>Bond Building Fund</u>	<u>Capital Outlay - Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:								
Federal								
Forest reserve	\$ 13,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,556
Federal flowthrough grants	7,819	-	-	-	-	-	866,721	874,540
Federal direct grants	-	-	1,207,183	-	-	-	109,413	1,316,596
Food and milk reimbursements	-	316,391	-	-	-	-	-	316,391
USDA Commodities	-	13,314	-	-	-	-	-	13,314
	<u>21,375</u>	<u>329,705</u>	<u>1,207,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>976,134</u>	<u>2,534,397</u>
Total federal revenues								
State								
State equalization guarantee	5,404,046	-	-	-	-	-	-	5,404,046
Transportation	580,695	-	-	-	-	-	-	580,695
State instructional material	57,512	-	-	-	-	-	-	57,512
State grant	5,161	-	-	-	-	740,123	87,857	833,141
	<u>6,047,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>740,123</u>	<u>87,857</u>	<u>6,875,394</u>
Total state revenues								
Local								
Grant	-	-	-	-	-	-	114,940	114,940
District school tax levy	16,730	-	-	333,511	-	-	107,359	457,600
Fees and activities	-	686	-	-	-	-	25,977	26,663
Earnings from investments	3,065	697	-	1,061	2,288	-	1,244	8,355
Miscellaneous	15	-	-	-	-	-	-	15
	<u>19,810</u>	<u>1,383</u>	<u>-</u>	<u>334,572</u>	<u>2,288</u>	<u>-</u>	<u>249,520</u>	<u>607,573</u>
Total local revenues								
Total revenue	<u>\$ 6,088,599</u>	<u>\$ 331,088</u>	<u>\$ 1,207,183</u>	<u>\$ 334,572</u>	<u>\$ 2,288</u>	<u>\$ 740,123</u>	<u>\$ 1,313,511</u>	<u>\$ 10,017,364</u>

(continued)

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

	General <u>Fund</u>	Food Service <u>Fund</u>	Headstart <u>Fund</u>	Debt Service <u>Fund</u>	Bond Building <u>Fund</u>	Capital Outlay - <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Expenditures:								
Current:								
Instruction	\$ 2,845,638	\$ -	\$ 539,046	\$ -	\$ -	\$ -	\$ 596,768	\$ 3,981,452
Support Services - Students	641,807	-	72,996	-	-	-	343,996	1,058,799
Support Services - Instruction	57,936	-	368,292	-	-	-	167,998	594,226
Support Services - General Administrati	335,827	-	8,088	3,337	-	-	35,105	382,357
Support Services - School Administration	268,943	-	-	-	-	-	-	268,943
Central Services	144,954	-	13,165	-	-	-	-	158,119
Operations & Maintenance of Plant	917,415	-	98,628	-	-	-	27,183	1,043,226
Student Transportation	511,858	-	-	-	-	-	-	511,858
Food Services	-	287,711	9,319	-	-	-	32,963	329,993
Capital outlay	14,370	-	97,649	-	1,339,991	740,123	28,485	2,220,618
Debt service:								
Principal retirement	-	-	-	210,000	-	-	-	210,000
Bond interest paid	-	-	-	97,066	-	-	-	97,066
Bond issuance costs	-	-	-	-	46,960	-	-	46,960
Total expenditures	5,738,748	287,711	1,207,183	310,403	1,386,951	740,123	1,232,498	10,903,617
Excess (deficiency) of revenues over expenditures	349,851	43,377	-	24,169	(1,384,663)	-	81,013	(886,253)
Other financing sources:								
Sale of bonds	-	-	-	-	900,000	-	-	900,000
Bond premium	-	-	-	-	2,289	-	-	2,289
Total other sources	-	-	-	-	902,289	-	-	902,289
Net change in fund balance	349,851	43,377	-	24,169	(482,374)	-	81,013	16,036
Fund balance at beginning of the year	418,913	239,789	-	294,963	1,142,076	-	23,957	2,119,698
Fund balance at end of the year	\$ 768,764	\$ 283,166	\$ -	\$ 319,132	\$ 659,702	\$ -	\$ 104,970	\$ 2,135,734

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

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2008

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

Net change in fund balance - total governmental funds	\$	16,036
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. This is the amount by which capital outlays exceeded depreciation in the current year		1,830,287
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(13,969)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar, items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(659,621)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		<u>(6,826)</u>
Change in net assets of governmental activities	\$	<u>1,165,907</u>

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Forest reserve	\$ 13,584	\$ 13,584	\$ 13,556	\$ (28)
Federal grant	<u>30,663</u>	<u>30,663</u>	<u>7,819</u>	<u>(22,844)</u>
Total federal revenues	<u>44,247</u>	<u>44,247</u>	<u>21,375</u>	<u>(22,872)</u>
State sources:				
State equalization guarantee	5,301,662	5,301,662	5,404,046	102,384
Transportation	425,887	511,611	580,695	69,084
State instructional material	52,845	52,845	57,512	4,667
State grant	<u>4,656</u>	<u>4,656</u>	<u>5,161</u>	<u>505</u>
Total state revenues	<u>5,785,050</u>	<u>5,870,774</u>	<u>6,047,414</u>	<u>176,640</u>
Local sources:				
District school tax levy	15,464	15,464	16,686	1,222
Earnings from investments	5,060	5,060	3,065	(1,995)
Miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>15</u>	<u>(2,485)</u>
Total local revenues	<u>23,024</u>	<u>23,024</u>	<u>19,766</u>	<u>(3,258)</u>
Total revenues	<u>5,852,321</u>	<u>5,938,045</u>	<u>6,088,555</u>	<u>150,510</u>

(continued)

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Expenditures:				
Current:				
Instruction	\$ 2,783,490	\$ 2,783,490	\$ 2,728,708	\$ 54,782
Support Services - Students	773,128	773,128	641,807	131,321
Support Services - Instruction	66,255	66,255	57,936	8,319
Support Services - General Administration	370,732	370,732	335,827	34,905
Support Services - School Administration	277,364	277,364	268,943	8,421
Central Services	156,534	156,534	144,954	11,580
Operation & Maintenance of Plant	1,090,585	1,090,585	1,071,248	19,337
Student Transportation	429,660	515,384	511,858	3,526
Other Support Services	1,049	1,049	-	1,049
Food Services Operations	70,520	70,520	-	70,520
Total current expenses	6,019,317	6,105,041	5,761,281	343,760
Capital outlay:				
Land and improvements	95,000	95,000	125,836	(30,836)
Total expenditures	6,114,317	6,200,041	5,887,117	312,924
Excess (deficiency) of revenues over expenditures	(261,996)	(261,996)	201,438	463,434
Beginning cash balance budgeted	261,996	261,996	-	(261,996)
Fund balance at beginning of the year	-	-	418,913	418,913
Fund balance at end of the year	\$ -	\$ -	620,351	\$ 620,351
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			300	
Change in due from other governments			21	
Change in payables			148,369	
Change in deferred property taxes			(277)	
			\$ 768,764	

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

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

FOOD SERVICE SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive <u>(Negative)</u>
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 246,701	\$ 246,701	\$ 314,887	\$ 68,186
Local sources:				
Fees and activities	885	885	686	(199)
Earnings from investments	<u>1,050</u>	<u>1,050</u>	<u>697</u>	<u>(353)</u>
Total local revenues	<u>1,935</u>	<u>1,935</u>	<u>1,383</u>	<u>(552)</u>
Total revenues	248,636	248,636	316,270	67,634
Expenditures:				
Current:				
Food Services Operations:	<u>248,636</u>	<u>248,636</u>	<u>271,448</u>	<u>(22,812)</u>
Excess of revenues over expenditures	-	-	44,822	44,822
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>239,789</u>	<u>239,789</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	284,611	<u>\$ 284,611</u>
RECONCILIATION TO GAAP BASIS:				
Change in Inventory			(2,949)	
Change in grant receivable			<u>1,504</u>	
			<u>\$ 283,166</u>	

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

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

HEADSTART SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 1,889,813	\$ 1,329,932	\$ (559,881)
Expenditures:				
Current:				
Instruction:	-	891,308	539,046	352,262
Support Services - Students:	-	88,933	72,996	15,937
Support Services - Instruction:	-	606,693	368,292	238,401
Support Services - General Administration:	-	11,966	8,088	3,878
Central Services:	-	23,589	13,165	10,424
Operation & Maintenance of Plant:	-	140,089	98,628	41,461
Food Services Operations:	-	10,603	9,320	1,283
Total current expenses	-	1,773,181	1,109,535	663,646
Capital outlay:				
Land and improvements	-	54,528	47,903	6,625
Construction in progress	-	62,104	49,746	12,358
Total capital outlay	-	116,632	97,649	18,983
Total expenditures	-	1,889,813	1,207,184	682,629
Excess of revenues over expenditures	-	-	122,748	122,748
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	122,748	\$ 122,748
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			(122,748)	
			<u>\$ -</u>	

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

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
June 30, 2008

ASSETS

Pooled cash and investments	\$ <u>95,664</u>
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LIABILITIES

Deposits held for others	\$ <u>95,664</u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Mora Independent School District (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 in the Village of Mora, New Mexico, and the surrounding areas. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District's financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, no component units or fiduciary units were included in the financial statements.

GAAP requires that financial statements present the District (primary government) and its component units. The district does not have any component units that are required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*.

1. Blended Component Units

The District does not have any component units reported as blended component units.

2. Discretely Presented Component Units

The District does not have any component units reported as discretely component units.

The summary of significant accounting policies of the District is presented to assist in the understanding of the Association's financial statements. The financial statements and notes are the representation of Mora Independent School District's management who is responsible for their integrity and objectivity. The financial statements of the Association conform to Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of interfund activity has been removed from these statements.

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

Separate financial statements are provided for governmental funds. 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. 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, net of estimated refunds and estimated uncollectable amounts, in the year for which they are levied. 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
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General 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.

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

Bond Building Fund – This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

Capital Improvements SB-9 – This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

Additionally, the government reports the following fund types:

SPECIAL REVENUE FUNDS

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

CAPITAL PROJECTS 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.

FIDUCIARY FUNDS

Fiduciary Funds – Fiduciary Funds are Mora Independent School District No. 44 funds used to account for financial resources used by the student activity groups for which the District has stewardship

Similar to private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Assets, Liabilities, and Net Assets or Equity

1. *Deposits and investments*

The government'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 investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the school district. Deposits may be made to the extent that they are insured by an Mora Independent School District No. 44 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.

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The School District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB – 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the School District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectibles has not been recorded.

3. *Inventories*

USDA Commodity, food inventories and part inventory are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2006, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. 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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The costs of library books are not depreciated unless the individual cost is in excess of \$5,000. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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	40
Building improvements	20
Vehicles	5
Office equipment	5
Computer equipment	5

5. *Compensated absences*

It is the School District's policy to permit employees to accumulate earned but unused vacation, which no more than 20 days will be paid to employees upon separation from the District's service. Twelve-month employees that are full time are entitled to two weeks paid vacation per year. Vacation days may not accrue from one year to the next without the prior approval of the superintendent, and is accrued when incurred in the government-wide financial statements.

Sick pay does not vest and is recorded as expenditures when it is paid.

6. *Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. 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 debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

7. *Fund balance*

In the fund financial statements, governmental funds report reservations of fund balance for amounts 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.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

8. *Net assets*

Net assets are presented on the statement of net assets and may be presented in any of three components.

a. Invested in capital assets, net of related debt

This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not be included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

b. Restricted net assets

Net assets are reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

c. Unrestricted net assets

Unrestricted net assets consist of net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

In the governmental environment, net assets often are designated to indicate that management does not consider them to be available for general operations. In contrast to restricted net assets, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. *Indirect Costs*

The School District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

10. *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.

