

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2005

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INTRODUCTORY SECTION

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ANNUAL FINANCIAL REPORT
Year Ended June 30, 2005
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STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
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STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
OFFICIAL ROSTER
June 30, 2005

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Ernest Mackel		President
Ruby Wolf		Vice President
Hayes A. Lewis		Secretary
Margaret Garcia		Member
Pamelia Chimoni		Member
	<u>School Officials</u>	
Dr. Kaye Peery		Superintendent
Virginia Chavez		Finance Manager

FINANCIAL SECTION



Accounting & Consulting Group, LLP

INDEPENDENT AUDITORS' REPORT

Domingo P. Martinez, CGFM
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Zuni Public School District 89
Zuni, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, budgetary comparisons for the general fund and each major special revenue fund and the aggregate remaining fund information of Zuni Public Schools, New Mexico, (the 'District') as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparison of the major capital project fund and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2005, as listed in the table of contents. These financial statements are the responsibility of Zuni Public Schools, New Mexico's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Zuni Public Schools, New Mexico, as of June 30, 2005, and the respective changes in financial position, thereof and the budgetary comparisons for the General Fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Zuni Public Schools, New Mexico, as of June 30, 2005, and the respective changes in financial position, thereof and the budgetary comparisons for the Capital Project Fund and all nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Certified Public Accountants

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2006 on our consideration of Zuni Public Schools, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The *Management's Discussion and Analysis* on pages ix-1 through ix-7 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Zuni Public Schools, New Mexico's basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying information listed as supporting schedules I through III in the table of contents are presented for purposes of additional analysis and Schedules IV, Schedule of Expenditures of Federal Awards, as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
June 28, 2006

ZUNI PUBLIC SCHOOL DISTRICT NO. 89
Management's Discussion and Analysis
June 30, 2005

As management of Zuni Public School District, we offer readers of Zuni Public School District financial statements this narrative overview and analysis of the financial activities of Zuni Public School District for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with the financial statements of Zuni Public School District and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets of Zuni Public School District exceeded its liabilities at the close of the most recent fiscal year by \$28,891,745 (*net assets*). Of this amount, \$1,351,491 (*unrestricted net assets*) may be used to meet the school district's ongoing obligations.
- The school district's total net assets increased by \$1,670,445 during the fiscal year. In addition to this amount, there is an increase of \$594,679 is due to a restatement of net assets from the prior year. See note 5 for more information.
- As of June 30, 2005, the school district's governmental funds reported combined ending fund balances of \$2,768,693. Approximately 98% of this total amount, \$2,706,473, is unreserved fund balance available for spending at the school district's discretion.
- At the close of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$1,273,054, or 10.7% of total general fund expenditures of \$11,876,882.
- Zuni Public School District's total debt decreased by \$35,000 during the current fiscal year. The key factor in this decrease was the payment of general obligation bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Zuni Public School District's basic financial statements. Zuni Public School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Zuni Public School District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Zuni Public School District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Zuni Public School District is improving or weakening.

The *statement of activities* presents information showing how the school district's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Zuni Public School District that are principally supported by taxes and grant revenue. The governmental activities of Zuni Public School District include direct instruction, instructional support, administration, business/support service, operation and maintenance, food service, athletics, non-instructional services, community services, and transportation.

The government-wide financial statements can be found at exhibits A-1 and A-2 of this report.

ZUNI PUBLIC SCHOOL DISTRICT NO. 89
Management's Discussion and Analysis
June 30, 2005

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Zuni Public School District, like other school districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Zuni Public School District can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the school district's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the school district's near-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Zuni Public School District maintains fifty-eight individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Title I IASA, Impact Aid Indian Education and Special Capital Outlay Federal, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Zuni Public School District adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the General Fund, Title I IASA, Impact Aid Indian Education and Special Capital Outlay Federal to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major school district fund types include budgetary comparison data.

The basic governmental fund financial statements can be found at Exhibits B-1 through C-3 of this report. A budgetary comparison for the major fund Special Capital Outlay Federal is included with the respective capital project fund type budget comparisons.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the school district. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Zuni Public School District's own programs.

Zuni Public School District, as a custodian, maintains and monitors special funds on behalf of the schools and school activity groups. Agency funds maintained by the school district are to benefit a specific activity or interest and are generally raised by students for student use.

While each school site is responsible for the administration of the agency funds, the custody and use of these funds are in accordance with Public Education Department Regulations and School District Policy. The management of these funds is in accordance with Business Office procedures and all banking is performed through school district accounts. The Agency Funds Statement of Fiduciary Net Assets for the year ending June 30, 2005 shows the accumulated assets of all agency funds was \$66,256.

The basic fiduciary fund financial statements can be found at Exhibit D-1 of this report.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-34 of this report.

ZUNI PUBLIC SCHOOL DISTRICT NO. 89
Management's Discussion and Analysis
June 30, 2005

Combining statements

The combining statements referred to earlier in connection with non-major governmental funds and fiduciary funds are presented immediately following the notes to the financial statements. Combining statements can be found on pages 34-110 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Assets

As noted earlier, net assets may serve as a useful indicator of a school district's financial position. In the case of Zuni Public School District, assets exceeded liabilities by \$28,891,745 at the close of the current fiscal year.

The largest portion of Zuni Public School District's net assets (91%) represents the School District's investment of \$26,208,548 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment), less any related outstanding debt used to acquire those assets. Zuni Public School District uses these capital assets to operate the school district; consequently, these assets are *not* available for future spending. Although Zuni Public School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

ZUNI PUBLIC SCHOOL DISTRICT'S NET ASSETS
June 30, 2005 and 2004

	Governmental Activities	
	2005	2004
Assets		
Cash assets	\$ 6,350,054	\$ 7,495,266
Other current assets	1,657,590	546,226
Capital assets, net of accumulated depreciation	<u>26,318,548</u>	<u>23,718,977</u>
Total Assets	<u>\$ 34,326,192</u>	<u>\$ 31,760,469</u>
Liabilities		
Long-term liabilities outstanding	\$ 176,118	\$ 126,439
Other liabilities	<u>5,258,329</u>	<u>5,007,409</u>
Total Liabilities	<u>5,434,447</u>	<u>5,133,848</u>
Net Assets		
Invested in capital assets, net of related debt	\$ 26,208,548	\$ 23,573,977
Restricted	1,331,706	2,008,709
Unrestricted	<u>1,351,491</u>	<u>1,043,935</u>
Total Net Assets	<u>28,891,745</u>	<u>26,626,621</u>
Total Liabilities and Net Assets	<u>\$ 34,326,192</u>	<u>\$ 31,760,469</u>

A portion of Zuni Public School District's net assets (4.6%) represents resources that are subject to restrictions. The restrictions relate to covenants provided by the school district's long-term debt issuance. The remaining balance of *unrestricted net assets*, \$1,351,491 (4.7%), may be used to meet the school district's ongoing obligations and school activities.

At the end of the current fiscal year, Zuni Public School District was able to report positive balances in all three categories of net assets for the school district as a whole.

ZUNI PUBLIC SCHOOL DISTRICT NO. 89
Management's Discussion and Analysis
June 30, 2005

Analysis of Changes in Net Assets

The school district's net assets overall increased by \$1,670,445 during the current fiscal year. This increase is explained in the governmental activities discussion below.

ZUNI PUBLIC SCHOOL DISTRICT'S CHANGES IN NET ASSETS
For the Year Ended June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Revenues		
Program revenues:		
Charges for service	\$ 362,400	\$ 345,806
Operating grants and contributions	12,062,703	12,306,664
Capital grants and contributions	2,688,041	3,183,947
General revenues:		
Property taxes	60,186	(70,012)
Federal and state aid	6,475,648	7,042,106
Interest and investment earnings	1,989	2,892
Miscellaneous	<u>119,788</u>	<u>53,364</u>
Total revenues	<u>21,770,755</u>	<u>22,864,767</u>
Expenses		
Direct instruction	8,461,030	9,384,901
Instructional support	4,940,309	4,703,876
Administration	687,251	789,942
Business / support services	386,702	424,226
Operation of plant	2,120,081	2,053,141
Athletics	174,263	190,375
Non-instructional support	119,556	93,837
Pupil transportation	378,502	349,855
Food services	858,253	879,186
Community services	512,635	754,130
Interest on long-term debt	3,049	6,612
Amortization of issuance costs	1,586	1,586
Facilities, supplies, materials and other services	513,976	129,241
Depreciation -- unallocated	<u>943,117</u>	<u>798,127</u>
Total expenses	<u>20,100,310</u>	<u>20,559,035</u>
Increase in net assets	1,670,445	2,305,732
Net assets - beginning of year	26,626,621	28,028,934
Net assets - restatement	<u>594,679</u>	<u>(3,708,045)</u>
Net assets - beginning of year, adjusted	<u>27,221,300</u>	<u>24,320,889</u>
Net assets, end of year	<u>\$ 28,891,745</u>	<u>\$ 26,626,621</u>

Governmental activities. Governmental activities increased Zuni Public School District's net assets by \$1,670,445. The key element of this increase is the reduction in expenditures from the prior year.



ZUNI PUBLIC SCHOOL DISTRICT NO. 89
Management's Discussion and Analysis
June 30, 2005

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

As noted earlier, Zuni Public School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of Zuni Public School District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Zuni Public School District's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a school district's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the school district include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

As of the end of the current fiscal year, Zuni Public School District's governmental funds reported combined ending fund balances of \$2,768,693, a decrease of \$277,474 in comparison with the prior year. The decrease is primarily due to the decrease in revenues from the prior year. Approximately 97.7 percent of this total amount, \$2,706,473, constitutes *unreserved fund balance*, which is available for spending at the school district's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed, (1) to pay debt service (\$9,175) and (2) as a reserve for inventory balances at year end (\$53,045).

Revenues for governmental functions overall totaled approximately \$21,774,603 in the fiscal year ended June 30, 2005, which represents an decrease of \$1,202,775 from the fiscal year ended June 30, 2004. Expenditures for governmental functions, totaling \$22,052,077, increased by approximately \$534,698 from the fiscal year ended June 30, 2004. In the fiscal year ended June 30, 2005, expenditures for governmental functions exceeded revenues by approximately \$277,474.

The General Fund is the chief operating fund of Zuni Public School District. At the end of the current fiscal year, total fund balance in this fund was *unreserved*, and equaled \$1,273,054. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 10.7% of total general fund expenditures of \$11,876,882.

The fund balance of Zuni Public School District's general fund increased by \$421,723 during the current fiscal year, due to revenues in excess of expenditures. Overall, the general fund's performance resulted in revenues over expenditures of \$421,273, an increase over the comparable figure from the prior year of (\$251,557).

The Title I IASA Fund has no fund balance at June 30, 2005.

The Impact Aid Indian Education Fund has no fund balance at June 30, 2005.

The Special Capital Outlay Federal Fund has no fund balance at June 30, 2005.

Fiduciary funds

The district maintains fiduciary funds for the assets of student activity funds. Changes to fiduciary funds were immaterial for the fiscal year.

ZUNI PUBLIC SCHOOL DISTRICT NO. 89
Management's Discussion and Analysis
June 30, 2005

Budgetary Highlights

The State of New Mexico school budget process is defined under New Mexico State Statutes (Section 22-8, Public School Finance) and the New Mexico Administrative Code (Section 6). To enhance the process of developing a budget at the school district level, the Zuni Public School District utilizes goals and objectives defined by the Zuni Public School Board, community input meetings, long term plans and input from various staff groups to develop the School District budget. School District priorities are well defined through this process.

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

Major budgetary funds in these reports are; The General Fund, Title I IASA Fund, Impact Aid Indian Education Fund and Special Capital Outlay Federal Fund. In addition, all non-major funds are also reported for their budgetary performance. Non-major funds include Special Revenue Funds, Debt Service Funds and Capital Project Funds. All major and non-major funds fell within the strict regulatory criteria set by the Public Education Department and New Mexico Statute that no funds may be over-expended at either the fund or function level. Both the Manual of Procedures for Public School Accounting and NMSA 8-22-5, 1978, Annotated, require that budget expenditures be within the authorization of the approved budget. The differences in the original budget to the final budget for the General Fund was increased federal aid to be expended on instructional support, and operation and maintenance.

Capital Assets

GASB 34 requires public entities to depreciate capital assets. This statement includes an adjusted accumulated depreciation of the School District's capital assets in the amount of \$6,757,651. The school district utilizes a "straight line" depreciation method in all cases and standardized lifetime tables in calculating this depreciation. Utilization of depreciation concepts by public entities allows the reader to know if the entity is replacing its assets at a rate in which they are being used.

The major capital outlay expenditures during the current fiscal year were improvements to buildings and school facilities. The district also completed the final phase of construction of the new high school.

In addition, the school district has continued planned efforts to replace old vehicles, enhance technology and replace outdated school furnishings and equipment.

The following table recounts the year-end balances for the school district's investment in all capital assets:

CAPITAL ASSETS

Asset Type	June 30, 2005	June 30, 2004
Land Improvements	\$3,088,622	\$2,530,681
Buildings and Bldg. Improvements	\$24,334,978	\$22,108,605
Furniture, Fix., and Equipment	\$3,859,174	\$3,602,235
Vehicles	\$1,793,426	\$1,679,040
Total Assets	\$33,076,200	\$29,920,561
Less accumulated Depreciation	(\$6,757,652)	(\$6,201,584)
Capital Assets-Net	\$26,318,548	\$23,718,977

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
Schedule Of Findings And Questioned Costs
For The Year Ended June 30, 2005

Schedule VI

Debt Administration

At the end of the current fiscal year, the district had total long-term obligations outstanding of \$216,118. Of this amount, \$35,000 is an outstanding Educational Technical Note, \$75,000 is a General Obligation School Building Bonds, Series 2003 for the purpose of erecting, remodeling, making additions to and furnishing buildings and purchasing or improving schools grounds and purchasing computer software or hardware for student use in public classrooms or any combination of these purposes, and \$106,118 is accrued compensated absences.

Additional information on the district's long-term debt can be found in note 6 of the notes to the financial statements.

Known Facts, Decisions or Conditions

At June 30, 2006, the District was unaware of any known facts, decisions, or conditions that would be expected to have significant influence or impact on the net assets of the District in the future.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Zuni Public School District's finances for all of those with an interest in the school district's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Zuni Public School District, P.O. Drawer A, 22 St. Anthony Dr., Zuni, New Mexico, 87327.

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
STATEMENT OF NET ASSETS
JUNE 30, 2005

Exhibit A-1

	<u>Governmental Activities</u>
ASSETS	
Cash and temporary investments	\$ 6,350,054
Accounts receivable	1,574,748
Inventory	53,045
Restricted cash and cash equivalents	9,175
Issuance costs, net of amortization	20,622
Capital assets, net of accumulated depreciation	<u>26,318,548</u>
Total Assets	<u><u>\$ 34,326,192</u></u>
LIABILITIES	
Accounts payable	\$ 608,268
Accrued expenses	52,214
Current portion accrued compensated expenses	25,477
Deferred revenue	4,532,370
Current portion of long-term debt	40,000
Noncurrent Liabilities:	
Noncurrent portion accrued compensated expenses	106,118
General obligation bonds	<u>70,000</u>
Total Liabilities	<u>5,434,447</u>
NET ASSETS	
Invested in capital assets, net of related debt	26,208,548
Restricted for:	
Debt service	9,175
Capital projects	1,322,531
Unrestricted	
Undesignated	<u>1,351,491</u>
Total Net Assets	<u>28,891,745</u>
Total Liabilities and Net Assets	<u><u>\$ 34,326,192</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2005

Exhibit A-2

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
Instruction:					
Direct instruction	\$ 8,461,030	66	10,828,835	-	2,367,871
Support services:					
Instructional support	4,940,309	263,603	-	2,688,041	(1,988,665)
Administration	687,251	-	-	-	(687,251)
Business/Support services	386,702	-	-	-	(386,702)
Operation of plant	2,634,057	-	-	-	(2,634,057)
Athletics	174,263	49,251	-	-	(125,012)
Non-instructional support	119,556	28,543	-	-	(91,013)
Pupil Transportation	378,502	-	399,269	-	20,767
Health:					
Food services	858,253	20,937	834,599	-	(2,717)
Community services	512,635	-	-	-	(512,635)
Interest on long-term debt	3,049	-	-	-	(3,049)
Amortization of issuance costs	1,586	-	-	-	(1,586)
Depreciation - unallocated	943,117	-	-	-	(943,117)
Total governmental activities	20,100,310	362,400	12,062,703	2,688,041	(4,987,166)

General Revenues:

Property Taxes:

Levied for general purposes	-
Levied for debt services	55,638
Levied for capital projects	4,548
Federal and state aid	6,475,648
Interest and investment earnings	1,989
Miscellaneous	119,788

Total general revenues 6,657,611

Change in net assets 1,670,445

Net assets - beginning 26,626,621

Restatement-Note 5 594,679

Net assets - restated 27,221,300

Net assets, ending \$ 28,891,745

The accompanying notes are an integral part of these financial statements



Exhibit B-1
(Page 1 of 2)

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,643,084	\$ 6,359,229
-	39,618
619,723	1,535,130
53,045	53,045
<u>-</u>	<u>1,580,699</u>
<u>\$ 4,315,852</u>	<u>\$ 9,567,721</u>
\$ 487,142	\$ 608,268
4,918	52,214
1,671,513	4,532,370
6,536	25,477
<u>650,104</u>	<u>1,580,699</u>
<u>2,820,213</u>	<u>6,799,028</u>
53,045	53,045
-	1,273,054
131,510	131,510
9,175	9,175
<u>1,301,909</u>	<u>1,301,909</u>
<u>1,495,639</u>	<u>2,768,693</u>
<u>\$ 4,315,852</u>	<u>\$ 9,567,721</u>

The accompanying notes are an integral part of these financial statements



STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
JUNE 30, 2005

Exhibit B-1
 (Page 2 of 2)

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund balances - total governmental funds	\$	2,768,693
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		26,318,548
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:		
Issuance costs, net of amortization		20,622
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Educational Technical Notes		(35,000)
General Obligation bonds		(75,000)
Accrued compensated absences		(106,118)
		(216,118)
Net assets from governmental activities in the Statement of Net Assets	\$	28,891,745

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005

	Impact Aid	Indian	Education	General	Title I	IASA	Education
Revenues:							
Property Taxes				\$ 1,266			\$ -
Local Sources				337,738			-
State Sources				6,945,603			-
Federal Sources				4,990,409		1,229,114	1,683,207
Interest				1,935			-
Miscellaneous				21,654			-
Total revenues				12,298,605		1,229,114	1,683,207
Expenditures:							
Current:							
Direct Instruction				5,787,054		611,082	570,627
Instructional Support				2,622,808		325,509	971,505
Administration				454,585		50,289	79,771
Business/Support Services				338,509		-	39,407
Operation and Maintenance				2,080,622		600	15,981
Food Services				13,632		-	-
Athletics				125,265		-	-
Non-Instructional Services				79,497		-	4,998
Community Services				19,142		241,634	918
Transportation				355,768		-	-
Capital Outlay				-		-	-
Debt Service:				-		-	-
Principal				-		-	-
Interest				-		-	-
Total expenditures				11,876,882		1,229,114	1,683,207
Other financing sources (uses):							
Operating transfers				-		-	-
Total other financing sources (uses)				-		-	-
Excess (deficiency) of revenues and other sources (uses) over expenditures				421,723		-	-
Fund balance - beginning of year				851,331		-	-
Fund balance - end of year				\$ 1,273,054		\$ -	\$ -

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 The accompanying notes are an integral part of these financial statements

Special Capital Outlay Federal	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 62,768	\$ 64,034
-	111,357	449,095
-	584,689	7,530,292
1,010,407	4,741,284	13,654,421
-	54	1,989
-	53,118	74,772
<u>1,010,407</u>	<u>5,553,270</u>	<u>21,774,603</u>
-	1,510,318	8,479,081
-	959,028	4,878,850
-	88,972	673,617
-	-	377,916
198,882	126,873	2,422,958
-	838,648	852,280
-	47,392	172,657
-	34,592	119,087
-	261,342	523,036
-	-	355,768
1,842,993	1,312,645	3,155,638
-	35,000	35,000
-	6,189	6,189
<u>2,041,875</u>	<u>5,220,999</u>	<u>22,052,077</u>
-	-	-
-	-	-
(1,031,468)	332,271	(277,474)
<u>1,031,468</u>	<u>1,163,368</u>	<u>3,046,167</u>
<u>\$ -</u>	<u>\$ 1,495,639</u>	<u>\$ 2,768,693</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

Exhibit B-2
 (Page 2 of 2)

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

Net change in fund balances - total governmental funds \$ (277,474)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays for the period.

Depreciation expense (1,150,746)
 Capital outlays 3,155,638

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

Change in deferred revenue related to the property tax receivable (3,848)

The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Change in non-current portion of accrued compensated absences (89,679)
 Increase in accrued interest payable 3,140
 Amortization of issuance costs (1,586)
 Principal payments on bonds 35,000

Change in net assets of governmental activities \$ 1,670,445

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
GENERAL FUND
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ 1,000	\$ 1,000	\$ 1,111	\$ 111
Local Sources	300,000	300,000	300,759	759
State Sources	7,000,000	7,100,000	6,945,603	(154,397)
Federal Sources	5,545,757	5,755,212	4,990,409	(764,803)
Interest	-	-	1,935	1,935
Miscellaneous	-	-	19,170	19,170
<i>Total revenues</i>	<u>12,846,757</u>	<u>13,156,212</u>	<u>12,258,987</u>	<u>(897,225)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	6,644,896	6,416,255	5,893,721	522,534
Instructional Support	2,341,742	2,566,694	2,562,077	4,617
Administration	492,061	492,071	460,046	32,025
Business/Support Services	420,310	420,410	351,143	69,267
Operation and Maintenance	2,222,688	2,416,688	2,063,144	353,544
Food Services	11,657	13,908	13,390	518
Athletics	168,180	168,180	125,165	43,015
Non-Instructional Services	173,856	173,856	77,698	96,158
Community Services	42,586	42,586	21,033	21,553
Transportation	328,781	445,564	364,150	81,414
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>12,846,757</u>	<u>13,156,212</u>	<u>11,931,567</u>	<u>1,224,645</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources</i>	<u>-</u>	<u>-</u>	<u>327,420</u>	<u>327,420</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,084,546</u>	<u>1,084,546</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,411,966</u>	<u>\$ 1,411,966</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
TITLE I IASA FUND
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	1,246,634	1,513,206	1,390,756	(122,450)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,246,634</u>	<u>1,513,206</u>	<u>1,390,756</u>	<u>(122,450)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	783,762	774,237	625,962	148,275
Instructional Support	209,757	426,358	333,885	92,473
Administration	51,739	62,025	50,289	11,736
Business/Support Services	-	-	-	-
Operation and Maintenance	250	600	600	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	201,126	249,986	243,951	6,035
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,246,634</u>	<u>1,513,206</u>	<u>1,254,687</u>	<u>258,519</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources</i>	<u>-</u>	<u>-</u>	<u>136,069</u>	<u>136,069</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>(60,931)</u>	<u>(60,931)</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,138</u>	<u>\$ 75,138</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
IMPACT AID INDIAN EDUCATION FUND
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variances Favorable (Unfavorable)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	1,485,664	1,786,505	1,509,791	(276,714)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,485,664</u>	<u>1,786,505</u>	<u>1,509,791</u>	<u>(276,714)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	566,656	598,656	582,015	16,641
Instructional Support	858,250	1,004,012	972,881	31,131
Administration	22,360	89,227	78,988	10,239
Business/Support Services	38,398	41,898	38,808	3,090
Operation and Maintenance	-	15,663	15,660	3
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	5,329	4,998	331
Community Services	-	31,720	918	30,802
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,485,664</u>	<u>1,786,505</u>	<u>1,694,268</u>	<u>92,237</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures and other financing sources</i>	<u>-</u>	<u>-</u>	<u>(184,477)</u>	<u>(184,477)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,979,029</u>	<u>2,979,029</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,794,552</u>	<u>\$ 2,794,552</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES-AGENCY FUNDS
JUNE 30, 2005

Exhibit D-1

	<u>Agency Funds</u>
ASSETS	
<i>Current Assets:</i>	
Cash	<u>\$ 66,256</u>
<i>Total assets</i>	<u><u>66,256</u></u>
LIABILITIES	
<i>Current Liabilities:</i>	
Deposits held in trust for others	<u>66,256</u>
<i>Total liabilities</i>	<u><u>\$ 66,256</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1. Summary of Significant Accounting Policies

The Zuni Public School District School Board was created under the provision of Chapter 22 Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District. The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the state of New Mexico and the regulations of the State Board of Education and the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years.

The School Board operates six schools within the District with a total enrollment of approximately 1,741 pupils. In conjunction with the regular educational programs, some of these schools offer special education. In addition, the School Board provides transportation and school food services for the students.

The financial statements of Zuni Public School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standard Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

In June 1999, the GASB unanimously approved Statement #34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. In June 2001, the GASB approved Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*.

The District implemented the provisions of GASB Statements #'s 34, 37 and 38 effective July 1, 2002. As part of Statement No. 34, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, etc.). The District does not own any infrastructure assets and therefore is unaffected by this requirement.

A. Financial Reporting Entity

GASB Statement No. 14, as amended by GASB # 39, established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, as amended by GASB #39, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The District also has no *component units*, as defined by GASB Statement No. 14 and/or GASB Statement No. 39, as there are no other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Government-wide and fund financial statements

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

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

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*.

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes associated with the current fiscal year are susceptible to accrual and therefore recognized as revenues 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.

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1. Summary of Significant Accounting Policies (continued)

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

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is

incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term debt. Governmental funds include:

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

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

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

Under the requirements of GASB Statement #34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which include funds that were not required to be presented as major but were at the discretion of management:

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

The *Impact Aid Indian Education Fund* is used to account for funding of a Federal program to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e., where the tax base of a district is reduced through the Federal acquisition of real property or where there are a significant number of children who reside on Federal (including Indian) lands and / or children whose parents are employed on Federal property or in the Uniformed Services; where there is a significant decrease or a sudden and substantial increase in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs, for replacing or repairing damaged or destroyed supplies, equipment and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

The *Special Capital Outlay Federal Fund* is used to account for special appropriation monies received from the federal government for the purpose of specific capital outlay projects. This generally includes construction of new schools or improvements to existing schools.

**STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

Amounts reported as *program revenues* include 1) amounts derived directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

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

D. Assets, Liabilities and Net Assets or Fund Equity

Deposits and Investments: The District's cash and temporary investments 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.

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."

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

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1. Summary of Significant Accounting Policies (continued)

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

The District receives monthly income from a tax levy in McKinley County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the McKinley County Treasurer in July and August 2005 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2005.

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

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

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

Inventory: Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. The costs of purchased food are recorded as expenditures at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and deferred revenue. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. No deferred revenue was recorded for unused commodity inventory as of June 30, 2005.

**STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The District did not own infrastructure assets as of June 30, 2005, therefore, infrastructure assets have not been included in the financial statements of Zuni Public School District. Information Technology Equipment, including software, is being capitalized and included in furniture and equipment, in accordance with NMAC 2.20.1.9C(5). The District does not maintain internally developed software. The District expenses the cost of library books when purchased because their estimated useful life is less than one year. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2005.

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

Buildings/building improvements	20-40 years
Furniture and equipment	3-7 years

Deferred Revenues: Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues.

Compensated Absences: Qualified employees (twelve-month contracted employees) are entitled to accumulate annual leave of 15 days per year. Vacation time is cumulative and may be carried over to the following contract year, up to thirty days. Upon termination, employees will be paid for up to twenty days of accrued annual leave.

Qualified employees are entitled to accumulate sick leave according to a graduated leave schedule of 10 days to 13 days per year, depending on the employee's annual contract length. There is no limit to the amount of sick leave which an employee may accumulate, but employees are not paid for accrued sick leave upon termination.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net assets.

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

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

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

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

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

Net Assets/Fund Equity: Reservations of fund balance represent amounts that are not appropriate for expenditures or legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The District designates the portion of the year-end fund balance, not otherwise designated or reserved, for subsequent years' expenditures. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

Restricted Net Assets: For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets used are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

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

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no interfund transfers during the year ended June 30, 2005.

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.

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1. Summary of Significant Accounting Policies (continued)

E. Revenues

State Equalization Guarantee: School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program 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 \$6,475,648 in state equalization guarantee distributions during the year ended June 30, 2005.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. The District records in the funds statements only the portion of the taxes considered to be 'measurable' and 'available'. In the governmental fund statements, the District recognized \$63,879 in property tax revenues during the year ended June 30, 2005. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes. In the government-wide financial statements taxes are recognized as revenue when levied.

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

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$399,269 in transportation distributions during the year ended June 30, 2005

Instructional Materials: The New Mexico Public Education Department receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2005 totaled \$67,965. Allocations received and utilized are reflected in revenues and expenditures of the General Fund.

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1. Summary of Significant Accounting Policies (continued)

E. Revenues (continued)

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

The District received \$89,322 in state SB-9 matching during the year ended June 30, 2005.

Public School Capital Outlay: Under the provisions of Chapter 22, Article 24, a public school capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program, and the capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms.

The council shall approve an application for grant assistance from the fund when the council determines that:

1. A critical need exists requiring action;
2. The residents of the school district have provided all available resources to the district to meet its capital outlay requirements;
3. The school district has used its resources in a prudent manner;
4. The District is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division; and
5. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

The council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a district has complied with the provisions of this section. The council shall list all applications in order of priority and all allocations shall be made on a priority basis.

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 1. Summary of Significant Accounting Policies (continued)

E. Revenues (continued)

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2005, the District received \$1,208,201 in public school capital outlay funds and \$93,058 and \$95,000 in state and federal special capital outlay funds, respectively.

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

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

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

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

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department (PED) a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department by the District shall contain headings and details as described by law and have been approved by the Department of Education.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board who fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures for Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
8. Legal budget control for expenditures is by function.
9. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of Zuni Public School District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

**STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

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

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

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

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2005, is presented.

The following is a reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund type.

	<u>General Fund</u>	<u>Title I IASA</u>	<u>Impact Aid Indian Education</u>
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP basis)	\$ 421,723	\$ —	\$ —
Adjustments:			
To revenues for tax accruals, earnings on investments, and other deferrals and accruals.	(38,352)	162,027	(171,583)
Adjustments:			
To expenditures for payables, payroll taxes, prepaid expenses and other accruals.	<u>(55,591)</u>	<u>(25,958)</u>	<u>(12,894)</u>
Excess (deficiency) of revenues and other sources (uses) over expenditures (Budget Basis)	<u>\$ 327,420</u>	<u>\$ 136,069</u>	<u>\$ (184,477)</u>

**STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information (continued)

	<u>Special Capital Outlay Federal</u>	<u>Other Governmental Funds</u>
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP basis)	\$ (1,031,468)	\$ 332,271
Adjustments:		
To revenues for tax accruals, earnings on investments, and other deferrals and accruals.	181,481	(342,213)
Adjustments:		
To adjust expenditures for payables, payroll taxes, prepaid expenses and other accruals.	<u>(947,737)</u>	<u>392,617</u>
Excess (deficiency) of revenues and other sources (uses) over expenditures (Budget Basis)	<u>\$ (1,797,724)</u>	<u>\$ 382,675</u>

NOTE 3. Cash and Temporary Investments

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2005.