11. *Revenues*

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$5,404,046 in state equalization guarantee distributions during the year ended June 30, 2008.

Transportation Distribution: School districts in the State of New Mexico received 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 \$580,695 in transportation distributions during the year ended June 30, 2008.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.” The details of the \$14,329,303 difference are as follows:

Capital assets	\$ 17,195,368
Accumulated depreciation	<u>(2,884,065)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 14,311,303</u>

Another element of the reconciliation states “other assets are not available to pay to current-period expenditures and therefore are deferred in the funds.” The details of the \$81,083 difference are as follows:

Property taxes receivable	<u>\$ 81,083</u>
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The final adjustment in the reconciliation indicates that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The \$3,046,122 difference is detailed as follows:

Bonds payable	\$ (3,085,000)
Accrued interest payable	(10,721)
Accrued vacation payable	(49,425)
Bond premiums	(8,151)
Amortization of bond premiums	2,282
Bond issue costs	142,758
Amortization of bond issue costs	<u>(37,865)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ (3,046,122)</u>

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities
(continued)

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this \$1,830,287 difference are as follows:

Capital outlay	\$ 2,220,618
Depreciation expense	<u>(390,331)</u>
Net adjustment to changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,830,287</u>

The second element in the reconciliation indicates “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The adjustment of \$13,969 is detailed as follows:

Reduction in revenue:	
Deferred property taxes in 2007	\$ (95,052)
Amounts to be included in revenue:	
Deferred property taxes in 2008	<u>81,083</u>
Net adjustment to change in net assets of governmental activities for revenues that are not recorded in the funds	<u>\$ (13,969)</u>

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities
(continued)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$659,621 difference are as follows:

Principal repayments:	
General obligation debt	\$ 210,000
Proceeds of bonds	(900,000)
Premium received on refunding bonds	(2,289)
Amortization of bond premium	762
Bond issuance costs	46,960
Amortization of bond issuance costs	<u>(15,054)</u>
Net adjustment to decrease change in net assets of governmental activities	<u>\$ (659,621)</u>

The final element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$6,826 difference are as follows:

Accrued interest:	
June 30, 2008	\$ (10,721)
June 30, 2007	11,967
Compensated absences:	
July 30, 2008	(49,425)
June 30, 2007	<u>41,353</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (6,826)</u>

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the Public 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. 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 reserved portion of fund balance.

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

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

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

1. In April or May, the 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, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
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. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

**STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44**

Notes to the Financial Statements
June 30, 2008

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2008 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Mora Independent School District No. 44 to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 6,114,317	\$ 6,200,041
Special Revenue Fund	942,738	3,292,368
Debt Service Fund	542,343	542,343
Capital Projects Fund	2,590,684	2,603,102
Totals	\$ 10,190,082	\$ 12,637,854

B. Deficit Fund Equity

There was one deficit fund balance as of June 30, 2008. The \$1,461 fund balance deficit in the Public School Capital Outlay – 20% Capital Projects Fund which will be covered by the General Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2008, the carrying amount of the District's deposits was \$1,388,429 and the bank balance was \$2,072,881. Of this balance \$100,000 was covered by federal depository insurance and \$1,020,080 was covered by collateral held in joint safekeeping by a third party. The remaining \$952,801 not covered by pledged collateral is comprised of amounts in excess of those required to be collateralized under State law.

**STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44**

Notes to the Financial Statements
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Temporary Investments (continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. 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 at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits.

Uninsured and uncollateralized	\$	952,801
Uninsured and collateral held by pledging bank's trust department not in the district's name		1,020,080
Total uninsured		1,972,881
Insured (FDIC)		100,000
Total deposits	\$	2,072,881
State of New Mexico collateral requirement:		
50% of uninsured public fund bank deposits	\$	986,441
Pledged security		1,020,080
Over collateralization	\$	33,639

The collateral pledged is listed on Pages 108 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any Mora Independent School District No. 44, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

B. Receivables

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the following:

	<u>General</u>	<u>Food Service</u>	<u>Debt Service</u>	<u>Special Capital Outlay - State</u>	<u>Other Governmental Funds</u>
Receivables:					
Delinquent property taxes	\$ 3,608	\$ -	\$ 70,723	\$ -	\$ 14,387
Grant	-	6,289	-	774,157	530,607
Due from other:					
Governments	<u>228</u>	<u>-</u>	<u>4,760</u>	<u>-</u>	<u>1,325</u>
Total	<u>\$ 3,836</u>	<u>\$ 6,289</u>	<u>\$ 75,483</u>	<u>\$ 774,157</u>	<u>\$ 546,319</u>

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
Headstart	\$ -	\$ 148,740
Other Governmental Funds	-	89,251
Delinquent property taxes		
General Fund	3,324	-
Debt Service	64,762	-
Other Governmental Funds	<u>12,997</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 81,083</u>	<u>\$ 237,991</u>

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 163,594	\$ 125,836	\$ -	\$ 170,576	\$ 460,006
Construction in progress	-	910,205	-	-	910,205
Total capital assets, not being depreciated	<u>\$ 163,594</u>	<u>\$ 1,036,041</u>	<u>\$ -</u>	<u>\$ 170,576</u>	<u>\$ 1,370,211</u>
Capital assets, being depreciated:					
Land improvements	\$ 890,475	\$ 794,238	\$ -	\$ (117,323)	\$ 1,567,390
Buildings and improvements	11,577,757	230,979	-	(53,253)	11,755,483
Furniture, fixtures, and equipment	2,342,924	159,360	-	-	2,502,284
Total capital assets being depreciated	<u>14,811,156</u>	<u>1,184,577</u>	<u>-</u>	<u>(170,576)</u>	<u>15,825,157</u>
Less accumulated depreciation for:					
Land improvements	(154,771)	(49,773)	-	-	(204,544)
Buildings and improvements	(1,078,521)	(87,030)	-	-	(1,165,551)
Furniture, fixtures, and equipment	(1,260,442)	(253,528)	-	-	(1,513,970)
Total accumulated depreciation	<u>(2,493,734)</u>	<u>(390,331)</u>	<u>-</u>	<u>-</u>	<u>(2,884,065)</u>
Total capital assets being depreciated, net	<u>\$ 12,317,422</u>	<u>\$ 794,246</u>	<u>\$ -</u>	<u>\$ (170,576)</u>	<u>\$ 12,941,092</u>

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

Depreciation has been allocated to the functions by the following amounts:

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 186,812
Support Services - Students	48,834
Support Services - Instruction	28,260
Support Services - General Administration	17,940
Support Services - School Administration	12,619
Central Services	7,419
Operations & Maintenance of Plant	48,948
Student Transportation	24,016
Food Services	<u>15,483</u>
Total Depreciation Expense	<u>\$ 390,331</u>

Construction commitments

The Mora Independent School District No. 44 did not receive any funds from the State of New Mexico Public School Facilities Authority for the year ended June 30, 2008.

The District is involved in several long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$776,138 in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

D. Inter-Fund Receivables and Payables

There were not any inter-fund receivables or payables at June 30, 2008.

E. Inter-Fund Transfers

There were no inter-fund transfers in made during the year ended June 30, 2008.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

F. Long-Term Debt

The details of the bonds and notes as of June 30, 2008 are as follows:

<u>General Obligations Bonds</u>		<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2007</u>	<u>Amount Due Within One Year</u>
Series	1998	\$ 275,000	4.90% to 6.25%	\$ 125,000	\$ 50,000
Series	1999	500,000	4.25% to 5.10%	425,000	125,000
Series	1999B	350,000	4.35% to 5.50%	125,000	75,000
Series	2001	150,000	5.00% to 5.45%	150,000	-
Series	2005	400,000	4.05% to 4.25%	400,000	-
Series	2006	1,000,000	3.50% to 3.85%	960,000	-
Series	2007	900,000	4.00% to 4.25%	900,000	-
Total		<u>\$ 3,575,000</u>		<u>\$ 3,085,000</u>	<u>\$ 250,000</u>

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>General Obligation Bonds</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2009	\$ 250,000	\$ 123,113	\$ 373,113
2010	290,000	110,830	400,830
2011	375,000	96,410	471,410
2012	335,000	81,461	416,461
2013	290,000	68,705	358,705
2014 - 2018	1,395,000	176,952	1,571,952
2019 - 2023	150,000	3,150	153,150
Total	<u>\$ 3,085,000</u>	<u>\$ 660,621</u>	<u>\$ 3,745,621</u>

General Obligation Bonds – The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

F. Long-Term Debt (continued)

Changes in long term debt – During the year ended June 30, 2008 the following changes occurred in liabilities reported in the general obligation bonds account group:

	Balance <u>June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2008</u>	Amount Due <u>Within One Year</u>
Compensated absences:					
Compensated vacation	\$ 41,353	\$ 32,212	\$ 24,140	\$ 49,425	\$ 49,425
Bonds payable	<u>2,395,000</u>	<u>900,000</u>	<u>210,000</u>	<u>3,085,000</u>	<u>250,000</u>
	<u>\$ 2,436,353</u>	<u>\$ 932,212</u>	<u>\$ 234,140</u>	<u>\$ 3,134,425</u>	<u>\$ 299,425</u>

	Balance <u>June 30, 2008</u>
Bonds payable	\$ 3,085,000
Unamortized:	
Bond premiums	<u>5,869</u>
Total non-current liabilities	<u>\$ 3,090,869</u>

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service fund.

V. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2008.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

V. OTHER INFORMATION (continued)

B. Contingent Liabilities

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

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

C. Employee Retirement Plan

Plan Description - Substantially all of Mora Independent School District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes the financial statements and required supplementary information for the plan. That report may be obtained by writing to:

ERB
P.O. Box 26129
Santa Fe, New Mexico 87502-6129
www.nmerb.org

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

V. OTHER INFORMATION (continued)

C. Employee Retirement Plan (continued)

Funding Policy - Plan members are required to contribute 7.825% of their gross salary. Mora Independent School District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and Mora Independent School District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. Mora Independent School District's contributions to the ERB for the years ended June 30, 2008, 2007 and 2006 were \$482,762, \$458,039, and \$417,894 respectively, equal to the amount of the required contribution for the year. The contribution rates will increase each year as follows:

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2008-2009	11.650%	7.900%
2009-2010	12.460%	7.900%
2010-2011	13.150%	7.900%
2011-2012	13.900%	7.900%

D. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description – Mora Independent School District No. 44 contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are:

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

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

V. OTHER INFORMATION (continued)

D. Post-Retirement Health Care Benefits (continued)

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:

Retiree Health Care Authority
4308 Carlisle NE, Suite 104
Albuquerque, NM 87107

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

Mora Independent School District No. 44's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$57,455, \$58,652 and \$57,716, respectively, which equal the required contributions for each year.