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

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

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

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

**STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 3. Cash and Temporary Investments (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2005, \$7,471,429 of the District's bank balances were exposed to custodial credit risk as follows:

	<u>Wells Fargo</u>	<u>First State</u>	<u>Total</u>
Total amount of deposits	\$ 7,571,429	\$ 81,401	\$ 7,652,830
Insured (FDIC Coverage)	<u>(100,000)</u>	<u>(81,401)</u>	<u>(181,401)</u>
Uninsured	7,471,429	—	7,471,429
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the District's name	<u>6,565,034</u>	<u>—</u>	<u>6,565,034</u>
Uninsured and uncollateralized	<u>\$ 906,395</u>	<u>\$ —</u>	<u>\$ 906,395</u>
Collateral requirement (50% of uninsured public funds)	\$ 3,775,544	\$ —	\$ 3,775,544
Pledged security	<u>6,565,034</u>	<u>—</u>	<u>6,565,034</u>
Total under (over) collateralized	<u>\$(2,789,490)</u>	<u>\$ —</u>	<u>\$(2,789,490)</u>
Carrying amount	<u>\$ 6,359,229</u>	<u>\$ 66,256</u>	<u>\$ 6,425,485</u>
Shown on the financial statements as follows:			
Cash and cash equivalents-Exhibit A-1	\$ 6,359,229	\$ —	\$ 6,359,229
Cash-Agency funds-Exhibit D-1	—	—	66,256
Total	<u>\$ 6,359,229</u>	<u>\$ 66,256</u>	<u>\$ 6,425,485</u>

Collateral Pledged

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for a least one half of the amount on deposit with the institution.

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

NOTE 4. Receivables

Receivables as of June 30, 2005, are as follows:

	<u>General</u>	<u>Special Capital Outlay</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Intergovernmental:				
State of NM	\$ —	\$ 915,407	\$ 619,723	\$ 1,535,130
Other	<u>39,618</u>	<u>—</u>	<u>—</u>	<u>39,618</u>
Totals by category	<u>\$ 39,618</u>	<u>\$ 915,407</u>	<u>\$ 619,723</u>	<u>\$ 1,574,748</u>

**STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 4. Receivables

The above receivables are deemed 100% collectible. In accordance with GASB #33, property tax receivables are presented net of deferred revenues. The District was unable to obtain the deferred property tax amount.

NOTE 5. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2005, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation and is owned by the Zuni Pueblo.

	<u>Balance June 30, 2004</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>Balance June 30, 2005</u>
Capital Assets used in Governmental Activities:					
Land improvements	\$ 2,530,681	\$ 557,941	\$ —	\$ —	\$ 3,088,622
Buildings and building Improvements	22,108,606	2,226,372	—	—	24,334,978
Furniture, fixtures & equipment	3,602,235	256,939	—	—	3,859,174
Vehicles	<u>1,679,040</u>	<u>114,386</u>	<u>—</u>	<u>—</u>	<u>1,793,426</u>
Total capital assets	<u>\$29,920,562</u>	<u>\$ 3,155,638</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$33,076,200</u>
Less accumulated depreciation					
Land improvements	\$ 397,325	\$ 151,634	\$ —	\$ —	\$ 548,959
Buildings and building Improvements	2,059,977	639,352	—	—	2,699,329
Furniture, fixtures & equipment	2,444,017	266,394	(594,678)	—	2,115,733
Vehicles	<u>1,300,265</u>	<u>93,366</u>	<u>—</u>	<u>—</u>	<u>1,393,631</u>
Total accumulated depreciation	<u>6,201,584</u>	<u>1,150,746</u>	<u>(594,678)</u>	<u>—</u>	<u>6,757,652</u>
Total capital assets, net of accumulated depreciation	<u>\$23,718,978</u>	<u>\$ 2,004,892</u>	<u>\$ 594,678</u>	<u>\$ —</u>	<u>\$26,318,548</u>

Depreciation expense for the year ended June 30, 2005 was charged to governmental activities as follows:

Direct Instruction	\$ 106,447
Instructional Support	46,893
Business/Support Services	11,916
Operation of Plant	8,478
Food Services	5,656
Athletics	1,606
Non-Instructional Support	469
Community Services	2,006
Transportation	24,158
Unallocated	<u>943,117</u>
Total Depreciation Expense	<u>\$ 1,150,746</u>

The restatement was a correction of an accounting error. The depreciation lives on some assets had been miscalculated in the prior year.

**STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 6. Long-term Debt

During the year ended June 30, 2005, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	Balance June 30, 2004	Additions	Retirements	Balance June 30, 2005	Amount Due In One Year
2001 Educational Technical Notes	\$ 65,000	\$ —	\$ 30,000	\$ 35,000	\$ 35,000
2003 General Obligation Bonds	80,000	—	5,000	75,000	5,000
Compensated Absences	<u>109,594</u>	<u>100,860</u>	<u>104,336</u>	<u>106,118</u>	<u>—</u>
Total	<u>\$ 254,594</u>	<u>\$ 100,860</u>	<u>\$ 139,336</u>	<u>\$ 216,118</u>	<u>\$ 40,000</u>

The annual requirements to amortize the Educational Technical Note and the General Obligation Bond as of June 30, 2005, including interest payments are as follows:

Fiscal Year Ending June 30, 2005	Principal	Interest	Total Debt Service
2006	\$ 40,000	\$ 4,565	\$ 44,565
2007	5,000	2,695	7,695
2008	5,000	2,495	7,495
2009	5,000	2,295	7,295
2010	5,000	2,095	7,095
2011-2015	40,000	6,540	46,540
2016-2020	<u>10,000</u>	<u>200</u>	<u>10,200</u>
Totals	<u>\$ 110,000</u>	<u>\$ 20,885</u>	<u>\$ 130,885</u>

The obligations on the long-term notes and bonds are paid by the Debt Service Fund. The accrued compensated absences are paid by the funds incurring the liability, mainly the general fund.

Educational Technical Notes and General Obligation Bonds outstanding at June 30, 2005, consisted of the following issues:

Educational Technical Notes
Series: July 3, 2001
Original Issue: \$100,000
Principal: January 1
Interest: January 1 and July 1
Rates: 4.77%

2003 G.O Bonds
Series: August 19, 2003
Original Issue: \$80,000
Principal: July 1
Interest: January 1 and July 1
Rates: 3.95% to 4.00%

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2005, compensated absences decreased \$3,476 over the prior year accrual. See Note 1 for more details.

**STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 7. Risk Management

The District is a member and is insured through the New Mexico Public Schools Insurance Authority. The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Authority acts as the common carrier for the State of New Mexico Schools. The District pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. The Actuarial gains and losses were not available at the date of this report. However, the District is not liable for more than the premiums paid.

NOTE 8. Other Required Individual Fund Disclosures

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

- A. Deficit fund balance of individual funds. The following fund reported a deficit fund balance at June 30, 2005:

Special Revenue Funds:	
Food Service	\$ (33,202)
Total	<u>\$ (33,202)</u>

- B. Receivables and payables from interfund transactions as of June 30, 2005 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented (*). Cash overdrafts are temporary situations.

	<u>Due to General Fund</u>	<u>Due from Other Funds</u>
Due to / from other funds:		
General Fund	\$ —	\$ 1,580,699*
Due to General Fund:		
Title I IASA	15,188*	—
Special Capital Outlay Federal	915,407*	—
Non-major Governmental Funds		
Food Services	85,534*	—
Jobs for America's Graduates	13,286*	—
Enhancing Education Through Education	17,064*	—
Comprehensive School Reform	12,040*	—
School Renovation, IDEA, & Technology	3,470*	—
Title I School Improvement	76,404*	—
Johnson O'Malley	42,192*	—
TANF / GRADS	8,312*	—
Technology for Education SDE	48,689*	—
Incentives for School Improvement Act	11,632*	—
Beginning Teacher Mentoring Program	8,997*	—
Bilingual Immersion	35,431*	—
Public School Capital Outlay	<u>287,053*</u>	<u>—</u>
Total Due to / from other funds	<u>\$ 1,580,699</u>	<u>\$ 1,580,699</u>

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 9. ERA Pension Plan

Plan Description. Substantially all of Zuni Public School District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (ERA) (Chapter 22, Article 11 NMSA 1978.) The Educational Retirement Board is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, and cost-of-living adjustments to plan members and beneficiaries. ERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to ERA, P. O. Box 26129, Santa Fe, New Mexico 87502.

Funding Policy. Plan members are required to contribute 7.6% of their gross salary. The District is required to contribute 8.65% of the gross covered salary. The contribution requirements of plan members and the District are established under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERA for the years ended June 30, 2005, 2004 and 2003 were \$978,126, \$1,008,867 and \$1,124,378 respectively.

NOTE 10. Post-Employment Benefits

The Retiree Health Care Act (the "Act") (Chapter 10, Article 7C, NMSA, 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into Retiree Health Care Fund and by co-payments or out-of-pocket payments to eligible retirees. Monies flow to the Retiree Health Care Fund on pay-as-you-go basis from eligible employers and eligible retirees.

Eligible employers are institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Education Retirement Act (ERA), Public Employees Retirement Association (PERA), Volunteer Firefighters Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act. Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf unless that person retired before the employer's NMRHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990. Each participating employer makes contributions to the fund in the amount of 1.3% of each participating employee's annual salary. Each participating employee contributes to the fund an amount equal to .65% of the employee's annual salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of \$5.00 if the eligible participant retired prior to the employer's NMRHCA effective date or is a former legislator. Participants may also enroll in optional plan coverage.

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 10. Post-Employment Benefits (continued)

The Retiree Health Care Authority issued a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, New Mexico 87107.

For the years ended June 30, 2005 and 2004, the District remitted \$148,534 and \$153,690 in employer contributions and \$73,501 and \$76,845 in employee contributions, respectively.

NOTE 11. Contingent Liabilities

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

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

NOTE 12. Budgeted Activity Funds

The Student Activity Funds, while budgeted under Non-Instructional Support in the financial statements, are considered for reporting purposes as agency funds and the related activity has been reported as such in the Statement of Changes in Fiduciary Net Assets – Agency Funds section of the financial statements.

NOTE 13. Basis of Presentation of Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Zuni Public Schools and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in, or used in the preparation of the governmental fund financial statements may not be consistent with amounts used in the Schedule of Expenditures of Federal Awards.

NOTE 14. Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2005 was \$47,867 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550. Commodities are recorded as revenues and expenditures in the food service fund.

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 15. Subsequent Accounting Standard Pronouncements

In May 2004, Governmental Accounting Standards Board (GASB) issued GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section* - an amendment of NCGA Statement 1. The statistical section is a required part of a comprehensive annual financial report (CAFR), although governments are not required to prepare a statistical section if they do not present their basic financial statements within a CAFR. These circumstances are not altered by this Statement.

However, this Statement does apply to any statistical section that accompanies a government's basic financial statements. The provisions of this Statement are effective for statistical sections prepared for periods beginning after June 15, 2005. The District is analyzing the effect that this standard will have on its financial statements, and currently believes it will have no significant effect on the comprehensive annual financial report for the upcoming year.

In June 2004, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which is effective in three phases beginning for periods beginning after December 15, 2006. The objective of the statement is to improve the faithfulness of representations and usefulness of information included in the financial reports of state and local government employers regarding other postemployment benefits. The District is analyzing the effect that this standard will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In December 2004, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation-an amendment of GASB Statement 34*, which is effective for financial statements for periods beginning after June 15, 2005. This Statement clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government - such as citizens, public interest groups, or the judiciary - can compel a government to honor. The Statement states that the legal enforceability of an enabling legislation restriction should be reevaluated if any of the resources raised by the enabling legislation are used for a purpose not specified by the enabling legislation or if a government has other cause for reconsideration. Although the determination that a particular restriction is not legally enforceable may cause a government to review the enforceability of other restrictions, it should not necessarily lead a government to the same conclusion for all enabling legislation restrictions.

This Statement also specifies the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation or if legal enforceability is reevaluated. Finally, this Statement requires governments to disclose the portion of total net assets that is restricted by enabling legislation. The District is analyzing the effect that this standard will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2005

Statement A-1

	Special Revenue	Capital Projects	Debt Service	Totals
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 1,913,221	\$ 1,720,688	\$ 9,175	\$ 3,643,084
Receivables:				
Taxes receivable	-	-	-	-
Other receivables	-	-	-	-
Due from other governments	277,510	342,213	-	619,723
Inventory	53,045	-	-	53,045
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 2,243,776</u>	<u>\$ 2,062,901</u>	<u>\$ 9,175</u>	<u>\$ 4,315,852</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities</i>				
Accounts payable	\$ 13,203	\$ 473,939	\$ -	\$ 487,142
Accrued expenses	4,918	-	-	4,918
Deferred revenue - other	1,671,513	-	-	1,671,513
Accrued compensated absences	6,536	-	-	6,536
Due to other funds	363,051	287,053	-	650,104
<i>Total liabilities</i>	<u>2,059,221</u>	<u>760,992</u>	<u>-</u>	<u>2,820,213</u>
<i>Fund balance</i>				
Reserved:				
Reserved for inventory	53,045	-	-	53,045
Unreserved:				
Undesignated, reported in:				
Special revenue funds	131,510	-	-	131,510
Debt service	-	-	9,175	9,175
Capital project funds	-	1,301,909	-	1,301,909
<i>Total fund balance and other credits</i>	<u>184,555</u>	<u>1,301,909</u>	<u>9,175</u>	<u>1,495,639</u>
<i>Total liabilities and fund balance</i>	<u>\$ 2,243,776</u>	<u>\$ 2,062,901</u>	<u>\$ 9,175</u>	<u>\$ 4,315,852</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2005

	Special Revenue	Capital Projects	Debt Service	Totals
<i>Revenues:</i>				
Property Taxes	\$ -	\$ 5,165	\$ 57,603	\$ 62,768
Local Sources	111,357	-	-	111,357
State Sources	115,256	469,433	-	584,689
Federal Sources	3,533,083	1,208,201	-	4,741,284
Interest	54	-	-	54
Miscellaneous	-	53,118	-	53,118
<i>Total revenues</i>	<u>3,759,750</u>	<u>1,735,917</u>	<u>57,603</u>	<u>5,553,270</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	1,510,318	-	-	1,510,318
Instructional Support	959,028	-	-	959,028
Administration	88,972	-	-	88,972
Business/Support Services	-	-	-	-
Operation and Maintenance	-	126,873	-	126,873
Food Services	838,648	-	-	838,648
Athletics	47,392	-	-	47,392
Non-Instructional Services	34,592	-	-	34,592
Community Services	261,342	-	-	261,342
Transportation	-	-	-	-
Capital Outlay	45,820	1,266,825	-	1,312,645
Issuance Costs	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	35,000	35,000
Interest	-	-	6,189	6,189
<i>Total expenditures</i>	<u>3,786,112</u>	<u>1,393,698</u>	<u>41,189</u>	<u>5,220,999</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(26,362)	342,219	16,414	332,271
<i>Fund balances - beginning of year</i>	<u>210,917</u>	<u>959,690</u>	<u>(7,239)</u>	<u>1,163,368</u>
<i>Fund balances - end of year</i>	<u>\$ 184,555</u>	<u>\$ 1,301,909</u>	<u>\$ 9,175</u>	<u>\$ 1,495,639</u>

The accompanying notes are an integral part of these financial statements

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

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

Food Services (21000) – This fund is used to account for the cost of operating student breakfast, lunch and summer lunch programs and is financed with federal grants and fees paid by program users. The funding is authorized by CFR, Title VII, Subtitle B, Sections 210, 215 and 220.