E. School District Cash Flows

The District operates on primarily on reimbursement grants. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in its self does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District cash flows and the ability to deliver educational services to the community in an effective manner. The delay in receiving reimbursements has been progressively increasing through this and the previous two years. The current trend will adversely affect the District in subsequent years.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes to the Financial Statements
June 30, 2008

V. OTHER INFORMATION (continued)

F. Budgetary Violations

The District exceeded its legal budget in individual funds as referenced in Findings 2008-1 and 2008-2 on page 123 and 124. Although the report identified various funds lack the appropriate budget authority, the District currently has working agreements between each of the respective fiscal authorities via a Memorandum of Understanding/Agreement (MOU/MOA). Upon submission of the initial Budget Adjustment Requests (BARs) for specific funds, staff of the NMPED informed the District that we did the proper authority to do so. A portion of the funds identified did have proper approval. For the funds identified without proper approval, the District will implement the appropriate protocols to timely monitor individual line items

GENERAL FUNDS

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

GENERAL FUND
Combining Balance Sheet
June 30, 2008

	General Funds			
	Operational Fund	Transportation Fund	Instructional Materials Fund	Total General Fund
<u>ASSETS</u>				
Pooled cash and investments	\$ 749,220	\$ 4,240	\$ 23,075	\$ 776,535
Receivables:				
Delinquent property taxes	3,608	-	-	3,608
Due from other governments	228	-	-	228
 Total assets	 \$ 753,056	 \$ 4,240	 \$ 23,075	 \$ 780,371
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 8,283	\$ -	\$ -	\$ 8,283
Deferred revenue:				
Delinquent property taxes	3,324	-	-	3,324
 Total liabilities	 11,607	 -	 -	 11,607
 Fund balance:				
Unreserved reported in:				
General fund	741,449	4,240	23,075	768,764
 Total liabilities and fund balance	 \$ 753,056	 \$ 4,240	 \$ 23,075	 \$ 780,371

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

GENERAL FUND
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2008

	General Funds			
	Operational Fund	Transportation Fund	Instructional Materials Fund	General Fund
Revenues:				
Federal				
Forest reserve	\$ 13,556	\$ -	\$ -	\$ 13,556
Federal flowthrough grants	<u>7,819</u>	<u>-</u>	<u>-</u>	<u>7,819</u>
Total federal revenues	<u>21,375</u>	<u>-</u>	<u>-</u>	<u>21,375</u>
State				
State equalization guarantee	5,404,046	-	-	5,404,046
Transportation	-	580,695	-	580,695
State instructional material	-	-	57,512	57,512
State grant	<u>-</u>	<u>-</u>	<u>5,161</u>	<u>5,161</u>
Total state revenues	<u>5,404,046</u>	<u>580,695</u>	<u>62,673</u>	<u>6,047,414</u>
Local				
District school tax levy	16,730	-	-	16,730
Earnings from investments	3,035	-	30	3,065
Miscellaneous	<u>15</u>	<u>-</u>	<u>-</u>	<u>15</u>
Total local revenues	<u>19,780</u>	<u>-</u>	<u>30</u>	<u>19,810</u>
Total revenue	<u>5,445,201</u>	<u>580,695</u>	<u>62,703</u>	<u>6,088,599</u>
Expenditures:				
Current:				
Instruction	2,803,186	-	42,452	2,845,638
Support Services - Students	641,807	-	-	641,807
Support Services - Instruction	57,936	-	-	57,936
Support Services - General Administration	335,827	-	-	335,827
Support Services - School Administration	268,943	-	-	268,943
Central Services	144,954	-	-	144,954
Operations & Maintenance of Plant	917,415	-	-	917,415
Student Transportation	247	511,611	-	511,858
Capital outlay	<u>14,370</u>	<u>-</u>	<u>-</u>	<u>14,370</u>
Total expenditures	<u>5,184,685</u>	<u>511,611</u>	<u>42,452</u>	<u>5,738,748</u>
Excess of revenues over expenditures	260,516	69,084	20,251	349,851
Fund balance at beginning of the year	<u>480,933</u>	<u>(64,844)</u>	<u>2,824</u>	<u>418,913</u>
Fund balance at end of the year	<u>\$ 741,449</u>	<u>\$ 4,240</u>	<u>\$ 23,075</u>	<u>\$ 768,764</u>

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

OPERATIONAL FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Forest reserve	\$ 13,584	\$ 13,584	\$ 13,556	\$ (28)
Federal grant	30,663	30,663	7,819	(22,844)
Total federal revenues	44,247	44,247	21,375	(22,872)
State sources:				
State equalization guarantee	5,301,662	5,301,662	5,404,046	102,384
Local sources:				
District school tax levy	15,464	15,464	16,686	1,222
Earnings from investments	5,060	5,060	3,035	(2,025)
Miscellaneous	2,500	2,500	15	(2,485)
Total local revenues	23,024	23,024	19,736	(3,288)
Total revenues	5,368,933	5,368,933	5,445,157	76,224
Expenditures:				
Current:				
Instruction	2,730,645	2,730,645	2,686,256	44,389
Support Services - Students	773,128	773,128	641,807	131,321
Support Services - Instruction	61,599	61,599	57,936	3,663
Support Services - General Administration	370,732	370,732	335,827	34,905
Support Services - School Administration	277,364	277,364	268,943	8,421
Central Services	156,534	156,534	144,954	11,580
Operation & Maintenance of Plant	1,090,585	1,090,585	1,071,248	19,337
Student Transportation	3,773	3,773	247	3,526
Other Support Services	1,049	1,049	-	1,049
Food Services Operations	70,520	70,520	-	70,520
Total current expenses	5,535,929	5,535,929	5,207,218	328,711
Capital outlay:				
Land and improvements	95,000	95,000	125,836	(30,836)
Total expenditures	5,630,929	5,630,929	5,333,054	297,875
Excess (deficiency) of revenues over expenditures	(261,996)	(261,996)	112,103	374,099
Beginning cash balance budgeted	261,996	261,996	-	(261,996)
Fund balance at beginning of the year	-	-	480,933	480,933
Fund balance at end of the year	\$ -	\$ -	593,036	\$ 593,036
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			300	
Change in due from other governments			21	
Change in payables			148,369	
Change in deferred property taxes			(277)	
			\$ 741,449	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

TRANSPORTATION FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 425,887	\$ 511,611	\$ 580,695	\$ 69,084
 Expenditures:				
Current:				
Student Transportation	<u>425,887</u>	<u>511,611</u>	<u>511,611</u>	<u>-</u>
Excess of revenues over expenditures	-	-	69,084	69,084
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>(64,844)</u>	<u>(64,844)</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	4,240	<u>\$ 4,240</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>-</u>	
			<u>\$ 4,240</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

INSTRUCTIONAL MATERIALS FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
State sources:				
State instructional material	\$ 52,845	\$ 52,845	\$ 57,512	\$ 4,667
State grant	4,656	4,656	5,161	505
Total state revenues	57,501	57,501	62,673	5,172
Local sources:				
Earnings from investments	-	-	30	30
Total revenues	57,501	57,501	62,703	5,202
Expenditures:				
Current:				
Instruction	52,845	52,845	42,452	10,393
Support Services - Instruction	4,656	4,656	-	4,656
Total expenditures	57,501	57,501	42,452	15,049
Excess of revenues over expenditures	-	-	20,251	20,251
Fund balance at beginning of the year	-	-	2,824	2,824
Fund balance at end of the year	\$ -	\$ -	23,075	\$ 23,075
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			-	
			\$ 23,075	

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2008

Special Revenue Funds

	<u>Athletics</u>	<u>Title I</u>	<u>Entitlement</u>	<u>Discretionary</u>	<u>Competitive</u>	<u>Preschool</u>	<u>Drug Free</u>	<u>Partnerships</u>
	<u>Fund</u>	<u>Fund</u>	<u>IDEA-B</u>	<u>IDEA-B</u>	<u>IDEA-B</u>	<u>IDEA-B</u>	<u>Schools</u>	<u>in Character</u>
			<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<u>ASSETS</u>								
Pooled cash and investments	\$ 1,531	\$ (133,119)	\$ (28,118)	\$ (20,900)	\$ (102)	\$ (7,969)	\$ 6	\$ 443
Receivables:								
Delinquent property taxes	-	-	-	-	-	-	-	-
Grant	-	133,119	28,118	20,900	102	7,969	-	-
Due from other governments	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,531</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 443</u>
<u>LIABILITIES AND FUND BALANCE</u>								
Liabilities:								
Deferred revenue:								
Federal, state, and local grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6	\$ 443
Delinquent property taxes	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>443</u>
Fund balance:								
Unreserved and reported in:								
Special revenues funds	1,531	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>1,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,531</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 443</u>

(continued)

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2008

Special Revenue Funds

		Title V Innovative Education <u>Fund</u>	Title III English Language Acquisition <u>Fund</u>	Title II Teacher Training & Recruiting <u>Fund</u>	Title IV Safe & Drug Free Schools <u>Fund</u>	21st Century Community Living <u>Fund</u>	Reading First <u>Fund</u>	Carl D. Perkins <u>Fund</u>	Title XIX Medicaid <u>Fund</u>	Child & Adult Food <u>Fund</u>										
<u>ASSETS</u>																				
Pooled cash and investments	\$	(7,621)	\$	(5,635)	\$	(17,423)	\$	145	\$	(133,096)	\$	(40,597)	\$	(56,461)	\$	21,572	\$	8,100		
Receivables:																				
Delinquent property taxes		-		-		-		-		-		-		-		-		-		-
Grant		7,621		5,635		17,423		-		133,096		40,597		56,461		-		-		-
Due from other governments		-		-		-		-		-		-		-		-		-		-
		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
Total assets	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>145</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>21,572</u>	\$	<u>8,100</u>		
<u>LIABILITIES AND FUND BALANCE</u>																				
Liabilities:																				
Deferred revenue:																				
Federal, state, and local grants	\$	-	\$	-	\$	-	\$	145	\$	-	\$	-	\$	-	\$	21,572	\$	8,100		
Delinquent property taxes		-		-		-		-		-		-		-		-		-		-
Total liabilities		<u>-</u>		<u>-</u>		<u>-</u>		<u>145</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>21,572</u>		<u>8,100</u>		
Fund balance:																				
Unreserved and reported in:																				
Special revenues funds		-		-		-		-		-		-		-		-		-		-
Capital projects funds		-		-		-		-		-		-		-		-		-		-
Total fund balance		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
Total liabilities and fund balance	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>145</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>	\$	<u>21,572</u>	\$	<u>8,100</u>		

(continued)

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2008

Special Revenue Funds

	Rural Health Fund	LANL Foundation Fund	SBHC Incentive Fund	Technology for Education Fund	Incentives for School Improvement Fund	Family & Youth Resources Fund	Libraries GO Bonds Fund	Beginning Teacher Mentoring Fund	Breakfast for Elementary Students Fund	State 21st Century Community Learning Center Fund
<u>ASSETS</u>										
Pooled cash and investments	\$ -	\$ 3,317	\$ -	\$ -	\$ 19,356	\$ -	\$ 16,067	\$ -	\$ (434)	\$ (57,738)
Receivables:										
Delinquent property taxes	-	-	-	-	-	-	-	-	-	-
Grant	-	-	-	-	-	-	-	-	434	57,738
Due from other governments	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 3,317</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,356</u>	<u>\$ -</u>	<u>\$ 16,067</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LIABILITIES AND FUND BALANCE</u>										
Liabilities:										
Deferred revenue:										
Federal, state, and local grants	\$ -	\$ 3,317	\$ -	\$ -	\$ 19,356	\$ -	\$ 16,067	\$ -	\$ -	\$ -
Delinquent property taxes	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>3,317</u>	<u>-</u>	<u>-</u>	<u>19,356</u>	<u>-</u>	<u>16,067</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:										
Unreserved and reported in:										
Special revenues funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 3,317</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,356</u>	<u>\$ -</u>	<u>\$ 16,067</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2008

	Special Revenue Funds				Capital Projects Funds				
	Gear Up Fund	CATCH Project Fund	Healthier Schools Fund	School Based Health Fund	Total Nonmajor Special Revenue Funds	Capital Improvements SB-9 Fund	Public School Capital Outlay - 20% Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>ASSETS</u>									
Pooled cash and investments	\$ -	\$ (1,100)	\$ (20,294)	\$ 20,245	\$ (439,825)	\$ 102,185	\$ (1,461)	\$ 100,724	\$ (339,101)
Receivables:									
Delinquent property taxes	-	-	-	-	-	14,387	-	14,387	14,387
Grant	-	1,100	20,294	-	530,607	-	-	-	530,607
Due from other governments	-	-	-	-	-	1,325	-	1,325	1,325
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,325</u>	<u>-</u>	<u>1,325</u>	<u>1,325</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,245</u>	<u>\$ 90,782</u>	<u>\$ 117,897</u>	<u>\$ (1,461)</u>	<u>\$ 116,436</u>	<u>\$ 207,218</u>
<u>LIABILITIES AND FUND BALANCE</u>									
Liabilities:									
Deferred revenue:									
Federal, state, and local grants	\$ -	\$ -	\$ -	\$ 20,245	\$ 89,251	\$ -	\$ -	\$ -	\$ 89,251
Delinquent property taxes	-	-	-	-	-	12,997	-	12,997	12,997
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,997</u>	<u>-</u>	<u>12,997</u>	<u>12,997</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,245</u>	<u>89,251</u>	<u>12,997</u>	<u>-</u>	<u>12,997</u>	<u>102,248</u>
Fund balance:									
Unreserved and reported in:									
Special revenues funds	-	-	-	-	1,531	-	-	-	1,531
Capital projects funds	-	-	-	-	-	104,900	(1,461)	103,439	103,439
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,900</u>	<u>(1,461)</u>	<u>103,439</u>	<u>103,439</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,531</u>	<u>104,900</u>	<u>(1,461)</u>	<u>103,439</u>	<u>104,970</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,245</u>	<u>\$ 90,782</u>	<u>\$ 117,897</u>	<u>\$ (1,461)</u>	<u>\$ 116,436</u>	<u>\$ 207,218</u>

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2008

Special Revenue Funds										
	Athletics Fund	Title I Fund	Entitlement IDEA-B Fund	Discretionary IDEA-B Fund	Competitive IDEA-B Fund	Preschool IDEA-B Fund	Drug Free Schools Fund	Partnerships in Character Fund	Title V Innovative Education Fund	Title III English Language Acquisition Fund
Revenues:										
Federal										
Federal flowthrough grants	\$ -	\$ 273,765	\$ 130,358	\$ 20,900	\$ -	\$ 6,518	\$ -	\$ 82,909	\$ 4,657	\$ 5,635
Federal direct grants	-	-	-	-	-	-	-	-	-	-
Total federal revenues	-	273,765	130,358	20,900	-	6,518	-	82,909	4,657	5,635
State										
State grant	-	-	-	-	-	-	-	-	-	-
Local										
Grant	-	-	-	-	-	-	-	-	-	-
District school tax levy	-	-	-	-	-	-	-	-	-	-
Fees and activities	25,977	-	-	-	-	-	-	-	-	-
Earnings from investments	8	-	-	-	-	-	-	-	-	-
Total local revenues	25,985	-	-	-	-	-	-	-	-	-
Total revenue	25,985	273,765	130,358	20,900	-	6,518	-	82,909	4,657	5,635
Expenditures:										
Current:										
Instruction	25,337	247,668	78,452	20,900	-	6,518	-	-	4,657	5,635
Support Services - Students	-	9,941	51,906	-	-	-	-	56,670	-	-
Support Services - Instruction	-	12,584	-	-	-	-	-	-	-	-
Support Services - General Administration	-	3,572	-	-	-	-	-	26,239	-	-
Operations & Maintenance of Plant	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total expenditures	25,337	273,765	130,358	20,900	-	6,518	-	82,909	4,657	5,635
Excess of revenues over expenditures	648	-	5,958,241	-	-	-	-	-	-	-
Fund balance (deficit) at beginning of the year	883	-	-	-	-	-	-	-	-	-
Fund balance (deficit) at end of the year	<u>\$ 1,531</u>	<u>\$ -</u>	<u>\$ 5,958,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2008

Special Revenue Funds

	Title II Teacher Training & Recruiting <u>Fund</u>	Title IV Safe & Drug Free Schools <u>Fund</u>	21st Century Community Living <u>Fund</u>	Reading First <u>Fund</u>	Carl D. Perkins <u>Fund</u>	Title XIX Medicaid <u>Fund</u>	Child & Adult Food <u>Fund</u>	Rural Health <u>Fund</u>	LANL Foundation <u>Fund</u>	SBHC Incentive <u>Fund</u>	Technology for Education <u>Fund</u>
Revenues:											
Federal											
Federal flowthrough grants	\$ 58,893	\$ 4,572	\$ 133,096	\$ 103,114	\$ 42,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal direct grants	-	-	-	-	-	41,954	21,078	46,381	-	-	-
Total federal revenues	<u>58,893</u>	<u>4,572</u>	<u>133,096</u>	<u>103,114</u>	<u>42,304</u>	<u>41,954</u>	<u>21,078</u>	<u>46,381</u>	<u>-</u>	<u>-</u>	<u>-</u>
State											
State grant	-	-	-	-	-	-	-	-	-	-	-
Local											
Grant	-	-	-	-	-	-	-	-	6,950	1,500	-
District school tax levy	-	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-	-
Earnings from investments	-	-	-	-	-	-	-	-	-	-	-
Total local revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,950</u>	<u>1,500</u>	<u>-</u>
Total revenue	<u>58,893</u>	<u>4,572</u>	<u>133,096</u>	<u>103,114</u>	<u>42,304</u>	<u>41,954</u>	<u>21,078</u>	<u>46,381</u>	<u>6,950</u>	<u>1,500</u>	<u>-</u>
Expenditures:											
Current:											
Instruction	50,662	-	42,195	5,993	42,304	-	-	-	6,950	-	-
Support Services - Students	8,231	4,572	56,214	12,930	-	41,954	-	1,844	-	1,500	-
Support Services - Instruction	-	-	30,933	79,944	-	-	-	44,537	-	-	-
Support Services - General Administration	-	-	-	4,247	-	-	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	3,754	-	-	-	21,078	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>58,893</u>	<u>4,572</u>	<u>133,096</u>	<u>103,114</u>	<u>42,304</u>	<u>41,954</u>	<u>21,078</u>	<u>46,381</u>	<u>6,950</u>	<u>1,500</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-	-	-	-	-	-	-	-	-
Fund balance (deficit) at beginning of the year	-	-	-	-	-	-	-	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2008

	Special Revenue Funds										Total Nonmajor Special Revenue Funds
	Incentives for School Improvement Fund	Family & Youth Resources Fund	Libraries GO Bonds Fund	Beginning Teacher Mentoring Fund	Breakfast for Elementary Students Fund	State 21st Century Community Learning Center Fund	Gear Up Fund	CATCH Project Fund	Healthier Schools Fund	School Based Health Fund	
Revenues:											
Federal											
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 866,721
Federal direct grants	-	-	-	-	-	-	-	-	-	-	109,413
Total federal revenues	-	-	-	-	-	-	-	-	-	-	976,134
State											
State grant	13,074	-	-	5,574	8,131	57,738	2,240	1,100	-	-	87,857
Local											
Grant	-	-	-	-	-	-	-	-	-	106,490	114,940
District school tax levy	-	-	-	-	-	-	-	-	-	-	-
Fees and activities	-	-	-	-	-	-	-	-	-	-	25,977
Earnings from investments	-	-	-	-	-	-	-	-	-	-	8
Total local revenues	-	-	-	-	-	-	-	-	-	106,490	140,925
Total revenue	13,074	-	-	5,574	8,131	57,738	2,240	1,100	-	106,490	1,204,916
Expenditures:											
Current:											
Instruction	13,074	-	-	5,574	-	38,609	2,240	-	-	-	596,768
Support Services - Students	-	-	-	-	-	19,129	-	1,100	-	78,005	343,996
Support Services - Instruction	-	-	-	-	-	-	-	-	-	-	167,998
Support Services - General Administration	-	-	-	-	-	-	-	-	-	-	34,058
Operations & Maintenance of Plant	-	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	8,131	-	-	-	-	-	32,963
Capital outlay	-	-	-	-	-	-	-	-	-	28,485	28,485
Total expenditures	13,074	-	-	5,574	8,131	57,738	2,240	1,100	-	106,490	1,204,268
Excess of revenues over expenditures	-	-	-	-	-	-	-	-	-	-	648
Fund balance (deficit) at beginning of the year	-	-	-	-	-	-	-	-	-	-	883
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,531

(continued)

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2008

	<u>Capital Projects Funds</u>			
	Capital Improvements SB-9 <u>Fund</u>	Public School Capital Outlay - 20% <u>Fund</u>	Total Nonmajor Capital Projects <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
Revenues:				
Federal				
Federal flowthrough grants	\$ -	\$ -	\$ -	\$ 866,721
Federal direct grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,413</u>
Total federal revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>976,134</u>
State				
State grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,857</u>
Local				
Grant	-	-	-	114,940
District school tax levy	107,359	-	107,359	107,359
Fees and activities	-	-	-	25,977
Earnings from investments	<u>1,236</u>	<u>-</u>	<u>1,236</u>	<u>1,244</u>
Total local revenues	<u>108,595</u>	<u>-</u>	<u>108,595</u>	<u>249,520</u>
Total revenue	<u>108,595</u>	<u>-</u>	<u>108,595</u>	<u>1,313,511</u>
Expenditures:				
Current:				
Instruction	-	-	-	596,768
Support Services - Students	-	-	-	343,996
Support Services - Instruction	-	-	-	167,998
Support Services - General Administration	1,047	-	1,047	35,105
Operations & Maintenance of Plant	27,183	-	27,183	27,183
Food Service	-	-	-	32,963
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,485</u>
Total expenditures	<u>28,230</u>	<u>-</u>	<u>28,230</u>	<u>1,232,498</u>
Excess of revenues over expenditures	80,365	-	80,365	81,013
Fund balance (deficit) at beginning of the year	<u>24,535</u>	<u>(1,461)</u>	<u>23,074</u>	<u>23,957</u>
Fund balance at end of the year	<u>\$ 104,900</u>	<u>\$ (1,461)</u>	<u>\$ 103,439</u>	<u>\$ 104,970</u>

(continued)

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BUDGETARY PRESENTATION

NONMAJOR SPECIAL REVENUE FUNDS (continued)

ATHLETICS

This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

TITLE I

To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

ENTITLEMENT/COMPETITIVE/DISCRETIONARY IDEA-B

The Entitlement/Competitive/Discretionary IDEA-B program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

PRESCHOOL IDEA-B

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

TITLE IV DRUG FREE SCHOOLS

To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Authorized by Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 U.S.C. 7111-7118.

PARTNERSHIPS IN CHARACTER

To design and implement a character education program that is able to be: (a) integrated into classroom instruction and is consistent with state academic content standards and (b) carried out in conjunction with other education reform efforts. Elementary and Secondary Education Act of 1965, as amended, Title V, Part D, Subpart 3, Sec 5431 — Partnerships in Character Education; 20 U.S.C. 7247

TITLE V

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

TITLE III ENGLISH LANGUAGE ACQUISITION

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

NONMAJOR SPECIAL REVENUE FUNDS (continued)

TITLE II TEACHER QUALITY

To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in the academic achievement. Authorization is granted through the Elementary and Secondary Education Act of 1965, as amended, Title II, Part A, Public Law 107-110.

TITLE IV DRUG FREE SCHOOLS

To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Authorized by Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 U.S.C. 7111-7118.

21ST CENTURY COMMUNITY LIVING

After school adolescence care, providing the community with responsible Child Care, while providing the children and their families with referral services, drug prevention education, academic help, and character building (social skill) activities. Funding is provided by the Department of Education under the Elementary and Secondary Education Act of 1965, Title X, part I Section 10901, Public Law 103-382 Stat. 3844, 20 U.S.C. 8241.

READING FIRST

To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Authorization is granted by Elementary and Secondary Education Act of 1965 (ESEA), as amended, Public Law 107-110.