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

Title I Program Improvement IASA and Title I School Improvement (24105 and 24162) – The major objectives of the Title I program are to provide supplemental educational opportunity for academically disadvantaged children in the area where they reside. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

Entitlement IDEA-B (24106) – To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

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

Title II IASA (Math/Science) (24115) – The objective of this act is to provide federal funds for the purpose of strengthening the skills of teachers in the areas of mathematics and science. Program resources are utilized for the development of instructional materials and training of teachers in the secondary schools for utilizing these materials. Funds are acquired from federal sources through the New Mexico Department of Education. Authority for creation of this fund is Title II of the Elementary and Secondary Education Act (ESEA) of 1965, Title II, Part A, Public Law 100-208, as amended, Public Law 101-589.

Jobs for America's Graduates (24119) – The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curriculum that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education.

Title I Family Literacy IASA (24125) – To account for federal funds to provide family-center education projects to help parents become full partners in the education of their children and to assist children in reaching their full potential as leaders. Authority is Public Law 100-297.

Title IV Drug Free Schools (24128) – The objective of this program is to provide federal funds for the implementation of programs and/or curricula designed to prevent drug abuse from kindergarten through grade twelve. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for creation of this fund is Public Law 103-382.

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

Comprehensive School Reform (24135) – To stimulate school-wide changes in schools that need to substantially improve student academics, particularly Title I schools, so that students in these schools can meet state content and performance standards. Funding authority is the State of New Mexico Department of Education.

Class Size Reduction Act (24137) – The purpose of this program is to provide funding in order to reduce class size, particularly in the early grades using highly qualified teachers to improve educational achievement for regular and special needs children. Authority for creation of this fund is Department of Education Appropriations Act of 1999, Public Law 105-277.

Reading Excellence (24147) – To implement research based reading programs to increase student achievement in literacy.

Title V (Part A) Innovative Education Program Strategies (24150) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources. Authority for creation of this fund is Chapter II of Title I of Elementary and Secondary Education Act (ESEA) of 1965 as amended, Public Law 103-382.

Teacher / Principal Training & Recruiting (24154) – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students. Authority for creation of this fund is Title II of the Elementary and Secondary Education Act (ESEA) of 1965 as amended, Public Law 103-382.

Safe and Drug Free Schools & Communities (24157) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources. Authority for creation of this fund is P.L. 99-570, 100-297, 100-690, 101-226 and 101-647.21.

Rural and Low-Income Schools (24160) – To account for funds used to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

School Renovation, IDEA, & Technology (24166) – To account for federal funds for the purpose of replacing the roof at Dowa Elementary School and for ADA upgrades at Zuni Christian Reform Mission School.

Reading First (24167) – To account for federal resources administered by the State Department of Education for a comprehensive reading approach which will incorporate research-based materials, intensive and systematic on-site professional development and an assessment-teaching-learning cycle that feeds assessment data into dynamic instructional decision-making.

Bilingual Ed / Comprehensive School Grants USDE (24209) – To develop school wide programs for limited English proficient students that reform, restructure, and upgrade all relevant and operations within an individual school that has a concentration of limited English proficient students. Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A, Subpart I.

Johnson O'Malley (24231) – To account for grant funds provided through the Bureau of Indian Affairs (BIA) to be used for Indian students. Authority is Public Law 93-638 and 100-427.

Impact Aid Special Education (24245) – To account for funding of a Federal program to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), or where there are a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b)); where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

GRADS Child Care CYFD (24249) – To account for a program funded by the State Department of Education for the purpose of establishing and maintaining an in-school, family and consumer science instructional and intervention program for pregnant and parenting students, which focuses on knowledge and skills related to positive self, pregnancy, parenting and economic independence. Special Revenue Fund established by the local school board.

Title XIX Medicaid (24253) – To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children.

TANF / GRADS (24262) – To provide grants to States, Territories, or Tribes to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. Social Security Act, Title IV, Part A, as amended; Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193.

Drug & Violence Prevention (24269) – To account for a program to reduce the use of drugs and violence and increase community awareness about the consequences of the use of drugs and violence.

Indian Ed Formula Grant (24284) – To account for a program funded by a Federal grant to develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to: 1) Improve academic performance, 2) Reduce school dropout rates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U.S.C. 2601-2606.

Res Ctr Ed Needs Diverse Student Population (24291) – The Center for Research on Education, Diversity, and Excellence (CREDE) is funded by the Office of Education Research and Improvement with the Department of Education in Washington D.C. The CREDE program is housed at the University of California Santa Cruz and subcontracted with Zuni Public School District to perform research on effective teaching strategies and systematic change. Authority is contract with the University of California.

Bilingual Ed. Systemwide Improvement Grants (24292) – To account for funds used to implement district-wide bilingual education programs or special alternative instruction programs to improve, reform and upgrade relevant programs and operations within an entire local educational agency (LEA) that serve a significant number of children and youth of limited English proficiency in local educational agencies with significant concentrations of such children and youth (Title VII, Section 7115 of the ESEA (20 USC 7425)).

21st Century Community Learning Centers (24299)- To account for a program funded by a Federal grant to provided education through after school programs and enhanced community partnerships. Funding authorized by IASA Pubic Law 103-382.

Improvement of Education Fund (24340) – To account for funds used to conduct nationally significant programs to improve the quality of education, assist all students to meet challenging State content standards, and contribute to the achievement of elementary and secondary students. Elementary and Secondary Education Act of 1965, Title V, Part D, as amended.

PNM Foundation, Inc. (25123) – To account for a grant received from Public Service Company of New Mexico for an educational project.

RW Johnson Foundation (25125) – To account for funds for a program fund by the Robert Wood Johnson Foundation in order to improve the health and health care of students.

Assist Tobacco DOH (25336) – For implementation of prevention and intervention programs for student use of tobacco, including professional development for teachers.

Technology for Education SDE (25347) – The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

Incentives for School Improvement Act SDE (25374) – To account for monies received from the Award for High Improving Schools provided by the State of New Mexico for the purpose of identifying special needs at awarded locations and to purchase items to improve those schools.

Family Readiness Initiative (25381) – To account for monies received on preparing four-year-old children for transition into Kindergarten. These children from low-income families are identified in need of high quality educational services that include instruction that incorporates scientifically based research in reading, early childhood education, and adult education.

Substance Abuse Education (25388) – To account for revenues received for the implementation of innovative and accessible school-based programs which effectively address the mental health and substance abuse needs of high-risk children, youth and their families.

Bilingual Immersion (25393) – To account for revenues received for school districts with a high percentage of American Indian Students, to pursue exemplary activities for American Indian Youth.

Community Health Prom. DOH (25396) – To account for revenues received for a counselor for health counseling and sexuality education and for high risk students who do not qualify for special education services and standardize school based health assessments.

GEAR-UP CHE (25429) – To account for funds used to encourage eligible entities to provide or maintain a guarantee to eligible low-income students who obtain a secondary diploma (or its recognized equivalent), of the financial assistance necessary to permit the students to attend an institution of higher education, and supports eligible entities in providing additional counseling, mentoring, academic support, outreach and 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. Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, 20 U.S.C. 1070a-21-1070a-28.

Beginning Teacher Mentoring Program (25433) – The objective of this program is to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievement of students and improve the overall success of the school. Funding is provided by the New Mexico Board of Education. Authority for creation of this fund is NMSA 22-2-8-10.

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEETS
 JUNE 30, 2005

	Food Services	Athletics	Title I Program Improvement IASA	Entitlement Idea-B	Preschool Idea-B	Title II IASA Math / Science	Jobs for America's Graduates	Title I Family Literacy IASA	Title IV Drug Free Schools	Enhancing Education Through Technology	Comprehensive School Reform
ASSETS											
<i>Current Assets</i>											
Cash and temporary investments	\$ -	\$ 7,907	\$ 7,802	\$ 520,024	\$ 29,182	\$ 8,119	\$ -	\$ 2,241	\$ 2,878	\$ -	\$ -
Receivables:											
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	13,286	-	-	17,064	12,040
Inventory	53,045	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 53,045	\$ 7,907	\$ 7,802	\$ 520,024	\$ 29,182	\$ 8,119	\$ 13,286	\$ 2,241	\$ 2,878	\$ 17,064	\$ 12,040
LIABILITIES AND FUND BALANCES											
<i>Current Liabilities</i>											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	713	-	-	257	-	-	-	-	-	-	-
Deferred revenue - other	-	-	7,802	519,767	29,182	8,119	-	2,241	2,878	-	-
Accrued compensated absences	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	85,534	-	-	-	-	-	13,286	-	-	17,064	12,040
Total liabilities	\$ 86,247	\$ -	\$ 7,802	\$ 520,024	\$ 29,182	\$ 8,119	\$ 13,286	\$ 2,241	\$ 2,878	\$ 17,064	\$ 12,040
<i>Fund balance</i>											
Reserved:											
Reserved for Inventory	53,045	-	-	-	-	-	-	-	-	-	-
Unreserved:											
Undesignated	(86,247)	7,907	-	-	-	-	-	-	-	-	-
Total fund balance	(33,202)	7,907	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 53,045	\$ 7,907	\$ 7,802	\$ 520,024	\$ 29,182	\$ 8,119	\$ 13,286	\$ 2,241	\$ 2,878	\$ 17,064	\$ 12,040

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEETS
 JUNE 30, 2005

Statement B-1
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	Class Size Reduction Act	Reading Excellence	Title V (Part A) Innovative Educ Pgm Strategies	Title III Bilingual	Teacher / Principal Trng & Education	Safe and Drug Free Schools & Communities	Rural and Low-Income Schools	Title I School Improvement	School Renovation, IDEA & Technology	Reading First	Bilingual Ed / Comprehensive School Grants
ASSETS											
<i>Current Assets</i>											
Cash and temporary investments	\$ 1,225	\$ 14,428	\$ 9,871	\$ 105,016	\$ 32,953	\$ 17,201	\$ 31,550	\$ -	\$ -	\$ 44,442	\$ 67,052
Receivables:											
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	76,404	3,470	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 1,225	\$ 14,428	\$ 9,871	\$ 105,016	\$ 32,953	\$ 17,201	\$ 31,550	\$ 76,404	\$ 3,470	\$ 44,442	\$ 67,052
LIABILITIES AND FUND BALANCES											
<i>Current Liabilities</i>											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue - other	1,225	14,428	9,871	105,016	32,953	17,201	31,550	-	-	44,442	65,101
Accrued compensated absences	-	-	-	-	-	-	-	-	-	-	1,951
Due to other funds	-	-	-	-	-	-	-	76,404	3,470	-	-
Total liabilities	\$ 1,225	\$ 14,428	\$ 9,871	\$ 105,016	\$ 32,953	\$ 17,201	\$ 31,550	\$ 76,404	\$ 3,470	\$ 44,442	\$ 67,052
<i>Fund balances</i>											
Reserved:											
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-	-
Unreserved:											
Undesignated	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities and fund balances	\$ 1,225	\$ 14,428	\$ 9,871	\$ 105,016	\$ 32,953	\$ 17,201	\$ 31,550	\$ 76,404	\$ 3,470	\$ 44,442	\$ 67,052

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2005

	Johnson O'Malley	Impact Aid Special Education	GRADS Child Care CYFD	Title XIX Medicaid	TANF / GRADS	Drug & Violence Prevention	Indian Ed Formula Grant	Res Ctr Ed Needs Diverse Stud Popul	Bilingual Ed Systemwide Improvement	21st Century Community Lrng Centers	Improvement of Education Fund
ASSETS											
<i>Current Assets</i>											
Cash and temporary investments	\$ -	\$ 351,149	\$ 55,728	\$ 216,883	\$ -	\$ 237	\$ 14,832	\$ 1,266	\$ 10,068	\$ 43,585	\$ 147,704
Receivables:											
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	42,192	-	-	-	8,312	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 42,192	\$ 351,149	\$ 55,728	\$ 216,883	\$ 8,312	\$ 237	\$ 14,832	\$ 1,266	\$ 10,068	\$ 43,585	\$ 147,704
LIABILITIES AND FUND BALANCES											
<i>Current Liabilities</i>											
Accounts payable	\$ -	\$ -	\$ -	\$ 7,403	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,800
Accrued expenses	-	1,968	-	-	-	-	360	-	-	-	1,620
Deferred revenue - other	-	346,724	55,728	-	-	237	14,472	1,266	10,068	43,585	138,156
Accrued compensated absences	-	2,457	-	-	-	-	-	-	-	-	2,128
Due to other funds	42,192	-	-	-	8,312	-	-	-	-	-	-
Total liabilities	\$ 42,192	\$ 351,149	\$ 55,728	\$ 7,403	\$ 8,312	\$ 237	\$ 14,832	\$ 1,266	\$ 10,068	\$ 43,585	\$ 147,704
<i>Fund balances</i>											
Reserved:											
Reserved for Inventory	-	-	-	209,480	-	-	-	-	-	-	-
Unreserved:											
Undesignated	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	\$ -	\$ -	\$ -	\$ 209,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities and fund balances	\$ 42,192	\$ 351,149	\$ 55,728	\$ 216,883	\$ 8,312	\$ 237	\$ 14,832	\$ 1,266	\$ 10,068	\$ 43,585	\$ 147,704

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2005

	PNM Foundation, Inc.	RW Johnson Foundation	Assist Tobacco DOH	Technology for Education SDE	Incentives for School Impr Act SDE	Family Readiness Initiative	Substance Abuse Education	Bilingual Immersion	Community Health Prom DOH	Gear-Up CHE	Beginning Teacher Mentor Prgm	Totals
ASSETS												
<i>Current Assets</i>												
Cash and temporary investments	\$ 40	\$ -	\$ 330	\$ 7	\$ -	\$ -	\$ 4,501	\$ -	\$ 31,412	\$ 133,588	\$ -	\$ 1,913,221
Receivables:												
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	48,682	11,632	-	-	35,431	-	-	8,997	277,510
Inventory	-	-	-	-	-	-	-	-	-	-	-	53,045
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 40	\$ -	\$ 330	\$ 48,689	\$ 11,632	\$ -	\$ 4,501	\$ 35,431	\$ 31,412	\$ 133,588	\$ 8,997	\$ 2,243,776
LIABILITIES AND FUND BALANCES												
<i>Current Liabilities</i>												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,203
Accrued expenses	-	-	-	-	-	-	-	-	-	-	-	4,918
Deferred revenue - other	-	-	-	-	-	-	4,501	-	31,412	133,588	-	1,671,513
Accrued compensated absences	-	-	-	-	-	-	-	-	-	-	-	6,536
Due to other funds	-	-	-	48,689	11,632	-	-	35,431	-	-	8,997	363,051
Total liabilities	\$ -	\$ -	\$ 330	\$ 48,689	\$ 11,632	\$ -	\$ 4,501	\$ 35,431	\$ 31,412	\$ 133,588	\$ 8,997	\$ 2,059,221
<i>Fund balances</i>												
Reserved:												
Reserved for Inventory	40	-	330	-	-	-	-	-	-	-	-	53,045
Unreserved:												
Undesignated	-	-	-	-	-	-	-	-	-	-	-	131,510
Total fund balances	40	-	330	-	-	-	-	-	-	-	-	184,555
Total liabilities and fund balances	\$ 40	\$ -	\$ 330	\$ 48,689	\$ 11,632	\$ -	\$ 4,501	\$ 35,431	\$ 31,412	\$ 133,588	\$ 8,997	\$ 2,243,776