CARL D. PERKINS

Basic grants assist State and outlying areas to expand and improve their programs of vocational education and provide equal access in vocational education to special need populations. Authorized by Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998, Title I, Public Law 105-332, 20 U.S.C. 2301, et seq.

TITLE XIX -MEDICAID

To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically-eligible groups. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-112, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

CHILD & ADULT FOOD

To account for the activities of a program to provide for healthier schools by providing a health center at the schools. Funding is from the New Mexico Department of Health. The authority for creation of this fund was approved by the original budget by the Mora Board of Education.

NONMAJOR SPECIAL REVENUE FUNDS (continued)

RURAL HEALTH

To expand access to, coordinate, restrain the cost of, and improve the quality of essential health services, including preventive and emergency services, through the development of integrated health care delivery systems or networks in rural areas and regions. Authorization is given through Health Care Safety Net Amendment, Public Law 107-251

LANL FOUNDATION

Local grant sponsored by Los Alamos National Laboratory that was used to provide a scholarship to a senior high student at Questa Independent High School that was to be used in a four-year program for educational efforts in pursuing an engineering degree at a New Mexico college or university.

SBHC Incentive

To provide quality direct care through integrated primary care, behavioral health services, and health promotion and risk reduction services as well as coordinate for these services through School Based Health Center.

TECHNOLOGY FOR EDUCATION

State funding to provide financial assistance to school districts to improve educational opportunities for all students to close the technology gap between schools and the workplace through enhancement of computer education. The funding is provided by state resources and supplements the federal funding for the Technology Literacy Challenge grant. The creation of the fund is authorized by NMSA 1978 22-15A-1 TO 22-15A-10.

INCENTIVES FOR SCHOOL IMPROVEMENTS

State funding awarded to five School Districts in the state for achieving improved test scores of the students in their districts. The funds were used to purchase supplies and other textbooks for the school district. Authority for creation is NMSA 25-13A-1.

FAMILY AND YOUTH RESOURCES

To coordinate services to non-cognitive students in order to ensure the students success in school

LIBRARIES GO BOND

Funding made available to update and expand library collections.

BEGINNING TEACHER MENTORING PROGRAM

Funds to assist school districts in the design, implementation, and evaluation of beginning teacher mentoring programs. Funding is provided through the 2000 legislative session, with appropriated funds from the General Appropriations Act.

BREAKFAST FOR ELEMENTARY STUDENTS

To provide elementary students with the nutrition necessary to facilitate learning.

NONMAJOR SPECIAL REVENUE FUNDS (continued)

STATE 21ST CENTURY COMMUNITY LEARNING CENTER

To provide (1) opportunities for academic enrichment, including providing tutorial services to help students, particularly students in high-poverty areas and those who attend low-performing schools, meet State and local student performance standards in core academic subjects such as reading and mathematics; (2) students a broad array of additional services, programs, and activities, such as youth development activities, drug and violence prevention programs, counseling programs, art, music, and recreation programs, technology education programs, and character education programs, that are designed to reinforce and complement the regular academic program of participating students; and (3) families of students served by community learning centers opportunities for literacy and related educational development.

GEARUP

To encourage eligible entities to provide supportive services to elementary and middle schools, and secondary school students who are at risk of dropping out of school; and information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents. Authorization granted through Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, 20 U.S.C. 1070a-21-1070a-28.

CATCH PROJECT

To fund research-based physical activity and nutrition diabetes prevention program for elementary school children.

HEALTHIER SCHOOLS

To account for the activities of a program to provide for healthier schools by providing a health center at the schools. Funding is from the New Mexico Department of Health. The authority for creation of this fund was approved by the original budget by the Mora Board of Education.

SCHOOL BASED HEALTH CENTER

To account for the activities of a program to provide for healthier schools by providing a health center at the schools. Funding is from the New Mexico Department of Health. The authority for creation of this fund was approved by the budget by the Mora Board of Education.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

ATHLETICS SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive <u>(Negative)</u>
Revenues:				
Local sources:				
Fees and activities	\$ 36,000	\$ 36,000	\$ 25,977	\$ (10,023)
Earnings from investments	<u>125</u>	<u>125</u>	<u>8</u>	<u>(117)</u>
Total revenues	36,125	36,125	25,985	(10,140)
Expenditures:				
Current:				
Instruction	<u>42,923</u>	<u>42,923</u>	<u>25,337</u>	<u>17,586</u>
Excess (deficiency) of revenues over expenditures	(6,798)	(6,798)	648	7,446
Beginning cash balance budgeted	6,798	6,798	-	(6,798)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>883</u>	<u>883</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,531	<u>\$ 1,531</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>-</u>	
			<u>\$ 1,531</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

TITLE I SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 280,133	\$ 287,948	\$ 162,942	\$ (125,006)
Expenditures:				
Current:				
Instruction	204,669	235,221	247,668	(12,447)
Support Services - Students	59,301	36,564	9,941	26,623
Support Services - Instruction	12,591	12,591	12,584	7
Support Services - General Administration	<u>3,572</u>	<u>3,572</u>	<u>3,572</u>	<u>-</u>
Total expenditures	<u>280,133</u>	<u>287,948</u>	<u>273,765</u>	<u>14,183</u>
Excess (deficiency) of revenues over expenditures	-	-	(110,823)	(110,823)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(110,823)	<u>\$ (110,823)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>110,823</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

ENTITLEMENT IDEA-B SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive <u>(Negative)</u>
Revenues:				
Federal sources:				
Federal grant	\$ 130,358	\$ 130,358	\$ 101,219	\$ (29,139)
Expenditures:				
Current:				
Instruction	82,517	82,517	78,452	4,065
Support Services - Students	46,649	46,649	51,906	(5,257)
Support Services - Instruction	1,192	1,192	-	1,192
Total expenditures	<u>130,358</u>	<u>130,358</u>	<u>130,358</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	(29,139)	(29,139)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(29,139)	<u>\$ (29,139)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			28,118	
Change in deferred revenue			<u>1,021</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

DISCRETIONARY IDEA-B SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 20,640	\$ 20,640	\$ -	\$ (20,640)
Expenditures:				
Current:				
Instruction	<u>20,640</u>	<u>20,640</u>	<u>20,900</u>	<u>(260)</u>
Excess (deficiency) of revenues over expenditures	-	-	(20,900)	(20,900)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(20,900)	<u>\$ (20,900)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>20,900</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

PRESCHOOL IDEA-B SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 6,518	\$ 6,518	\$ -	\$ (6,518)
 Expenditures:				
Current:				
Instruction	<u>6,518</u>	<u>6,518</u>	<u>6,518</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	(6,518)	(6,518)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(6,518)	<u>\$ (6,518)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>6,518</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

PARTNERSHIPS IN CHARACTER SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 82,909	\$ 82,909
Expenditures:				
Current:				
Support Services - Students	-	-	56,670	(56,670)
Support Services - General Administration	-	-	26,239	(26,239)
Total expenditures	-	-	82,909	(82,909)
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

TITLE V INNOVATIVE EDUCATION SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive <u>(Negative)</u>
Revenues:				
Federal sources:				
Federal grant	\$ 4,525	\$ 4,657	\$ 16,855	\$ 12,198
 Expenditures:				
Current:				
Instruction	<u>4,525</u>	<u>4,657</u>	<u>4,657</u>	<u>-</u>
Excess of revenues over expenditures	-	-	12,198	12,198
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	12,198	<u>\$ 12,198</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(12,198)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

TITLE III ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 5,635	\$ 3,424	\$ (2,211)
Expenditures:				
Current:				
Instruction	-	5,635	5,635	-
Excess (deficiency) of revenues over expenditures	-	-	(2,211)	(2,211)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(2,211)	<u>\$ (2,211)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>2,211</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

TITLE II TEACHER TRAINING & RECRUITING SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 58,783	\$ 58,783	\$ 90,099	\$ 31,316
Expenditures:				
Current:				
Instruction	54,287	54,287	50,662	3,625
Support Services - Students	<u>4,496</u>	<u>4,496</u>	<u>8,231</u>	<u>(3,735)</u>
Total expenditures	<u>58,783</u>	<u>58,783</u>	<u>58,893</u>	<u>(110)</u>
Excess of revenues over expenditures	-	-	31,206	31,206
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	31,206	<u>\$ 31,206</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(31,206)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

TITLE IV SAFE & DRUG FREE SCHOOLS SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 4,572	\$ 4,572	\$ 17,550	\$ 12,978
 Expenditures:				
Current:				
Support Services - Students	<u>4,572</u>	<u>4,572</u>	<u>4,572</u>	<u>-</u>
Excess of revenues over expenditures	-	-	12,978	12,978
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	12,978	<u>\$ 12,978</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(12,833)	
Change in deferred revenue			<u>(145)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

21ST CENTURY COMMUNITY LIVING SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 137,519	\$ 137,519	\$ 39,739	\$ (97,780)
Expenditures:				
Current:				
Instruction	46,374	46,374	42,195	4,179
Support Services - Students	57,585	57,585	56,214	1,371
Support Services - Instruction	29,560	29,560	30,933	(1,373)
Food Services Operations	4,000	4,000	3,754	246
	<u>137,519</u>	<u>137,519</u>	<u>133,096</u>	<u>4,423</u>
Excess (deficiency) of revenues over expenditures	-	-	(93,357)	(93,357)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(93,357)	<u>\$ (93,357)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>93,357</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

READING FIRST SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 103,114	\$ 121,013	\$ 17,899
Expenditures:				
Current:				
Instruction	-	5,993	5,993	-
Support Services - Students	-	12,930	12,930	-
Support Services - Instruction	-	79,944	79,944	-
Support Services - General Administration	-	4,247	4,247	-
Total expenditures	-	103,114	103,114	-
Excess of revenues over expenditures	-	-	17,899	17,899
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	17,899	<u>\$ 17,899</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(17,899)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

CARL D. PERKINS SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive <u>(Negative)</u>
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 20,016	\$ 20,016
 Expenditures:				
Current:				
Instruction	-	-	42,304	(42,304)
 Excess (deficiency) of revenues over expenditures	-	-	(22,288)	(22,288)
 Fund balance at beginning of the year	-	-	-	-
 Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(22,288)	<u>\$ (22,288)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>22,288</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

TITLE XIX MEDICAID SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 68,536	\$ 50,032	\$ (18,504)
 Expenditures:				
Current:				
Support Services - Students	-	68,536	41,954	26,582
Excess of revenues over expenditures	-	-	8,078	8,078
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	8,078	<u>\$ 8,078</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(8,078)</u>	
			<u>\$ -</u>	

**STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44**

**CHILD & ADULT FOOD SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 28,027	\$ 23,990	\$ (4,037)
 Expenditures:				
Current:				
Food Services Operations	-	28,027	21,078	6,949
Excess of revenues over expenditures	-	-	2,912	2,912
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,912	<u>\$ 2,912</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(2,912)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

RURAL HEALTH SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 46,381	\$ 10,098	\$ (36,283)
Expenditures:				
Current:				
Support Services - Students	-	1,844	1,844	-
Support Services - Instruction	-	44,537	44,537	-
	-	46,381	46,381	-
Excess (deficiency) of revenues over expenditures	-	-	(36,283)	(36,283)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(36,283)	<u>\$ (36,283)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			36,283	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

LANL FOUNDATION SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Grant	\$ -	\$ 10,267	\$ 3,317	\$ (6,950)
 Expenditures:				
Current:				
Instruction	-	10,267	6,950	3,317
 Excess (deficiency) of revenues over expenditures	-	-	(3,633)	(3,633)
 Fund balance at beginning of the year	-	-	-	-
 Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(3,633)	<u>\$ (3,633)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>3,633</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SBHC INCENTIVE SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive <u>(Negative)</u>
Revenues:				
Local sources:				
Grant	\$ -	\$ 1,500	\$ 1,500	\$ -
Expenditures:				
Current:				
Support Services - Students	-	1,500	1,500	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

TECHNOLOGY FOR EDUCATION SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 9,400	\$ 9,400
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	9,400	9,400
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	9,400	<u>\$ 9,400</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(9,400)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

INCENTIVES FOR SCHOOL IMPROVEMENT SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 13,074	\$ 13,075	\$ 1
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>13,074</u>	<u>13,074</u>	<u>-</u>
Excess of revenues over expenditures	-	-	1	1
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1	<u>\$ 1</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(1)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

FAMILY & YOUTH RESOURCES SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive <u>(Negative)</u>
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 16,818	\$ 16,818
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	16,818	16,818
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	16,818	<u>\$ 16,818</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(16,818)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

LIBRARIES GO BONDS SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive (Negative)
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 12,109	\$ 12,109
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	12,109	12,109
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	12,109	<u>\$ 12,109</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(12,109)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

BEGINNING TEACHER MENTORING SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 5,574	\$ 7,932	\$ 2,358
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>5,574</u>	<u>5,574</u>	<u>-</u>
Excess of revenues over expenditures	-	-	2,358	2,358
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	2,358	<u>\$ 2,358</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(2,358)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				<u>(Negative)</u>
Revenues:				
State sources:				
State grant	\$ 8,131	\$ 8,131	\$ -	\$ (8,131)
 Expenditures:				
Current:				
Food Services Operations	<u>8,131</u>	<u>8,131</u>	<u>8,131</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	(8,131)	(8,131)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(8,131)	<u>\$ (8,131)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			434	
Change in deferred revenue			<u>7,697</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

STATE 21ST CENTURY COMMUNITY LEARNING CENTER SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 57,697	\$ -	\$ (57,697)
Expenditures:				
Current:				
Instruction	-	38,572	38,609	(37)
Support Services - Students	-	19,125	19,129	(4)
Total expenditures	-	57,697	57,738	(41)
Excess (deficiency) of revenues over expenditures	-	-	(57,738)	(57,738)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(57,738)	<u>\$ (57,738)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			57,738	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

GEAR UP SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive <u>(Negative)</u>
Revenues:				
State sources:				
State grant	\$ -	\$ 4,480	\$ 2,240	\$ (2,240)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>4,480</u>	<u>2,240</u>	<u>2,240</u>
 Excess of revenues over expenditures	-	-	-	-
 Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>-</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

CATCH PROJECT SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 1,100	\$ -	\$ (1,100)
 Expenditures:				
Current:				
Support Services - Students	-	1,100	1,100	-
Excess (deficiency) of revenues over expenditures	-	-	(1,100)	(1,100)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(1,100)	<u>\$ (1,100)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			1,100	
			<u>\$ -</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHOOL BASED HEALTH SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Local sources:				
Grant	\$ -	\$ 106,485	\$ 80,250	\$ (26,235)
Expenditures:				
Current:				
Support Services - Students	-	78,000	78,005	(5)
Capital outlay:				
Construction in progress	-	28,485	28,485	-
Total expenditures	-	106,485	106,490	(5)
Excess (deficiency) of revenues over expenditures	-	-	(26,240)	(26,240)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(26,240)	\$ (26,240)
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			26,240	
			\$ -	

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DEBT SERVICE FUND

DEBT SERVICE FUND

Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with general obligation bonds.

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STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

DEBT SERVICE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Local sources:				
District school tax levy	\$ 307,067	\$ 307,067	\$ 333,680	\$ 26,613
Earnings from investments	-	-	1,061	1,061
	307,067	307,067	334,741	27,674
Total revenues				
Expenditures:				
Current:				
Support Services - General Administration	3,071	3,071	3,337	(266)
Debt service:				
Principal retirement	210,000	210,000	210,000	-
Bond interest paid	97,067	97,067	97,066	1
	307,067	307,067	307,066	1
Total debt service				
Non-operating reserves	232,205	232,205	-	232,205
	542,343	542,343	310,403	231,940
Total expenditures				
Excess (deficiency) of revenues over expenditures	(235,276)	(235,276)	24,338	259,614
Beginning cash balance budgeted	235,276	235,276	-	(235,276)
Fund balance at beginning of the year	-	-	294,963	294,963
Fund balance at end of the year	\$ -	\$ -	319,301	\$ 319,301
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(15,261)	
Change in due from other governments			(124)	
Change in deferred property taxes			15,216	
			\$ 319,132	

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CAPITAL PROJECTS FUNDS

BOND BUILDING FUND

This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

SPECIAL CAPITAL OUTLAY - STATE

This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

CAPITAL IMPROVEMENTS SB – 9

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

BOND BUILDING CAPITAL PROJECTS FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Local sources:				
Earnings from investments	\$ -	\$ -	\$ 2,288	\$ 2,288
Expenditures:				
Capital outlay:				
Construction in progress	<u>1,292,015</u>	<u>1,292,015</u>	<u>1,245,332</u>	<u>46,683</u>
Excess (deficiency) of revenues over expenditures	(1,292,015)	(1,292,015)	(1,243,044)	48,971
Other financing sources:				
Sale of bonds	<u>-</u>	<u>-</u>	<u>837,329</u>	<u>837,329</u>
Net change in fund balance	(1,292,015)	(1,292,015)	(405,715)	886,300
Beginning cash balance budgeted	1,292,015	1,292,015	-	(1,292,015)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,142,076</u>	<u>1,142,076</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	736,361	<u>\$ 736,361</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>-</u>	
			<u>\$ 736,361</u>	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECTS FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
State sources:				
State grant	\$ 705,000	\$ 705,000	\$ 65,000	\$ (640,000)
Expenditures:				
Capital outlay:				
Land and improvements	-	-	80,000	(80,000)
Equipment	65,000	65,000	65,000	-
Construction in progress	1,070,000	1,070,000	431,942	638,058
Total expenditures	1,135,000	1,135,000	576,942	558,058
Excess (deficiency) of revenues over expenditures	(430,000)	(430,000)	(511,942)	(81,942)
Beginning cash balance budgeted	430,000	430,000	-	(430,000)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(511,942)	\$ (511,942)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			675,123	
Change in payables			(163,181)	
			\$ -	

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Local sources:				
District school tax levy	\$ -	\$ 12,418	\$ 104,697	\$ 92,279
Earnings from investments	-	-	1,236	1,236
Total revenues	-	12,418	105,933	93,515
Expenditures:				
Current:				
Support Services - General Administration	550	550	1,047	(497)
Operation & Maintenance of Plant	20,645	33,063	27,183	5,880
Total current expenses	21,195	33,613	28,230	5,383
Capital outlay:				
Construction in progress	142,474	142,474	-	142,474
Total expenditures	163,669	176,087	28,230	147,857
Excess (deficiency) of revenues over expenditures	(163,669)	(163,669)	77,703	241,372
Beginning cash balance budgeted	163,669	163,669	-	(163,669)
Fund balance at beginning of the year	-	-	24,535	24,535
Fund balance at end of the year	\$ -	\$ -	102,238	\$ 102,238
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			2,307	
Change in due from other governments			1,325	
Change in deferred property taxes			(970)	
			\$ 104,900	

OTHER SUPPLEMENTAL INFORMATION

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STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF CAPITAL ASSETS - BY SOURCE
June 30, 2008

Capital assets:

Land and improvements	\$ 2,027,396
Buildings and improvements	11,755,483
Equipment (software)	2,502,284
Construction in progress	<u>910,205</u>
 Total Capital assets	 <u>\$ 17,195,368</u>

Investment in Capital assets from:

General Fund	\$ 1,971,931
Special revenue funds:	
Federal Projects	976,657
State Projects	1,720
Cafeteria	111,123
 Capital projects funds:	
Bond Building Fund	5,308,805
Public School Outlay	5,796,450
SB-9 Capital Improvements	600,209
Capital Outlay 20%	37,090
State Grants Capital Outlay	<u>2,391,383</u>
 Total investment in Capital assets	 <u>\$ 17,195,368</u>

See accompanying notes.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

FIDUCIARY FUNDS

Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2008

Activity		Balance				Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2008</u>
23001	Cheerleaders	\$ 538	\$ 1,175	\$ 1,349		\$ 364
23002	National Honor Society	490	-	-		490
23003	High School	478	2,069	1,367		1,180
23004	Mesa	1,169	200	157		1,212
23005	BPA	317	11,291	10,486		1,122
23006	Scholarship	8,391	4,000	4,530		7,861
23007	High School Student Council	87	343	314		116
23008	Yearbook	6,762	10,040	11,386		5,416
23009	Spanish Club	18	-	-		18
23010	Band	5,477	140	-		5,617
23011	Artist in Residence	-	2,671	289		2,382
23012	Chorus	2,314	815	-		3,129
23013	Peer Educators	190	-	-		190
23014	Swimming Pool	5,863	985	2,980		3,868
23015	Class of 2007	149	-	30		119
23016	Alumni Scholarship	2,705	-	-		2,705
23017	21st CCLC Activity	3,005	2,295	2,663		2,637
23018	JAG Activity	2	650	-		652
23019	Region Athletics	2,131	-	2,084		47
23020	Girls Basketball Camp	1,312	15,476	14,129		2,659
23021	Boys Basketball Camp	725	5,908	5,439		1,194
23022	Baseball Fund	85	-	-		85
23023	Basketball District 8AA	60	5,270	5,270		60
23024	Athletics Concessions	160	1,050	-		1,210
23025	Environmental Science	319	-	319		-
230026	Class of 2006	641	-	-		641
230207	Prevention Activities	1,095	2,980	-		4,075
23028	Dreams Yearbook	7,042	1,829	8,585		286
23029	Girls Softball	745	3,036	3,443		338
23030	FFA	2,610	-	-		2,610
23031	Clothing Fund	113	-	-		113
23032	Dental Unit	138	-	-		138
23033	5th/6th Girls Athletics	57	1,189	1,042		204
23034	Elementary General	5,859	7,649	10,894		2,614
23035	Mora Headstart Parents	210	-	-		210
23036	Middle School Student Council	571	4,305	3,637		1,239
23037	Middle School Drill Team	241	-	-		241
23038	Art Club	79	-	-		79
23039	Youth Art Project	125	-	-		125

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

FIDUCIARY FUNDS

Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2008

Activity		Balance			Balance
<u>Fund</u> <u>ASSETS</u>		<u>June 30, 2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2008</u>
(continued)					
23040 Junior High Mesa		\$ -	\$ 200	\$ 67	\$ 133
23041 Elementary Library		160	74	-	234
23043 Cafeteria Activity		2,132	-	566	1,566
23044 Junior High Yearbook		389	545	366	568
23045 Community Partnership		2,350	-	-	2,350
23046 Luz de Mi Vida		352	-	-	352
23047 General Admin		9,332	8,082	12,416	4,998
23048 Middle School General		456	1,477	1,059	874
23049 YAFL		801	26	642	185
23050 Elementary Teachers		-	5,311	3,585	1,726
23051 Springer Headstart		28	-	-	28
23052 Vacant Elementary Account		339	-	-	339
23054 Mora Headstart Office		25,050	8,026	21,735	11,341
23056 Health Club		6	725	-	731
23057 Spanish Spelling Bee		76	-	-	76
23058 Bilingual Math/Science		3,000	-	-	3,000
23059 Annenbug Rural Challenge		607	-	-	607
23060 Class of 2005		1,592	17,851	13,898	5,545
23061 7th/8th Girls Volleyball		61	935	905	91
23062 Elementary Student Council		48	592	345	295
23063 Junior High Football		978	-	-	978
23064 Elementary Reading Program		100	-	-	100
23065 Junior High No Referral		2,417	381	1,357	1,441
23066 Middle School Science Lab		395	110	-	505
23067 7th/8th Girls Basketball		-	355	-	355
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Pooled cash and investments		\$ 112,942	\$ 130,056	\$ 147,334	\$ 95,664
 <u>LIABILITIES</u>					
Deposits held for others		\$ 112,942	\$ 130,056	\$ 147,334	\$ 95,664