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDING JUNE 30, 2005

	Food Services	Athletics	Title I Program Improvement IASA		Preschool Idea-B	Title II IASA Math / Science	Jobs for America's Graduates	Title I Family Literacy IASA	Title IV Drug Free Schools	Enhancing Education Through Technology	Comprehensive School Reform
			Entitlement Idea-B	IASA							
Revenues:											
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	26,085	48,676	-	-	-	-	-	-	-	-	-
State Sources	47,867	-	-	-	-	-	-	-	-	-	-
Federal Sources	781,584	-	214,617	7,627	87,490	-	-	-	54,159	-	76,723
Interest	45	9	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Total revenues	855,581	48,685	214,617	7,627	87,490	-	-	-	54,159	-	76,723
Expenditures:											
Current:											
Direct Instruction	-	-	171,964	7,367	82,161	-	-	-	31,181	-	56,277
Instructional Support	-	-	33,893	23	2,639	-	-	-	2,711	-	-
Administration	-	-	8,760	237	2,690	-	-	-	-	-	3,191
Business/Support Services	-	-	-	-	-	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-	-	-	-	-	-
Food Services	802,052	-	-	-	-	-	-	-	-	-	-
Athletics	-	47,392	-	-	-	-	-	-	-	-	-
Non-Instructional Services	-	-	-	-	-	-	-	-	-	20,267	-
Community Services	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service:	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	802,052	47,392	214,617	7,627	87,490	-	-	-	54,159	-	76,723
Excess (deficiency) of revenues over expenditures	53,529	1,293	-	-	-	-	-	-	-	-	-
Fund balances - beginning of year	(86,731)	6,614	-	-	-	-	-	-	-	-	-
Fund balances - end of year	\$ (33,202)	\$ 7,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDING JUNE 30, 2005

	Class Size Reduction Act	Reading Excellence	Title V (Part A) Innovative Educ Pgm Strategies	Title III Bilingual	Teacher / Principal Trng & Education	Safe and Drug Free Schools & Communities	Rural and Low-Income Schools	Title I School Improvement	School Renovation, IDEA & Technology	Reading First	Bilingual Ed / Comprehensive School Grants
Revenues:											
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-	-	-	-	-	-	-
State Sources	-	-	-	-	-	-	-	-	-	-	-
Federal Sources	-	14,848	3,818	20,079	176,091	19,386	20,088	91,651	3,470	190,637	227,581
Interest	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Total revenues	14,848	14,848	3,818	20,079	176,091	19,386	20,088	91,651	3,470	190,637	227,581
Expenditures:											
Current:											
Direct Instruction	-	14,848	2,496	14,261	9,965	9,513	14,556	81,399	-	38,017	76,193
Instructional Support	-	-	1,163	4,983	158,797	9,061	2,846	7,714	-	123,507	141,318
Administration	-	-	159	835	7,329	805	791	2,538	-	7,926	10,070
Business/Support Services	-	-	-	-	-	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-	-	-	-	-	-
Food Services	-	-	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-	-	-
Non-Instructional Services	-	-	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	7	1,895	-	-	21,187	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	3,470	-	-
Debt Service:	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	14,848	14,848	3,818	20,079	176,091	19,386	20,088	91,651	3,470	190,637	227,581
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	-	-	-	-	-
Fund balances - beginning of year	-	-	-	-	-	-	-	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDING JUNE 30, 2005

	Johnson O'Malley	Impact Aid Special Education	GRADS Child Care CYFD	Title XIX Medicaid	TANF / GRADS	Drug & Violence Prevention	Indian Ed Formula Grant	Res Ctr Ed Needs Diverse Stud Popul	Bilingual Ed Systemwide Improvement	21st Century Community Lrng Centers	Improvement of Education Fund
Revenues:											
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-	-	-	-	-	-	-	-
State Sources	-	-	-	(22,939)	-	-	-	-	-	-	-
Federal Sources	149,591	415,974	14,419	70,334	4,000	930	296,779	-	-	251,021	340,186
Interest	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Total revenues	149,591	415,974	14,419	47,395	4,000	930	296,779	-	-	251,021	340,186
Expenditures:											
Current:											
Direct Instruction	128,986	261,067	11,226	-	4,000	930	205,980	-	-	-	158,048
Instructional Support	18,074	129,501	2,272	34,177	-	-	74,842	-	-	-	163,614
Administration	-	13,298	-	-	-	-	13,402	-	-	-	14,275
Business/Support Services	-	-	-	-	-	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-	-	-	-	-	-
Food Services	-	-	-	-	-	-	-	-	-	-	-
Athletics	-	-	-	-	-	-	-	-	-	-	-
Non-Instructional Services	-	2,312	921	-	-	-	2,555	-	-	208,671	4,249
Community Services	2,531	9,796	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	42,350	-
Debt Service:	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	149,591	415,974	14,419	34,177	4,000	930	296,779	-	-	251,021	340,186
Excess (deficiency) of revenues over expenditures	-	-	-	13,218	-	-	-	-	-	-	-
Fund balances - beginning of year	-	-	-	196,262	-	-	-	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ 209,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDING JUNE 30, 2005

	PNM Foundation Inc	RW Johnson Foundation	Assist Tobacco DOH	Technology for Education SDE	Incentives for School Inpr Act SDE	Family Readiness Initiative	Substance Abuse Education	Bilingual Immersion	Community Health Prom DOH	Gear-Up CHE	Beginning Teacher Mentor Prgm	Totals
Revenues:												
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Sources	-	36,596	-	-	-	-	-	-	-	-	-	111,357
State Sources	-	-	-	24,222	11,632	50,000	9,301	35,431	-	(43,500)	3,242	115,256
Federal Sources	-	-	-	-	-	-	-	-	-	-	-	3,533,083
Interest	-	-	-	-	-	-	-	-	-	-	-	54
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	36,596	-	24,222	11,632	50,000	9,301	35,431	-	(43,500)	3,242	3,759,750
Expenditures:												
Current:												
Direct Instruction	177	-	-	-	10,314	42,073	534	35,288	-	38,255	3,242	1,510,318
Instructional Support	-	-	-	24,222	-	7,927	8,767	-	-	6,977	-	959,028
Administration	-	-	-	-	-	-	-	-	-	2,666	-	88,972
Business/Support Services	-	-	-	-	-	-	-	-	-	-	-	-
Operation and Maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Food Services	-	36,596	-	-	-	-	-	-	-	-	-	838,648
Athletics	-	-	-	-	-	-	-	-	-	-	-	47,392
Non-Instructional Services	-	-	-	-	-	-	-	143	-	4,145	-	34,592
Community Services	-	-	-	-	-	-	-	-	-	-	-	261,342
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service:	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	45,820
Total expenditures	177	36,596	-	24,222	10,314	50,000	9,301	35,431	-	52,043	3,242	3,786,112
Excess (deficiency) of revenues over expenditures	(177)	-	-	-	1,318	-	-	-	-	(95,543)	-	(26,362)
Fund balances - beginning of year	217	-	330	-	(1,318)	-	-	-	-	95,543	-	210,917
Fund balances - end of year	\$ 40	\$ -	\$ 330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184,555

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
FOOD SERVICES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable</u>
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	26,085	26,085
State Sources	-	-	-	-
Federal Sources	685,660	827,188	781,584	(45,604)
Interest	-	-	45	45
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>685,660</u>	<u>827,188</u>	<u>807,714</u>	<u>(19,474)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	685,660	827,188	788,677	38,511
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>685,660</u>	<u>827,188</u>	<u>788,677</u>	<u>38,511</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>19,037</u>	<u>19,037</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>(104,571)</u>	<u>(104,571)</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (85,534)</u>	<u>\$ (85,534)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
ATHLETICS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

Statement B-4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable</u> <u>(Unfavorable)</u>
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	48,740	48,740	52,491	3,751
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	9	9
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>48,740</u>	<u>48,740</u>	<u>52,500</u>	<u>3,760</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	48,740	48,740	47,392	1,348
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>48,740</u>	<u>48,740</u>	<u>47,392</u>	<u>1,348</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>5,108</u>	<u>5,108</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,799</u>	<u>2,799</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,907</u>	<u>\$ 7,907</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 TITLE I PROGRAM IMPROVEMENT IASA SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

Statement B-5

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>7,802</u>	<u>7,802</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,802</u>	<u>\$ 7,802</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 ENTITLEMENT IDEA-B SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

Statement B-6

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	453,034	453,034	435,285	(17,749)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>453,034</u>	<u>453,034</u>	<u>435,285</u>	<u>(17,749)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	353,281	353,281	172,943	180,338
Instructional Support	82,119	82,119	35,751	46,368
Administration	17,634	17,634	8,760	8,874
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>453,034</u>	<u>453,034</u>	<u>217,454</u>	<u>235,580</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>217,831</u>	<u>217,831</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>302,193</u>	<u>302,193</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 520,024</u>	<u>\$ 520,024</u>

The accompanying notes are an integral part of these financial statements



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STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
PRESCHOOL IDEA-B SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	11,233	11,233	11,233	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>11,233</u>	<u>11,233</u>	<u>11,233</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	8,350	8,350	7,367	983
Instructional Support	2,500	2,500	23	2,477
Administration	383	383	237	146
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,233</u>	<u>11,233</u>	<u>7,627</u>	<u>3,606</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>3,606</u>	<u>3,606</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>25,576</u>	<u>25,576</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,182</u>	<u>\$ 29,182</u>

The accompanying notes are an integral part of these financial statements



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STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 TITLE II IASA (MATH / SCIENCE) SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

Statement B-8

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,119</u>	<u>8,119</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,119</u>	<u>\$ 8,119</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 JOBS FOR AMERICA'S GRADUATES SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

Statement B-9

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	91,881	91,881	88,490	(3,391)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>91,881</u>	<u>91,881</u>	<u>88,490</u>	<u>(3,391)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	86,844	86,844	82,418	4,426
Instructional Support	2,676	2,676	2,639	37
Administration	2,361	2,361	2,690	(329)
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>91,881</u>	<u>91,881</u>	<u>87,747</u>	<u>4,134</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>743</u>	<u>743</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>(14,029)</u>	<u>(14,029)</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,286)</u>	<u>\$ (13,286)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
TITLE I FAMILY LITERACY IASA SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,241</u>	<u>2,241</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,241</u>	<u>\$ 2,241</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 TITLE IV DRUG FREE SCHOOLS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

Statement B-11

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,878</u>	<u>2,878</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,878</u>	<u>\$ 2,878</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
ENHANCING EDUCATION THROUGH TECHNOLOGY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable</u> <u>(Unfavorable)</u>
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	77,568	59,496	(18,072)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>77,568</u>	<u>59,496</u>	<u>(18,072)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	31,641	31,640	1
Instructional Support	-	18,469	2,711	15,758
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	27,458	20,267	7,191
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>77,568</u>	<u>54,618</u>	<u>22,950</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>4,878</u>	<u>4,878</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>(21,942)</u>	<u>(21,942)</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,064)</u>	<u>\$ (17,064)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
COMPREHENSIVE SCHOOL REFORM SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	53,000	106,000	10,000	(96,000)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>53,000</u>	<u>106,000</u>	<u>10,000</u>	<u>(96,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	47,827	82,989	56,277	26,712
Instructional Support	-	-	-	-
Administration	2,200	4,405	3,191	1,214
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	2,973	18,606	17,255	1,351
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>53,000</u>	<u>106,000</u>	<u>76,723</u>	<u>29,277</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(66,723)</u>	<u>(66,723)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>54,683</u>	<u>54,683</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,040)</u>	<u>\$ (12,040)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 CLASS SIZE REDUCTION ACT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,225</u>	<u>1,225</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,225</u>	<u>\$ 1,225</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
READING EXCELLENCE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	16,138	16,138	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>16,138</u>	<u>16,138</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	16,138	14,848	1,290
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>16,138</u>	<u>14,848</u>	<u>1,290</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,290</u>	<u>1,290</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>13,138</u>	<u>13,138</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,428</u>	<u>\$ 14,428</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
TITLE V (PART A) INNOVATIVE EDUCATION PROGRAM STRATEGIES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable</u> <u>(Unfavorable)</u>
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	8,236	11,535	7,994	(3,541)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>8,236</u>	<u>11,535</u>	<u>7,994</u>	<u>(3,541)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	4,832	8,131	2,496	5,635
Instructional Support	2,905	2,905	1,163	1,742
Administration	342	342	159	183
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	157	157	-	157
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,236</u>	<u>11,535</u>	<u>3,818</u>	<u>7,717</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>4,176</u>	<u>4,176</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,695</u>	<u>5,695</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,871</u>	<u>\$ 9,871</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
TITLE III BILINGUAL SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	125,095	125,095	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>125,095</u>	<u>125,095</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	64,000	14,261	49,739
Instructional Support	-	55,900	4,983	50,917
Administration	-	5,195	835	4,360
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>125,095</u>	<u>20,079</u>	<u>105,016</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>105,016</u>	<u>105,016</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,016</u>	<u>\$ 105,016</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
TEACHER / PRINCIPAL TRAINING & RECRUITING SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable</u>
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	212,663	252,335	177,000	(75,335)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>212,663</u>	<u>252,335</u>	<u>177,000</u>	<u>(75,335)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	24,169	39,326	10,285	29,041
Instructional Support	172,404	196,832	158,797	38,035
Administration	8,826	10,476	7,329	3,147
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	7,264	5,701	-	5,701
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>212,663</u>	<u>252,335</u>	<u>176,411</u>	<u>75,924</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>589</u>	<u>589</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>32,364</u>	<u>32,364</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,953</u>	<u>\$ 32,953</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
SAFE AND DRUG FREE SCHOOLS & COMMUNITIES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	23,539	43,152	20,000	(23,152)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>23,539</u>	<u>43,152</u>	<u>20,000</u>	<u>(23,152)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	13,282	21,980	9,513	12,467
Instructional Support	8,831	12,562	9,061	3,501
Administration	977	1,792	805	987
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	449	6,818	7	6,811
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>23,539</u>	<u>43,152</u>	<u>19,386</u>	<u>23,766</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>614</u>	<u>614</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>16,587</u>	<u>16,587</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,201</u>	<u>\$ 17,201</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 RURAL AND LOW-INCOME SCHOOLS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

Statement B-20

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	54,481	25,000	(29,481)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>54,481</u>	<u>25,000</u>	<u>(29,481)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	30,664	14,556	16,108
Instructional Support	-	12,500	2,846	9,654
Administration	-	2,261	791	1,470
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	9,056	1,895	7,161
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>54,481</u>	<u>20,088</u>	<u>34,393</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>4,912</u>	<u>4,912</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>26,638</u>	<u>26,638</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,550</u>	<u>\$ 31,550</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
TITLE I SCHOOL IMPROVEMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

Statement B-21

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable</u>
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	159,063	9,000	(150,063)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>159,063</u>	<u>9,000</u>	<u>(150,063)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	137,613	81,399	56,214
Instructional Support	-	16,000	7,714	8,286
Administration	-	5,450	2,538	2,912
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>159,063</u>	<u>91,651</u>	<u>67,412</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(82,651)</u>	<u>(82,651)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,247</u>	<u>6,247</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (76,404)</u>	<u>\$ (76,404)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
SCHOOL RENOVATION, IDEA, & TECHNOLOGY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	3,470	3,470	72,175	68,705
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,470</u>	<u>3,470</u>	<u>72,175</u>	<u>68,705</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	3,470	3,470	3,470	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,470</u>	<u>3,470</u>	<u>3,470</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>68,705</u>	<u>68,705</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>(72,175)</u>	<u>(72,175)</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,470)</u>	<u>\$ (3,470)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
READING FIRST SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	308,380	235,079	(73,301)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>308,380</u>	<u>235,079</u>	<u>(73,301)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	62,877	38,017	24,860
Instructional Support	-	185,325	123,507	61,818
Administration	-	12,799	7,926	4,873
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	47,379	21,187	26,192
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>308,380</u>	<u>190,637</u>	<u>117,743</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>44,442</u>	<u>44,442</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,442</u>	<u>\$ 44,442</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 BILINGUAL ED / COMPREHENSIVE SCHOOL USDE GRANTS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

Statement B-24

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	242,631	242,631	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>242,631</u>	<u>242,631</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	78,029	77,512	517
Instructional Support	-	154,532	140,081	14,451
Administration	-	10,070	10,070	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>242,631</u>	<u>227,663</u>	<u>14,968</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>14,968</u>	<u>14,968</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>52,084</u>	<u>52,084</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,052</u>	<u>\$ 67,052</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
JOHNSON O'MALLEY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	150,287	149,054	(1,233)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>150,287</u>	<u>149,054</u>	<u>(1,233)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	129,682	129,682	-
Instructional Support	-	18,074	18,074	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	2,531	2,531	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>150,287</u>	<u>150,287</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,233)</u>	<u>(1,233)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>(40,959)</u>	<u>(40,959)</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,192)</u>	<u>\$ (42,192)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	320,400	467,198	306,082	(161,116)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>320,400</u>	<u>467,198</u>	<u>306,082</u>	<u>(161,116)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	182,144	305,325	263,459	41,866
Instructional Support	124,958	133,609	131,741	1,868
Administration	13,298	13,298	13,298	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	3,654	2,312	1,342
Community Services	-	11,312	11,309	3
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>320,400</u>	<u>467,198</u>	<u>422,119</u>	<u>45,079</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(116,037)</u>	<u>(116,037)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>467,186</u>	<u>467,186</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,149</u>	<u>\$ 351,149</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 GRADS CHILD CARE CYFD SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

Statement B-27

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	46,234	26,914	(19,320)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>46,234</u>	<u>26,914</u>	<u>(19,320)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	30,049	11,226	18,823
Instructional Support	-	5,000	2,272	2,728
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	1,185	921	264
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	10,000	-	10,000
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>46,234</u>	<u>14,419</u>	<u>31,815</u>
<i>Other financing sources (uses)</i>				
Increase in cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>12,495</u>	<u>12,495</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>43,233</u>	<u>43,233</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,728</u>	<u>\$ 55,728</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
TITLE XIX MEDICAID SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	173,641	70,334	(103,307)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>173,641</u>	<u>70,334</u>	<u>(103,307)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	173,641	27,092	146,549
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>173,641</u>	<u>27,092</u>	<u>146,549</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>43,242</u>	<u>43,242</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>173,641</u>	<u>173,641</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,883</u>	<u>\$ 216,883</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
TANF / GRADS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	4,000	4,000	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	4,000	4,000	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>(8,312)</u>	<u>(8,312)</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,312)</u>	<u>\$ (8,312)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
DRUG & VIOLENCE PREVENTION GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	1,000	1,000	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	1,000	930	70
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,000</u>	<u>930</u>	<u>70</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>70</u>	<u>70</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>167</u>	<u>167</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237</u>	<u>\$ 237</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 INDIAN ED FORMULA GRANT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

Statement B-31

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	322,910	290,000	(32,910)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>322,910</u>	<u>290,000</u>	<u>(32,910)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	209,751	207,982	1,769
Instructional Support	-	94,957	74,741	20,216
Administration	-	13,402	13,402	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	300	-	300
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	4,500	2,555	1,945
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>322,910</u>	<u>298,680</u>	<u>24,230</u>
<i>Other financing sources (uses)</i>				
Increase in cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(8,680)</u>	<u>(8,680)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>23,512</u>	<u>23,512</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,832</u>	<u>\$ 14,832</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
RES CTR ED NEEDS DIVERSE STUDENT POPULATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,266</u>	<u>1,266</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,266</u>	<u>\$ 1,266</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
BILINGUAL ED SYSTEMWIDE IMPROVEMENT GRANTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,068</u>	<u>10,068</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,068</u>	<u>\$ 10,068</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
21ST CENTURY COMMUNITY LEARNING CENTERS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable</u>
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	312,136	-	(312,136)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>312,136</u>	<u>-</u>	<u>(312,136)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	269,786	226,197	43,589
Transportation	-	-	-	-
Capital Outlay	-	42,350	42,350	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>312,136</u>	<u>268,547</u>	<u>43,589</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(268,547)</u>	<u>(268,547)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>312,132</u>	<u>312,132</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,585</u>	<u>\$ 43,585</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
IMPROVEMENT OF EDUCATION FUND SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variances Favorable (Unfavorable)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	343,958	394,157	50,199
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>343,958</u>	<u>394,157</u>	<u>50,199</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	163,611	159,926	3,685
Instructional Support	-	161,791	154,066	7,725
Administration	-	14,275	14,275	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	4,281	4,249	32
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>343,958</u>	<u>332,516</u>	<u>11,442</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>61,641</u>	<u>61,641</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>86,063</u>	<u>86,063</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,704</u>	<u>\$ 147,704</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
PNM FOUNDATION INC. SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	217	-	(217)
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>217</u>	<u>-</u>	<u>(217)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	217	177	40
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>217</u>	<u>177</u>	<u>40</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(177)</u>	<u>(177)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>217</u>	<u>217</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 40</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 RW JOHNSON FOUNDATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	36,595	-	(36,595)
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	36,595	-	(36,595)
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	36,595	36,596	(1)
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	36,595	36,596	(1)
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	-	-	(36,596)	(36,596)
<i>Fund balances - Beginning of year</i>	-	-	36,596	36,596
<i>Fund balances - End of year</i>	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
ASSIST TOBACCO DOH SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>330</u>	<u>330</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 330</u>	<u>\$ 330</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 TECHNOLOGY FOR EDUCATION SDE SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

Statement B-39

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable</u> <u>(Unfavorable)</u>
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	35,457	-	(35,457)
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>35,457</u>	<u>-</u>	<u>(35,457)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	35,457	24,222	11,235
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>35,457</u>	<u>24,222</u>	<u>11,235</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(24,222)</u>	<u>(24,222)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>(24,460)</u>	<u>(24,460)</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,682)</u>	<u>\$ (48,682)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
INCENTIVES FOR SCHOOL IMPROVEMENT ACT SDE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	18,468	-	(18,468)
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>18,468</u>	<u>-</u>	<u>(18,468)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	18,468	10,314	8,154
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>18,468</u>	<u>10,314</u>	<u>8,154</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>				
	<u>-</u>	<u>-</u>	<u>(10,314)</u>	<u>(10,314)</u>
<i>Fund balances - Beginning of year</i>				
	<u>-</u>	<u>-</u>	<u>(1,318)</u>	<u>(1,318)</u>
<i>Fund balances - End of year</i>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,632)</u>	<u>\$ (11,632)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
FAMILY READINESS INITIATIVE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	50,001	50,000	(1)
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>50,001</u>	<u>50,000</u>	<u>(1)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	42,074	42,073	1
Instructional Support	-	7,927	7,927	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>50,001</u>	<u>50,000</u>	<u>1</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - Beginning of year</i>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - End of year</i>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 SUBSTANCE ABUSE EDUCATION SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

Statement B-42

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	13,807	-	(13,807)
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>13,807</u>	<u>-</u>	<u>(13,807)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	535	534	1
Instructional Support	-	13,272	8,767	4,505
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>13,807</u>	<u>9,301</u>	<u>4,506</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,301)</u>	<u>(9,301)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>13,802</u>	<u>13,802</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,501</u>	<u>\$ 4,501</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
FEDERAL RELIEF SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

Statement B-43

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable</u>
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	36,000	-	(36,000)
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>36,000</u>	<u>-</u>	<u>(36,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	34,800	35,288	(488)
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	1,200	143	1,057
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>36,000</u>	<u>35,431</u>	<u>569</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(35,431)</u>	<u>(35,431)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (35,431)</u>	<u>\$ (35,431)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 COMMUNITY HEALTH PROM DOH SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>31,412</u>	<u>31,412</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,412</u>	<u>\$ 31,412</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
GEAR-UP CHE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable</u> <u>(Unfavorable)</u>
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	102,337	90,088	(12,249)
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>102,337</u>	<u>90,088</u>	<u>(12,249)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	54,564	38,255	16,309
Instructional Support	-	15,605	6,977	8,628
Administration	-	2,666	2,666	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	29,502	4,145	25,357
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>102,337</u>	<u>52,043</u>	<u>50,294</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>38,045</u>	<u>38,045</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>95,543</u>	<u>95,543</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,588</u>	<u>\$ 133,588</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
BEGINNING TEACHER MENTORING PROGRAM SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variances Favorable (Unfavorable)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	5,268	5,268	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,268</u>	<u>5,268</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	5,268	5,268	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>5,268</u>	<u>5,268</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>(8,997)</u>	<u>(8,997)</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,997)</u>	<u>\$ (8,997)</u>

The accompanying notes are an integral part of these financial statements

DEBT SERVICE FUNDS

DEBT SERVICE FUNDS

The School has the following Debt Service Funds:

Debt Service Fund (41000) – To accumulate resources for payment of principal and interest due on general obligation bonds. Financing is provided by a special tax levy approved by the voters of the District and assessed by the County Assessor and collected and remitted to the District by the County Treasurer.

Educational Technology (43000) – To accumulate resources for payment of principal and interest due on educational technology bonds. Financing is provided by a special tax levy approved by the voters of the District and assessed by the County Assessor and collected and remitted to the District by the County Treasurer.

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 NONMAJOR DEBT SERVICE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2005

Statement C-1

	Debt Service	Educational Technology Debt Service	Total
ASSETS			
<i>Current Assets</i>			
Cash and temporary investments	\$ 8,087	\$ 1,088	\$ 9,175
Receivables:			
Taxes receivable	-	-	-
Other receivables	-	-	-
Due from other governments	-	-	-
Inventory	-	-	-
Due from other funds	-	-	-
	<u>8,087</u>	<u>1,088</u>	<u>9,175</u>
<i>Total assets</i>	<u>\$ 8,087</u>	<u>\$ 1,088</u>	<u>\$ 9,175</u>
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued expenses	-	-	-
Deferred revenue - property taxes	-	-	-
Deferred revenue - other	-	-	-
Accrued compensated absences	-	-	-
Due to other funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>			
Reserved:			
Reserved for debt service	8,087	1,088	9,175
	<u>8,087</u>	<u>1,088</u>	<u>9,175</u>
<i>Total fund balances</i>	<u>8,087</u>	<u>1,088</u>	<u>9,175</u>
<i>Total liabilities, and fund balances</i>	<u>\$ 8,087</u>	<u>\$ 1,088</u>	<u>\$ 9,175</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2005

Statement C-2

	Debt Service	Educational Technology Debt Service	Total
<i>Revenues:</i>			
Property Taxes	\$ 5,950	\$ 51,653	\$ 57,603
Local Sources	-	-	-
State Sources	-	-	-
Federal Sources	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	5,950	51,653	57,603
<i>Expenditures:</i>			
<i>Current:</i>			
Direct Instruction	-	-	-
Instructional Support	-	-	-
Administration	-	-	-
Business/Support Services	-	-	-
Operation and Maintenance	-	-	-
Food Services	-	-	-
Athletics	-	-	-
Non-Instructional Services	-	-	-
Community Services	-	-	-
Transportation	-	-	-
Capital Outlay	-	-	-
<i>Debt Service:</i>			
Principal	5,000	30,000	35,000
Interest	3,096	3,093	6,189
<i>Total expenditures</i>	8,096	33,093	41,189
<i>Excess (deficiency) of revenues over expenditures</i>	(2,146)	18,560	16,414
<i>Fund balances - beginning of year</i>	10,233	(17,472)	(7,239)
<i>Fund balances - end of year</i>	\$ 8,087	\$ 1,088	\$ 9,175

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
DEBT SERVICE FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

Statement C-3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable</u>
<i>Revenues:</i>				
Property Taxes	\$ 14,979	\$ 14,979	\$ 5,950	\$ (9,029)
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>14,979</u>	<u>14,979</u>	<u>5,950</u>	<u>(9,029)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	80	80	-	80
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	5,000	5,000	6,598	(1,598)
Interest	9,899	9,899	1,498	8,401
<i>Total expenditures</i>	<u>14,979</u>	<u>14,979</u>	<u>8,096</u>	<u>6,883</u>
<i>Other financing sources (uses)</i>				
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,146)</u>	<u>(2,146)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,233</u>	<u>10,233</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,087</u>	<u>\$ 8,087</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 EDUCATIONAL TECHNOLOGY DEBT SERVICE FUND
 STATEMENT OF REVENUES AND EXPENDITURES
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

Statement C-4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable</u>
<i>Revenues:</i>				
Property Taxes	\$ 37,044	\$ 37,044	\$ 51,653	\$ 14,609
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>37,044</u>	<u>37,044</u>	<u>51,653</u>	<u>14,609</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	331	331	-	331
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	30,000	30,000	30,000	-
Interest	6,713	6,713	3,093	3,620
<i>Total expenditures</i>	<u>37,044</u>	<u>37,044</u>	<u>33,093</u>	<u>3,951</u>
<i>Other financing sources (uses)</i>				
Beginning cash	-	-	-	-
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>18,560</u>	<u>18,560</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>(17,472)</u>	<u>(17,472)</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,088</u>	<u>\$ 1,088</u>

The accompanying notes are an integral part of these financial statements

CAPITAL PROJECTS FUNDS

CAPITAL PROJECT FUNDS

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Bond Building (31100) - To account for bond proceeds plus any income earned thereon. The proceeds are restricted for the purposes of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

Public School Capital Outlay (31200) – To account for capital expenditures deemed by the public school capital outlay council necessary for an adequate education program, and the capital outlay expenditure are limited to the purchase, or construction of temporary or permanent classrooms under the provisions of Chapter 22, Article 24.

Special Capital Outlay Local (31300) – To account for special appropriations monies received from local sources for the purpose of specific capital outlay projects.

Special Capital Outlay State (31400) – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of specific capital outlay projects.

Capital Improvements SB-9 (31700) – To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

Public Building Energy Efficiency (31800) – To account for school projects designed to increase the efficiency of the District's buildings. The legislation allows the District to incur long-term contracts to complete these projects. Savings from the modifications made are used to fund the projects. This was approved by the Public Building Energy Efficiency Act (6-21-1 to 6-23-10, NMSA 1978).

Educational Technology (31900) – To account for funding which is to be used by the District to promote the comprehensive integration of advanced technologies in education setting, through the conduct of technical assistance, professional development, information and resource dissemination and collaboration activities. Authorization is NMSA 22-15A-1.

Public School Capital Outlay: 20% (32100) – To account for the 20 percent of the operational property tax revenues that have been set aside for capital outlay projects.