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF PLEDGED COLLATERAL
June 30, 2008

	<u>Bank of Las Vegas</u>
Cash on deposit at June 30, 2008	\$ 2,072,881
Less FDIC coverage	<u>100,000</u>
Uninsured funds	<u>\$ 1,972,881</u>
50% collateral requirement	\$ 986,441
Pledged collateral	<u>1,020,080</u>
Excess of pledged collateral	<u>\$ 33,639</u>

Pledged collateral of financial institutions consists of the following at June 30, 2008

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
FNCL	5/15/2010	912828 DU1	<u>\$ 1,020,080</u>

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

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

CASH RECONCILIATION
June 30, 2008

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>	<u>Other</u>	<u>Net Cash End of Period</u>	<u>Adjustments to the report</u>	<u>Total Cash on Report</u>
Operations	\$ 637,118	\$ 5,445,157	\$ (5,333,055)	\$ -	\$ 749,220	\$ -	\$ 749,220
Transportation	(64,844)	580,695	(511,611)	-	4,240	-	4,240
Instructional Materials	2,824	62,703	(42,452)	-	23,075	-	23,075
Food Services	227,972	316,270	(271,447)	-	272,795	-	272,795
Athletics	883	25,985	(25,337)	-	1,531	-	1,531
Federal Projects (Flowthrough)	(239,492)	655,767	(866,722)	-	(450,447)	-	(450,447)
Federal Projects (Direct)	80,957	1,414,052	(1,316,597)	-	178,412	-	178,412
Local Projects	6,950	4,817	(8,450)	-	3,317	-	3,317
State Projects (Flowthrough)	2,434	59,334	(84,517)	-	(22,749)	-	(22,749)
State Projects (Direct)	(20,294)	2,240	(3,340)	-	(21,394)	-	(21,394)
Local/State Projects	46,485	80,250	(106,490)	-	20,245	-	20,245
Bond Building	1,142,076	839,617	(1,245,332)	-	736,361	-	736,361
Capital Outlay - State	(99,034)	65,000	(576,942)	-	(610,976)	-	(610,976)
Capital Improvement SB - 9	24,481	105,933	(28,229)	-	102,185	-	102,185
PSCO - 20%	(1,461)	-	-	-	(1,461)	-	(1,461)
Debt Service	284,073	334,741	(310,403)	-	308,411	-	308,411
Agency Funds	-	-	-	-	-	95,664	95,664
Total	\$ 2,031,128	\$ 9,992,561	\$ (10,730,924)	\$ -	\$ 1,292,765	\$ 95,664	\$ 1,388,429

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>		
Operational	Checking	Bank of Las Vegas	\$ 1,552,415	Adjustments to report:	
Student lunch	Checking	Bank of Las Vegas	288,544	Agency funds	\$ 95,664
Athletics	Checking	Bank of Las Vegas	2,083		
Elementary Activities	Checking	Bank of Las Vegas	60,598	Adjustments to cash:	
High School Activities	Checking	Bank of Las Vegas	38,798	Bank Balance	\$ 2,072,881
Federal programs	Checking	Bank of Las Vegas	130,443	Reconciling items	(684,452)
Total			\$ 2,072,881	Total adjustment to cash	\$ 1,388,429

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SINGLE AUDIT 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**

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KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101
Farmington, NM 87401

keystone@keystoneacct.com

Telephone (505) 566-1900
Fax (505) 566-1911

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

Hector H. Balderas, State Auditor
and the Board of Education
Mora Independent School District No. 44

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of Mora Independent School District No. 44 as of and for the year ended June 30, 2008, and have issued our report thereon dated November 4, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Mora Independent School District No. 44's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mora Independent School District No. 44's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Mora Independent School District No. 44's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by Mora Independent School District No. 44's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. Findings 2008 – 1 through 2008-9.

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Farmington, NM 87401

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Hector H. Balderas, State Auditor
and the Board of Education
Mora Independent School District No. 44

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Mora Independent School District No. 44's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items findings 2008 – 1 and 2008 – 2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mora Independent School District No. 44's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items findings 2008 – 1 through 2008-3, 2008-6 and 2008 – 8.

Mora Independent School District No. 44's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Mora Independent School District No. 44's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within Mora Independent School District No. 44, the audit committee, the State Auditor, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

Keystone Accounting, LLC

November 4, 2008

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

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KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101
Farmington, NM 87401

keystone@keystoneacct.com

Telephone (505) 566-1900
Fax (505) 566-1911

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

Hector H. Balderas, State Auditor
And the Board of Education
Mora Independent School District No. 44

Compliance

We have audited the compliance of Mora Independent School District No. 44 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* (Revised May, 2008) that are applicable to each of its major federal programs for the year ended June 30, 2008. Mora Independent School's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of finding and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Mora Independent School's management. Our responsibility is to express an opinion on Mora Independent School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Mora Independent School District No. 44's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Mora Independent School District No. 44's compliance with those requirements.

In our opinion, Mora Independent School District No. 44 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item Finding C2008-2.

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Farmington, NM 87401

keystone@keystoneacct.com

Telephone (505) 566-1900
Fax (505) 566-1911

Hector H. Balderas, State Auditor
And the Board of Education
Mora Independent School District No. 44

Internal Control Over Compliance

The management of Mora Independent School District No. 44 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Mora Independent School District No. 44's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of the Mora Independent School District No. 44's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Mora Independent School District No. 44's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in Mora Independent School District No. 44's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items C2008-1 and C2008-2.

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 District's internal control. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Mora Independent School District No. 44's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Mora Independent School District No. 44's response and, accordingly, we express no opinion on it.

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


November 4, 2008

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2008

A. PRIOR YEAR AUDIT FINDINGS

2006 – 1 LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

Current Status: Not resolved. Repeated in the current year as finding 2008 – 1.

2007 – 2 CASH RECONCILIATION MISREPRESENTED ON STATE REPORT

Current Status: resolved. Not repeated in the current year.

2007 – 3 CASH ACCOUNTS NOT RECONCILED TO GENERAL LEDGER

Current Status: Not resolved. Repeated in the current year as finding 2008 – 3.

2007 – 4 PREPARATION OF FINANCIAL STATEMENTS

Current Status: Not resolved. Repeated in the current year as finding 2008 – 4.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Mora Independent School District No. 44.
2. There were nine significant deficiencies disclosed during the audit of the financial statements in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. Two instances of noncompliance material to the financial statements of Mora Independent School District No. 44 were disclosed during the audit.
4. There were two significant deficiencies disclosed during the audit of the major federal awards program in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Mora Independent School District No. 44 expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Mora Independent School District No. 44 that is required to be reported in accordance with OMB Circular A-133.510(a).
7. The programs treated as major programs include: Headstart CFDA# 93.600.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Mora Independent School District No. 44 was determined to be a low risk auditee.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2008 – 1 LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

Condition: There were unfavorable variances between actual and budgeted line item expenditures. A repeat of prior year Finding 2006-1. The following funds had unfavorable variances between budgeted amounts at fiscal year end:

<u>Fund</u>		<u>Final budget</u>	<u>Expenditures</u>	<u>Over Expended</u>
General Fund	Land and improvements	\$ 95,000	\$ 125,836	\$ (30,836)
Food service	Food Services Operations	248,636	271,448	(22,812)
Title I	Instruction	235,221	247,668	(12,447)
Entitlement IDEA-B	Support Services - Students	46,649	51,906	(5,257)
Discretionary IDEA B	Instruction	20,640	20,900	(260)
Partnerships in Character	Support Services - Students	-	56,670	(56,670)
Partnerships in Character	Support Services - General	-	26,239	(26,239)
Title II	Support Services - Students	4,496	8,231	(3,735)
21st Century	Support Services - Instruction	29,560	30,933	(1,373)
Carl D. Perkins	Instruction	-	42,304	(42,304)
Teachers Professional Dev	Instruction	38,572	38,609	(37)
Teachers Professional Dev	Support Services - Students	19,125	19,129	(4)
School Based Health	Support Services - Students	60,000	60,005	(5)
Debt Service	Support Services - General	3,071	3,337	(266)
State Capital Outlay	Land and improvements	-	80,000	(80,000)
Capital Improvements SB-9	Support Services - General	550	1,047	(497)

Criteria: According to NMSA 1978 Section 22-8-11 B all fiscal agents of public monies have a responsibility to monitor spending to comply with established budget guidelines. As part of maintaining fiscal responsibility for the operations of the school, management is responsible for following the guidelines set out for expenses in the budget submitted at the beginning of the year, as well as any “BARS” that had been approved.

Effect of Condition: Violation of NMSA 1978 Section 22-8-11 B, over spending of public monies. Improper monitoring could lead to expenditures being paid in excess of total budgeted amounts.

Cause: Improper monitoring of line item expenditures by comparing budgeted amounts and actual amounts spent allowed unfavorable (negative) variances, overspending of line item budgets, to occur.

Recommendation: Management should implement immediate steps to provide adequate financial reports to allow for proper and timely monitoring of line item expenditures. Budget adjustment requests should be approved by the Board of Education and State Department of Education (when required) to receive approval to make necessary changes to the records prior to being presented for audit.

Management Response: Although the report identified various funds lack the appropriate budget authority, the District currently has working agreements between each of the respective fiscal authorities via a Memorandum of Understanding/Agreement (MOU/MOA). Upon submission of the initial Budget Adjustment Requests (BARs) for specific funds, staff of the NMPED informed the District that we did the proper authority to do so. A portion of the funds identified did have proper approval. For the funds identified without proper approval, the District will implement the appropriate protocols to timely monitor individual line items.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2007 – 2 BUDGET OVER EXPENDITURES

Condition: The County incurred expenditures in excess of the approved budget in the following funds.

Fund	Approved Budget	Actual Expenditures	Amount over expended
Discretionary IDEA-B	\$ 20,640	\$ 20,900	\$ (260)
Partnerships in Character	-	82,909	(82,909)
Title II Teacher Training & Recruiting	58,783	58,893	(110)
Carl D. Perkins	-	42,304	(42,304)
Teachers Professional Development	57,697	57,738	(41)
School Based Health	163,455	163,460	(5)

Criteria: According to NMSA 1978 Section 22-8-11 B all fiscal agents of public monies have a responsibility to monitor spending to comply with established budget guidelines. A budget is a proposed plan of financial operations for a given period of time. The annual budget authorizes and provides the basis for control of financial operations during the fiscal year. The budget should be analyzed monthly to insure expenditures remain within the legally adopted budget and revisions should be made whenever necessary.

Effect of condition: The District is not in compliance with NMSA 1978 Section 22-8-11 subjecting those responsible to the penalty provisions of the statute.

Cause: Purchases were approved in excess of available budget or budget adjustments were not approved to cover the expenditures approved.

Recommendation: We recommend that purchases not be approved which would cause the budget to be exceeded. We also recommend that timely budget adjustments be prepared when necessary.