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2005

	Public School Capital Outlay	Special Capital Outlay Local	Special Capital Outlay State
ASSETS			
<i>Current Assets</i>			
Cash and temporary investments	\$ 8,360	\$ 48,912	\$ 21,972
Receivables:			
Taxes receivable	-	-	-
Other receivables	-	-	-
Due from other governments	287,053	-	42,709
Inventory	-	-	-
Due from other funds	-	-	-
Total assets	\$ 287,053	\$ 48,912	\$ 64,681
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ -
Accrued expenses	-	-	-
Deferred revenue - property taxes	-	-	-
Deferred revenue - other	-	-	-
Accrued compensated absences	-	-	-
Due to other funds	287,053	-	-
Total liabilities	287,053	-	-
<i>Fund balances</i>			
Unreserved:			
Undesignated	-	-	-
Total fund balances	-	-	-
Total liabilities, fund balances	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements
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<u>Capital Improvements SB-9</u>	<u>Public Building Energy Efficiency</u>	<u>Educational Technology</u>	<u>Public School Capital Outlay: 20%</u>	<u>Totals</u>
\$ 217,135	\$ 73,352	\$ 5,107	\$ 1,345,850	\$ 1,720,688
-	-	-	-	-
-	-	-	-	-
-	-	-	12,451	342,213
-	-	-	-	-
-	-	-	-	-
<u>\$ 217,135</u>	<u>\$ 73,352</u>	<u>\$ 5,107</u>	<u>\$ 1,358,301</u>	<u>\$ 2,062,901</u>
\$ 24,281	\$ 3,190	\$ -	\$ 446,468	\$ 473,939
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	287,053
<u>24,281</u>	<u>3,190</u>	<u>-</u>	<u>446,468</u>	<u>760,992</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ 24,281</u>	<u>\$ 3,190</u>	<u>\$ -</u>	<u>\$ 446,468</u>	<u>\$ 760,992</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2005

	Bond	Public School	Special	State
	Outlay	Capital	Capital	Capital
	Outlay	Outlay	Outlay	Outlay
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	287,053	-	93,058
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	(2,042)	42,709
Total revenues	-	287,053	(2,042)	135,767
Expenditures:				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	15,697
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	2,804	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	243,630	316,649	96,331
Issuance Costs	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,804	243,630	316,649	112,028
Other financing sources (uses):				
Operating transfers	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources (uses) over expenditures	(2,804)	43,423	(318,691)	23,739
Fund balances - beginning of year	11,164	(43,423)	367,603	40,942
Fund balances - end of year	\$ 8,360	\$ -	\$ 48,912	\$ 64,681

The accompanying notes are an integral part of these financial statements

Capital Improvements SB-9	Public Building Energy Efficiency	Educational Technology	Public School Capital Outlay: 20%	Totals
\$ 5,165	\$ -	\$ -	\$ -	\$ 5,165
-	-	-	-	-
89,322	-	-	-	469,433
-	-	-	1,208,201	1,208,201
-	-	-	-	-
-	-	-	12,451	53,118
<u>94,487</u>	<u>-</u>	<u>-</u>	<u>1,220,652</u>	<u>1,735,917</u>
-	-	-	-	-
-	-	-	-	15,697
-	-	-	-	-
93,014	29,013	-	2,042	126,873
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
34,785	-	-	559,733	1,251,128
-	-	-	-	-
-	-	-	-	-
<u>127,799</u>	<u>29,013</u>	<u>-</u>	<u>561,775</u>	<u>1,393,698</u>
-	-	-	-	-
-	-	-	-	-
(33,312)	(29,013)	-	658,877	342,219
<u>226,166</u>	<u>99,175</u>	<u>5,107</u>	<u>252,956</u>	<u>959,690</u>
<u>\$ 192,854</u>	<u>\$ 70,162</u>	<u>\$ 5,107</u>	<u>\$ 911,833</u>	<u>\$ 1,301,909</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
BOND BUILDING CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	2,805	2,804	1
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	17,282	8,923	8,359
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>20,087</u>	<u>11,727</u>	<u>8,360</u>
<i>Other financing sources (uses)</i>				
Sale of Bond Proceeds	-	-	-	-
Beginning cash	-	20,087	-	(20,087)
Transfers	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>20,087</u>	<u>-</u>	<u>(20,087)</u>
<i>Excess (deficiency) of revenues over expenditures and other (uses)</i>	<u>-</u>	<u>-</u>	<u>(11,727)</u>	<u>(11,727)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>20,087</u>	<u>20,087</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,360</u>	<u>\$ 8,360</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 ZUNI PUBLIC SCHOOL DISTRICT NO. 89
 PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECT FUND
 STATEMENT OF REVENUES AND EXPENDITURES
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
 FOR THE YEAR ENDING JUNE 30, 2005

Statement D-4

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	1,446,778	1,475,322	-	(1,475,322)
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,446,778</u>	<u>1,475,322</u>	<u>-</u>	<u>(1,475,322)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	1,446,778	1,475,322	315,597	1,159,725
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,446,778</u>	<u>1,475,322</u>	<u>315,597</u>	<u>1,159,725</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(315,597)</u>	<u>(315,597)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>28,544</u>	<u>28,544</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (287,053)</u>	<u>\$ (287,053)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
SPECIAL CAPITAL OUTLAY: LOCAL CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable</u>
				<u>(Unfavorable)</u>
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	350,000	350,000	-	(350,000)
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>(350,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	350,000	350,000	318,691	31,309
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>350,000</u>	<u>350,000</u>	<u>318,691</u>	<u>31,309</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(318,691)</u>	<u>(318,691)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>367,603</u>	<u>367,603</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,912</u>	<u>\$ 48,912</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
SPECIAL CAPITAL OUTLAY: STATE CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original Budget</u>	<u>Final Budget</u>		<u>Favorable</u>
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	90,699	227,136	93,058	(134,078)
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	10,000	10,000
<i>Total revenues</i>	<u>90,699</u>	<u>227,136</u>	<u>103,058</u>	<u>(124,078)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	34,306	27,771	6,535
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	90,699	192,830	99,007	93,823
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>90,699</u>	<u>227,136</u>	<u>126,778</u>	<u>100,358</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(23,720)</u>	<u>(23,720)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>45,692</u>	<u>45,692</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,972</u>	<u>\$ 21,972</u>

The accompanying notes are an integral part of these financial statements

THE STATE OF CALIFORNIA, COUNTY OF []

BEFORE ME, the undersigned authority, on this [] day of [] 20[]

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variances
	<u>Original Budget</u>	<u>Final Budget</u>		Favorable (Unfavorable)
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ 5,165	\$ 5,165
Local Sources	-	-	-	-
State Sources	196,555	196,555	89,322	(107,233)
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>196,555</u>	<u>196,555</u>	<u>94,487</u>	<u>(102,068)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	50,000	80,520	80,498	22
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	146,555	116,035	36,560	79,475
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>196,555</u>	<u>196,555</u>	<u>117,058</u>	<u>79,497</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(22,571)</u>	<u>(22,571)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>239,706</u>	<u>239,706</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,135</u>	<u>\$ 217,135</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
PUBLIC BUILDING ENERGY EFFICIENCY CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	116,854	116,854	-	(116,854)
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>116,854</u>	<u>116,854</u>	<u>-</u>	<u>(116,854)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	116,854	116,854	25,823	91,031
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>116,854</u>	<u>116,854</u>	<u>25,823</u>	<u>91,031</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(25,823)</u>	<u>(25,823)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>99,175</u>	<u>99,175</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,352</u>	<u>\$ 73,352</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
EDUCATIONAL TECHNOLOGY CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

Statement D-9

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,107</u>	<u>5,107</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,107</u>	<u>\$ 5,107</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
PUBLIC SCHOOL CAPITAL OUTLAY: 20% CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

Statement D-10

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	2,002,364	2,002,364	1,208,201	(794,163)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,002,364</u>	<u>2,002,364</u>	<u>1,208,201</u>	<u>(794,163)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	200,000	200,000	2,042	197,958
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	1,802,364	1,802,364	113,265	1,689,099
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,002,364</u>	<u>2,002,364</u>	<u>115,307</u>	<u>1,887,057</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,092,894</u>	<u>1,092,894</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>252,956</u>	<u>252,956</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,345,850</u>	<u>\$ 1,345,850</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
SPECIAL CAPITAL OUTLAY: FEDERAL CAPITAL PROJECT FUND
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (CASH BASIS)
FOR THE YEAR ENDING JUNE 30, 2005

Statement D-11

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	1,461,519	2,411,519	276,481	(2,135,038)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,461,519</u>	<u>2,411,519</u>	<u>276,481</u>	<u>(2,135,038)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Administration	-	-	-	-
Business/Support Services	-	-	-	-
Operation and Maintenance	-	-	-	-
Food Services	-	-	-	-
Athletics	-	-	-	-
Non-Instructional Services	-	-	-	-
Community Services	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	1,461,519	2,411,519	2,074,205	337,314
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,461,519</u>	<u>2,411,519</u>	<u>2,074,205</u>	<u>337,314</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,797,724)</u>	<u>(1,797,724)</u>
<i>Fund balances - Beginning of year</i>	<u>-</u>	<u>-</u>	<u>882,317</u>	<u>882,317</u>
<i>Fund balances - End of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (915,407)</u>	<u>\$ (915,407)</u>

The accompanying notes are an integral part of these financial statements

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
Schedule Of Collateral Pledged By Depository
For Public Funds
June 30, 2005

Schedule I

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2005	Name and Location of Safekeeper
Wells Fargo Bank	FNCL 31292JB9 5.5% Due 06-01-26	2,162,164	Wells Fargo Bank Minneapolis, MN
Wells Fargo Bank	GNSF 780825 Due 07-15-28	22,697	Wells Fargo Bank Minneapolis, MN
Wells Fargo Bank	GNSF 781210 Due 09-15-29	29,167	Wells Fargo Bank Minneapolis, MN
Wells Fargo Bank	GNSF 781246 Due 02-15-31	29,222	Wells Fargo Bank Minneapolis, MN
Wells Fargo Bank	GNSF 781259 Due 03-15-31	45,746	Wells Fargo Bank Minneapolis, MN
Wells Fargo Bank	FNCL 254091 Due 12-01-31	1,406,439	Wells Fargo Bank Minneapolis, MN
Wells Fargo Bank	FNCL 254549 Due 11-01-32	208,104	Wells Fargo Bank Minneapolis, MN
Wells Fargo Bank	FNCT 254963 Due 10-1-23	<u>2,661,495</u>	Wells Fargo Bank Minneapolis, MN
Total		<u><u>\$ 6,565,034</u></u>	

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
Schedule Of Deposits And Temporary Investment Accounts
JUNE 30, 2005

Schedule II

Bank Account Type/Name	Wells Fargo Bank	First State Bank	Totals
Checking - Operational	\$ 942,374		\$ 942,374
Checking - Federal	6,153,914		6,153,914
Checking - Teacherage	240,674		240,674
Checking - Cafeteria	220,535		220,535
Checking - Athletics	13,932		13,932
Checking - Dowa Yalanne Elementary School		12,964	12,964
Checking - A Shiwi Elementary School		5,235	5,235
Checking - Zuni Middle School		9,470	9,470
Checking - Zuni Intermediate School		1,810	1,810
Checking - Zuni High School Student Fund		43,119	43,119
Checking - Twin Buttes High School		1,742	1,742
Checking - Central Office Activity Accounts		2,196	2,196
Checking - Scholarship Fund		4,865	4,865
Total On Deposit	7,571,429	81,401	7,652,830
Reconciling Items	(1,212,200)	(15,145)	(1,227,345)
Reconciled Balance, June 30, 2005	\$ 6,359,229	\$ 66,256	\$ 6,425,485

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

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
LABORATORY OF ORGANIC CHEMISTRY

1. The first step in the synthesis of the target molecule is the reaction of the starting material with the reagent to form the intermediate. This reaction is carried out under the following conditions: [faded text]

2. The intermediate is then purified by column chromatography using a silica gel column and a gradient of ethyl acetate in hexanes. The fractions are collected and the solvent is removed under reduced pressure to yield the pure intermediate.

3. The final step in the synthesis is the reaction of the intermediate with the reagent to form the target molecule. This reaction is carried out under the following conditions: [faded text]

4. The target molecule is purified by column chromatography using a silica gel column and a gradient of ethyl acetate in hexanes. The fractions are collected and the solvent is removed under reduced pressure to yield the pure target molecule.

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
Cash Reconciliation
JUNE 30, 2005

Operational Account 11000	Teachergage Account 12000	Transportation Account 13000	Instructional Materials 14000				
\$ 681,747	\$ 156,496	\$ 46,194	\$ 202,569				
Add:							
2004-05 revenues	11,524,160	257,136	399,269	73,773			
Loans from other funds	58,975	986					
Total cash available	12,264,882	414,618	445,463	276,342			
Less:							
2004-05 expenditures	(11,319,721.00)	(212,275)	(364,150)	(108,382)			
Loans to other funds							
Cash, June 30, 2005	945,161	202,343	81,313	167,960			
Bank balance end of year							
Adjustments	4,347,780	240,074	260,659	162,177			
Deposits in transit	-	-					
Outstanding checks	(5,628,169)	(37,731)	(179,346)	5,783			
Cash adjustments pending	2,225,550						
Cash, June 30, 2005	\$ 945,161	\$ 202,343	\$ 81,313	\$ 167,960			

The accompanying notes are an integral part of these financial statements
113

Food Services Account 21000	Athletics Account 22000	Federal Projects Account 24000	Local/State Account 25000	Bond Building Account 31100
\$ (4,571)	\$ 2,799	\$ 4,334,464	\$ 143,129	\$ 20,087
807,714	52,500	5,692,845 100,000	145,356	
803,143	55,299	10,127,309	288,485	20,087
(788,677) (100,000)	(47,392)	(5,679,763)	(223,356)	(11,727)
<u>(85,534)</u>	<u>7,907</u>	<u>4,447,546</u>	<u>65,129</u>	<u>8,360</u>
173,738 (100,000)	7,940	6,176,861 86,223	138,248 14,521	8,360
(159,272)	(33)	(1,815,538)	(87,640)	
<u>\$ (85,534)</u>	<u>\$ 7,907</u>	<u>\$ 4,447,546</u>	<u>\$ 65,129</u>	<u>\$ 8,360</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
Cash Reconciliation
JUNE 30, 2005

Public School	31200	\$	28,544	\$	367,603	\$	45,692	\$	882,317	\$	239,706
Capital Outlay	31300										31700
Spec. Capital											
Outlay-Local											
Outlay-State											
Spec. Capital											
Outlay-Federal											
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Energy Efficiency 31800	Educational Tech Notes 31900	Public School Cap. Outlay 20% 32100	Debt Service Fund 41000	Ed Tech Debt Service 43000	Total
\$ 99,175	\$ 5,107	\$ 252,956	\$ 10,233	\$ (17,472)	\$ 7,496,775
		1,208,201	5,950	51,653	20,692,584
					159,961
99,175	5,107	1,461,157	16,183	34,181	28,349,320
(25,823)		(115,307)	(8,096)	(33,092)	(21,890,091)
					(100,000)
73,352	5,107	1,345,850	8,087	1,089	6,359,229
73,352	5,107	1,356,886	8,087	1,089	12,090,221
					2,078
					5,783
		(11,036)			(7,964,403)
					2,225,550
\$ 73,352	\$ 5,107	\$ 1,345,850	\$ 8,087	\$ 1,089	\$ 6,359,229

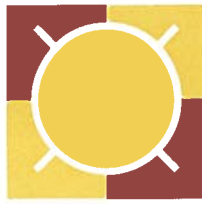
The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES-AGENCY FUNDS
For The Year Ended June 30, 2005

	Balance June 30, 2004	Additions	Deletions	Balance June 30, 2005
Dowa Yalanne Elementary School	\$ 12,134	\$ 15,381	\$ 16,224	\$ 11,291
A-Shiwi Elementary School	-	15,807	17,278	3,344
Zuni Middle School	6,785	14,863	13,611	8,037
Zuni Intermediate School	1,013	13,075	12,428	1,660
Zuni High School	46,031	129,629	142,539	33,121
Twin Buttes High School	(220)	24,676	22,714	1,742
Policy advisory Committee	1,782	725	311	2,196
Stephanie Anton Memorial Scholarship	4,702	163	-	4,865
Total Agency Funds	\$ 77,042	\$ 214,319	\$ 225,105	\$ 66,256

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

COMPLIANCE SECTION



Accounting & Consulting Group, LLP

**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***

Domingo P. Martinez, CGFM
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Zuni Public Schools
Zuni, New Mexico

We have audited the financial statements of the governmental activities, each major fund, budgetary comparison schedules for the general fund and each major special revenue fund and the aggregate remaining fund information of Zuni Public Schools, New Mexico, as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated June 28, 2006. We also have audited the financial statements and budgetary comparison schedules of the major capital projects fund and each of the School's nonmajor governmental funds and statement of changes in assets and liabilities-agency funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2005, as listed in the table of contents, and have issued our report thereon dated June 28, 2006. 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 Zuni Public Schools, New Mexico's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Zuni Public Schools, New Mexico's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items FS 05-02, FS 05-03, FS 05-04, FS 05-05, FS 05-07, FS 05-08 and FS 05-10.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

Certified Public Accountants

2700 San Pedro Northeast (87110-3333) ■ P.O. Box 3130, Albuquerque, New Mexico 87190-3130
866.307.2727 ■ 505.883.2727 ■ Fax 505.884.6719 ■ albuquerque.office@acgnm.com ■ www.acgnm.com

Alamogordo ■ Albuquerque ■ Carlsbad ■ Clovis ■ Hobbs

We noted no other matters involving internal control over financial reporting that are required to be reported under Section 12-6-5 NMSA, 1978.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Zuni Public Schools, New Mexico's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters in the accompanying schedule of findings and questioned costs as items FS 05-01, FS 05-06 and FS 05-09 that are required to be reported under *Government Auditing Standards*.