Response: Although the report identified various funds lack the appropriate budget authority, the District currently has working agreements between each of the respective fiscal authorities via a Memorandum of Understanding/Agreement (MOU/MOA). Upon submission of the initial Budget Adjustment Requests (BARs) for specific funds, staff of the NMPED informed the District that we did the proper authority to do so. A portion of the funds identified did have proper approval. For the funds identified without proper approval, the District will implement the appropriate protocols to timely monitor individual line items

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 3 CASH ACCOUNTS NOT RECONCILED TO GENERAL LEDGER

Condition: Reconciliations of bank balances to general ledger were out of balance by \$19,012. A repeat of prior year Finding 2007-3

Criteria: Reconciliation of bank statements to general ledger cash balances should be performed monthly, and reviewed by internal management to maintain fiscal responsibility and safeguard the District's assets.

Effect of condition: Over-expenditure of funds, overdraft of cash accounts, and exposure to possible consequences of fraudulent reporting to the New Mexico Board of Education and Federal oversight agencies.

Cause: Reconciliation reports are not being printed and reviewed for accuracy and errors.

Recommendation: Review bank reconciliation reports for each bank account and compare to actual balances in the general ledger. Any errors or variances should be researched and corrected.

Management's Response: Management will make certain that bank accounts are reconciled and are balanced to the general ledger amounts.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 4 PREPARATION OF FINANCIAL STATEMENTS

Condition: The financial statements were prepared by the auditor. Repeat of prior year Finding 2007-4.

Criteria: As per SAS 112, management is required to have an internal control system of financial reporting including the preparation of the financial statements.

Effect of condition: Management's ability to ascertain the accuracy and completeness of the financial statements has been diminished.

Cause: Management does not have internal controls in place that are necessary for the preparation of the financial statements.

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

Management's Response: A system of controls will be developed and implemented that will allow management to determine the accuracy and fair presentation of the financial statements.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 5 DISBURSEMENTS MADE WITHOUT PURCHASE ORDER

Condition: Two out of the twenty-five disbursements tested had purchases made prior to the date of purchase orders being completed. Purchase orders are used to control cash and to authorize the purchase.

Criteria: Purchase authorization and budgetary control is acquired through the completion of a purchase order for purchases, which is signed by a person giving authority for the purchase.

Effect of the Condition: Any purchase made without prior authorization has the potential to cause cash deficits and/or over expensing of the budget in the fund in which the purchase is recorded.

Cause: Personnel decide that an immediate purchase is needed and circumvent the proper procedure for purchasing.

Recommendation: The importance of cash controls and adequate planning need to be made clear to all personnel that will be making purchases for the school.

Management's Response: The District will institute the appropriate policies requiring personnel to assume total responsibility for any liability entered into without proper prior approval by the Superintendent or his/her designee.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 6 MISSING INFORMATION FROM THE EMPLOYEE FILES

Condition: One of 30 employee files selected for testing had missing background check.

Criteria: In accordance with federal and state law all employees who have access to children are required to have a background check completed and approved.

Effect of condition: The school is out of compliance with requirements for the New Mexico Public Education Department.

Cause: The district is not maintaining adequate controls over employee hiring.

Recommendation: The district should not employ any individual without prior receipt of the cleared background check.

Response: Employee files have been corrected and proper documentation is in place.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 7 MISSING DEPOSIT

Condition: One receipt out of the thirty tested did not get deposited in the bank in full. The deposit was \$5 short of the amount that had been received.

Criteria: NMAC 6.20.2.14(c) states that money received and receipted shall be deposited in the bank within 24 hours or one banking day.

Effect of the Condition: The District is in violation of NMAC 6.20.2.14(c). Cash receipted by the District is susceptible to misuse or fraud.

Cause: The receipt was written and the cash was missing.

Recommendation: Receipts should be deposited within one banking day.

Response: Upon careful review of the records, the District can only identify human error and the transposition of numbers as the foundation for the deficiency. The District will require the verification of the deposit versus receipt during the monthly reconciliation of funds as an additional integrity measure.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 8 FAILURE TO FILE TAX FORM 941

Condition: The district did not file a tax form 941 on time in 2005.

Criteria: IRS Tax Code Title 29 requires the filing of Form 941 after each quarter reporting wages paid and employer payroll taxes to be paid.

Effect of the Condition: The District is in violation of the IRS Tax Code Title 29 and subject to the penalties set within for failure to file Form 941.

Cause: The District failed to file the Form 941 on time and prior to receiving notice from the Internal Revenue Service.

Recommendation: The District must implement controls to ensure that compliance to all IRS Tax Code requirements are adhered to completely.

Response: The District will implement an action plan, developed and facilitated by personnel within the Budget Department, which will identify key deadlines and procedures to prevent incidents such as the aforementioned from reoccurring. The plan identifies the parties responsible for the verification of the transaction and the relative consequences for implementation failure.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (continued)

2008 – 9 OVER USE OF CELL PHONES

Condition: Cell phones provided by the District were used in excess of the time allowed resulting in \$201 being owed to the District from employees.

Criteria: The District's policy is to collect payment from employees whom use the District's cell phones for personal use and beyond the time allotted within the cell phone plan. The District has also misused federal monies by paying for cell phones that are being used for personal use and not entirely for the program Headstart and is in violation of OMB A-133.

Effect of the Condition: The District is not using grant money for its intended use and is in violation of OMB A-133 and the District's established policies and procedures.

Cause: the District is not collecting payments from employees whom use the cell phones personal use.

Recommendation: The District needs to promptly collect the payment from employees for using the District's property for personal or restrict the use of the District's property from any personal usage.

Response: The District will institute the appropriate protocol requiring the management of each program and/or department, which contains personnel with an assigned cellular telephone, to verify and monitor the usage of the equipment for District business only. Violations and/or the misuse of the equipment must be reported to the Business Manager. Any use of the school equipment for personal consumption will not be allowed. Management will assume responsibility for misuse if not timely reported to the appropriate personnel.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

HEADSTART – CFDA# 93.600

C2008 – 1 DISBURSEMENTS MADE WITHOUT PURCHASE ORDER

Condition: Two out of the twenty-five disbursements tested had purchases made prior to the date of purchase orders being completed. Purchase orders are used to control cash and to authorize the purchase.

Criteria: Purchase authorization and budgetary control is acquired through the completion of a purchase order for purchases, which is signed by a person giving authority for the purchase.

Effect of the Condition: Any purchase made without prior authorization has the potential to cause cash deficits and/or over expensing of the budget in the fund in which the purchase is recorded.

Cause: Personnel decide that an immediate purchase is needed and circumvent the proper procedure for purchasing.

Recommendation: The importance of cash controls and adequate planning need to be made clear to all personnel that will be making purchases for the school.

Management's Response: The District will institute the appropriate policies requiring personnel to assume total responsibility for any liability entered into without proper prior approval by the Superintendent or his/her designee.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT (continued)

HEADSTART – CFDA# 93.600 (continued)

C2008 – 2 OVER USE OF CELL PHONES

Condition: Cell phones provided by the District were used in excess of the time allowed.

Criteria: The District's policy is to collect payment from employees whom use the District's cell phones for personal use and beyond the time allotted within the cell phone plan. The District has also misused federal monies by paying for cell phones that are being used for personal use and not entirely for the program Headstart and is in violation of OMB A-133.

Effect of the Condition: The District is not using grant money for its intended use and is in violation of OMB A-133 and the District's established policies and procedures.

Cause: the District is not collecting payments from employees whom use the cell phones personal use.

Recommendation: The District needs to promptly collect the payment from employees for using the District's property for personal or restrict the use of the District's property from any personal usage.

Response: The District will institute the appropriate protocol requiring the management of each program and/or department, which contains personnel with an assigned cellular telephone, to verify and monitor the usage of the equipment for District business only. Violations and/or the misuse of the equipment must be reported to the Business Manager. Any use of the school equipment for personal consumption will not be allowed. Management will assume responsibility for misuse if not timely reported to the appropriate personnel.

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Child Nutrition -- Cluster:</u>			
<u>U.S. Department of Agriculture:</u>			
Pass-Through Program From:			
New Mexico Department of Education:			
USDA National School Lunch Program	10.555	21000	\$ 204,097
USDA School Breakfast Program	10.553	21000	<u>112,294</u>
Total USDA - Child Nutrition Cluster			<u>316,391</u>
Direct Program:			
Forest Reserve	10.670	11000	<u>13,556</u>
Pass-Through Program From:			
New Mexico Human Service Department:			
USDA Commodities Program	10.550	21000	13,314
Child and Adult Food Program	10.579	25171	<u>21,078</u>
Total U.S. Department of Agriculture			<u>364,339</u>
<u>Special Education -- Cluster:</u>			
<u>U.S. Department of Education:</u>			
Pass-Through Programs From:			
New Mexico Department of Education:			
IDEA-B Entitlement	84.027	24106	151,258
IDEA-B Preschool	84.173	24109	<u>6,518</u>
Total U.S. Department of Education - Special Education (IDEA-B) Cluster			<u>\$ 157,776</u>

(continued)

See accompanying notes to the
Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education (continued):</u>			
Pass-Through Programs From:			
New Mexico Department of Education:			
Title I Basic Education Grant	84.010	24101	\$ 273,765
Carl Perkins Grant	84.048	24168	42,304
Partnerships in Character	84.215V	24129	82,909
Title VI Inovative Education	84.298	24150	4,657
Title II English Language	84.365	24153	5,635
Title II Improving Teacher Quality	84.367	24154	58,893
Title IV - Safe and Drug-Free Schools	84.186	24157	4,572
21st Century Community Living	84.287	24159	133,096
Reading First	84.357	24167	<u>103,114</u>
Subtotal Pass-Through Programs			<u>708,945</u>
Total U.S. Department of Education			<u>866,721</u>
<u>U.S. Department of Health and Human Services:</u>			
Direct Program:			
Headstart	93.600	25127	1,207,183
Pass-Through Program From:			
New Mexico Department of Health:			
Title XIX Medicaid	93.778	25153	41,954
Rural Health	93.912	25212	<u>46,381</u>
Total U.S. Department of Health and Human Services			<u>1,295,518</u>
Total Expenditures of Federal Awards			<u>\$ 2,526,578</u>

See accompanying notes to the
Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Notes To The Schedule Of Expenditures Of Federal Awards
Year Ended June 30, 2008

1. Scope of audit pursuant to OMB Circular A-133

All federal grant operations of Mora Independent School District No. 44 (the "School District") are included in the scope of the Office of management and Budget ("OMB") Circular A-133 audit (the "Single Audit"). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised May 2008 the "Compliance Supplement"). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2008 cash and non-cash expenditures to ensure coverage of at least 25% (Low Risk Auditee) of federally granted funds. Actual coverage is approximately 48% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$2,513,264 and all non-cash expenditures amounted to \$13,314.

Major Federal Award Program Description	Fiscal 2008 <u>Expenditure</u>
Cash assistance:	
Headstart	<u>\$ 1,207,183</u>

The School District's federal program Headstart was considered low risk Type A programs for the 2008 audit.

The U.S. Department of Education is the School District's oversight Mora Independent School District No. 44 for single audit.

2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditure of Federal Awards includes all federal grants to the School District that had activity during the fiscal year ended June 30, 2008. This Statement has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School District has met the qualifications for the respective grant.

Accrued and deferred reimbursements

Various reimbursement procedures are used for Federal awards received by the School District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

3. Audits performed by other entities

There were no other audits performed by other organizations on the School Districts federal grant programs in 2008.

REQUIRED DISCLOSURE

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STATE OF NEW MEXICO
MORA INDEPENDENT SCHOOL DISTRICT NO. 44

REQUIRED DISCLOSURES
Year Ended June 30, 2008

REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held November 4, 2008, during which the audit findings were discussed. The exit conference was attended by the following individuals:

MORA INDEPENDENT SCHOOL DISTRICT NO. 44

Robert L. Romero	Board President
Dora M. Romero	Superintendent
Agnes Padilla	Business Manager

KEYSTONE ACCOUNTING, LLC

Terry Ogle, CPA	Partner
William W. King	Senior Auditor