We noted no immaterial instances of non compliance that are required to be reported under Section 12-6-5, NMSA 1978.

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
June 28, 2006

FEDERAL FINANCIAL ASSISTANCE



Accounting & Consulting Group, LLP

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

Domingo P. Martinez, CGFM
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Zuni Public Schools
Zuni, New Mexico

Compliance

We have audited the compliance of Zuni Public Schools, New Mexico, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. Zuni Public Schools, New Mexico's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Zuni Public Schools, New Mexico's management. Our responsibility is to express an opinion on Zuni Public Schools, New Mexico's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Zuni Public Schools, New Mexico's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Zuni Public Schools, New Mexico's compliance with those requirements.

In our opinion, Zuni Public Schools, New Mexico complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Certified Public Accountants

2700 San Pedro Northeast (87110-3333) ■ P.O. Box 3130, Albuquerque, New Mexico 87190-3130
866.307.2727 ■ 505.883.2727 ■ Fax 505.884.6719 ■ albuquerque.office@acgnm.com ■ www.acgnm.com

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Internal Control Over Compliance

The management of Zuni Public Schools, New Mexico is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Zuni Public Schools, New Mexico'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 our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Zuni Schools', New Mexico ability to administer a major federal program in accordance with the applicable requirement of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item FA 5-11 and FA 5-12.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
June 28, 2006



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STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
Schedule Of Expenditures Of Federal Awards
For The Year Ended June 30, 2005

Schedule V
 (Page 1 of 3)

Federal Grantor/ Passthrough Grantor/ Program Title	Pass Through Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Health			
<i>Passthrough State of New Mexico Human Services Department</i>			
GRADS Child Care CYFD	24249	93.590	\$ 14,419
Title XIX Medicaid 3 / 21 Years	24253	93.778	34,177
TANF / GRADS HSD	24262	93.558	<u>4,000</u>
Total U.S. Department of Health			<u><u>52,596</u></u>
U.S. Department of Education			
<i>Passthrough State of New Mexico Department of Education</i>			
Title I ASA (1)	24101	84.010	1,229,114
Entitlement IDEA-B	24106	84.027	214,617
Preschool IDEA-B	24109	84.027	7,627
Jobs for America's Graduates	24119	84.038	87,490
Enhancing Education Through Technology	24133	84.318	54,159
School Renovation, IDEA, & Technology	24166	84.352A	3,470
Reading Excellence	24147	84.338A	14,848
Title V (Part A) Innovative Education Program Strategies	24150	84.298	3,818
Drug & Violence Prevention	24269	84.184K	930
Teacher / Principal Training & Recruiting	24154	84.367A	176,091
Safe and Drug Free Schools & Communities	24157	84.186A	19,386
Rural and Low-Income Schools	24160	84.358B	20,088
Comprehensive School Reform	24135	84.332A	76,723
Title III Bi-lingual	24209	84.365A	20,079
Reading First	24147	84.357A	190,637
Title I School Improvement	24162	84.010	<u>91,651</u>
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u><u>2,210,728</u></u>
<i>Direct U.S. Department of Education</i>			
Bilingual Ed / Comprehensive School Grants USDE		84.290U	227,581
Impact Aid - Special Education (1)		84.041	415,974
Impact Aid - Indian Education (1)		84.041	1,683,207
Impact Aid - Indian Education Capital Outlay (1)		84.041	2,041,875
Indian Ed Formula Grant		84.061A	296,779
21st Century Community Learning Centers		84.287A	251,021
Improvement of Education Fund		84.215S	<u>340,186</u>
<i>Subtotal - Direct U.S. Department of Education</i>			<u><u>5,256,623</u></u>
Total U.S. Department of Education			<u><u>\$ 7,467,351</u></u>

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



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STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
Schedule Of Expenditures Of Federal Awards
For The Year Ended June 30, 2005

Schedule V
 (Page 2 of 3)

Federal Grantor/ Passthrough Grantor/ Program Title	Pass Through Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Agriculture			
<i>Passthrough State of New Mexico Department of Education</i>			
School Lunch Program (1)	21000	10.555	<u>\$ 781,584</u>
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>781,584</u>
<i>Passthrough State of New Mexico Human Services Department</i>			
Food Distribution (commodities)	21000	10.550	<u>47,867</u>
<i>Subtotal - Passthrough State of New Mexico Human Services Department</i>			<u>47,867</u>
Total U.S. Department of Agriculture			<u>829,451</u>
U.S. Department of Interior			
<i>Passthrough Navajo Nation</i>			
Johnson O'Malley	24231	15.130	<u>149,591</u>
Total U.S. Department of Interior			<u>149,591</u>
Total Federal Financial Assistance			<u><u>\$ 8,498,989</u></u>

(1) Denotes Major Federal Financial Assistance Program

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT NO. 89
Schedule Of Expenditures Of Federal Awards
FOR THE YEAR ENDED JUNE 30, 2005

Schedule V
(Page 3 of 3)

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

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

There were no federally funded insurance in effect nor any loan guarantees outstanding at year-end.

2. Subrecipients

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

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 8,498,989
Total expenditures funded by other sources	<u>13,553,088</u>
Total expenditures	<u>\$ 22,052,077</u>

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

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
 Schedule Of Findings And Questioned Costs
 For The Year Ended June 30, 2005

Schedule VI

A. SUMMARY OF AUDIT RESULTS

A. SUMMARY OF AUDIT RESULTS

Type of auditors' report issued: Unqualified

Internal control over financial reporting:
 Material weakness identified? No

Reportable conditions identified not
 considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? Yes

Federal Awards

Internal control over major programs:
 Material weaknesses identified? No

Reportable conditions identified not
 considered to be material weaknesses? Yes

Type of auditor's report issued on compliance
 for major programs: Unqualified

Any audit findings disclosed that are required
 to be reported in accordance with section 510(a)
 of Circular A-133? Yes

Identification of major programs:

CFDA Number	Federal Program
10.555	National School Lunch Program
84.010	Title I IASA
84.041	Impact Aid

Dollar threshold used to distinguish
 Between type A and type B programs: \$300,000

Auditee qualified as low risk auditee? No

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
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Schedule VI

A. FINDINGS – FINANCIAL STATEMENT AUDIT

FS 05-01: Form I-9

Criteria: Homeland Security Act of 2002 (Public Law 107-296) requires that employers meet their employment verification requirements by completing a Form I-9 with an edition date of either (Rev. 5/31/05) Y, Rev. 05/31/05) N, or Rev. 12/21/91) N in lower right hand of the document.

I-9 instructions require that the employer complete the I-9 correctly in order for the form to be considered a valid document.

Condition: During our audit test work, 5 out 11 employee files tested did not have their I-9 completely filled out and 1 out of 10 did not have an I-9 filled out at all.

Cause: The District personnel did not know how to prepare Form I-9s properly.

Effect: The School is not in compliance with the Homeland Security Act of 2002. The School could be subject to civil penalties ranging from \$110 to \$1,100.

Recommendation: The School needs to review all personnel files and make sure that one of the correct forms is on file and that the form is completed completely and correctly with respect to INS instruction.

Management's Response: Management will review files and take appropriate action.

FS 05-02: Employee Contracts

Criteria: Sound accounting practices and 6.20.2.18 of the NMAC states that the Schools "shall maintain and have available for inspection employee contract, including increment."

Condition: During our audit test work, ACG noted 4 out of 14 tested that did not have their contracts signed by either the superintendent or the employee.

Cause: District personnel were not trained to properly prepare employment contracts.

Effect: These instances may result in many issues, including, excessive payments, incorrect payments, lack of a proper audit trail or in the case of grant expenditures, payment of unallowable costs which may be unallowable to the grant causing the School not in compliance with 6.20.2.18 of the NMAC rule.

Recommendation: We recommend Zuni Public School District to ensure that all employee contracts are filled out correctly and accurately.

Management's Response: Management will take corrective action.

STATE OF NEW MEXICO
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Schedule VI

FS 05-03: Bank Deposits

Criteria: Proper accounting practices state that bank deposits should be made within 24 hours

Condition: During our receipts test work, eight out of fifty-four receipts that were deposited after 24 hours of when the money was received.

Cause: District staff did not have or take the time to make timely bank deposits.

Effect: By not making timely deposits, this opens the town to the threat of a loss or theft of cash while it is on the premises.

Recommendation: We suggest that deposits to the bank be made on a daily basis. This practice will lessen the likelihood that cash could be lost or stolen before it is deposited in the bank.

Management's Response: Management will notify all sites and follow up to ensure compliance.

FS 05-04: Lack of Authorization for Expenditures

Criteria: According to 6.20.2.11 NMAC, "every school district shall establish and maintain an internal control structure." Cash disbursements are required to be properly authorized.

Condition: We noted instances in which the District is not obtaining authorization for cash disbursements prior to processing each transaction. We noted 14 out of 97 where the purchase order was issued after the goods or services were received. These instances indicate that the District has not followed procedures with regards to cash disbursements.

Cause: District personnel were not preparing purchase orders at the time of purchase and were preparing the purchase orders after receiving the invoice in order to get the invoice processed.

Effect: The lack of authorization may result in many issues, including, purchase of unauthorized items, lack of a proper audit trail or in the case of grant expenditures, payment of unallowable costs which may be unallowable to the grant.

Recommendation: Disbursements must contain proper and adequate authorization prior to being processed further. The District must obtain proper approval for purchase orders before proceeding to make the purchase.

Management's Response: The school district procedures will be reviewed with staff and training implemented.

STATE OF NEW MEXICO
ZUNI PUBLIC SCHOOL DISTRICT
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Schedule VI

FS 05-05: Lack of Supporting Documentation

Criteria: Cash disbursements are required to be supported by adequate documentation. The documentation should prove the disbursement valid and allowable under the entities internal control system.

Condition: We noted 14 instances out of 75 in which the District is not keeping adequate supporting documentation with regards to cash disbursements.

Cause: District personnel were processing invoices and vouchers without proper documentation.

Effect: The above instances may result in many issues, including, excessive payments, incorrect payments, lack of a proper audit trail or in the case of grant expenditures, payment of unallowable costs which may be unallowable to the grant.

Recommendation: Disbursements must contain proper and adequate supporting documentation along with authorization. Individuals authorizing disbursements must be knowledgeable of budget and grant requirements.

Management's Response: The District will take appropriate action and provide training to ensure proper cash disbursements.

FS 05-06: Procurement Code

Criteria: Sound management practices and 1.4.1.51 D NMAC require "all central purchasing offices to send copies of the notice or request for quotes/informal invitation for bids involving expenditures more than \$5,000 but not exceeding \$10,000." "The state purchasing agent may grant an exception to the requirements of this subsection if the using agency provides a compelling reason and includes **three** valid quotations with its purchase document submitted to the state purchasing agent."

Condition: The District could not provide the auditor with three written quotes or a list of all who were contacted to place a quote. The District was also not able to provide the auditor with a form or method on how the District picked a contractor or which one was picked.

Cause: The purchasing agent was unaware of the NMAC rule which in effect the District is not in compliance with the State Procurement Code.

Effect: Purchases could be made without complying with the State Purchasing Act.

Recommendation: We recommend that the District follow the State's procurement code and implement it in their Policy and Procedure Manual.

Management's Response: Management will take appropriate action to ensure written quotes are maintained as required.

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Schedule VI

FS 05-07: Exceeding PO Amount

Criteria: Proper accounting practices state that the amount of the purchase order is the amount that has been authorized for expenditures.

Condition: During our compliance test work, the auditor noted 3 instances where the amount of the expenditure exceeded the amount on the purchase order with no amendment stating that the excess amount in authorized a total of \$128.

Cause: The expenditures that were made were not authorized creating the District to have expensed funds that were not authorized

Effect: These instances may result in many issues, including, excessive payments, incorrect payments, lack of a proper audit trail or in the case of grant expenditures, payment of unallowable costs which may be unallowable to the grant.

Recommendation: We recommend that the District only make expenditures with funds that have been authorized to expense. If the expenditure happens to exceed the amount of the purchase order, the District should issue an amended purchase order in order to authorize the additional funds necessary.

Management's Response: The District will take appropriate action to ensure that purchases do not exceed PO's.

FS 05-08: Bank Reconciliations

Criteria: In order to determine that all cash transactions have been recorded properly and to discover possible bank errors, reconciliations of cash balances to the general ledger should be prepared in accordance with NMAC 6.20.2.14 K.

Condition: During the year ended June 30, 2005, the District did not perform accurate monthly reconciliations of cash balances from the payroll account bank statement to the general ledger. In addition, the bank reconciliations of the operating fund did not tie to the bank statements.

Cause: The District had no requirements to reconcile the bank statements to the general ledger.

Effect: The District is not following sound accounting principles to properly account for the District's assets in the payroll bank account. As a result, such assets are subject to fraud or errors which may be undetected by management.

Recommendation: We recommend that District accurately reconcile all cash accounts, including the payroll bank account, monthly in order to safeguard the District's assets. Reconciliation procedures should be performed by an individual independent of the deposit and recording functions; as well as include a review process.

Management's Response: The District's procedure is to reconcile payroll records on a monthly basis. We converted over to an updated version of the SDS Finance Software System, where we experienced problems, thus delaying payroll reconciliation records and other financial reports. However, the District is currently working to bring the payroll reconciliation records up to date.

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Schedule VI

FS 05-09: Audit Report

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

Condition: The District's audit report for the year ended June 30, 2005 was not submitted to the State Auditor by the required due date. The audit report was submitted to the State Auditor on January 17, 2007.

Cause: The capital asset schedules were not ready to audit till the spring of 2006.

Effect: The capital assets schedule and related depreciation schedule caused the audit procedures to be late.

Recommendation: The District must submit the audit report on a timely basis in order to insure there is no delay of future audits and to insure compliance with State Audit Rule.

Management's Response: This is the third year our District has been late in submitting our audit report. We will maintain the required capital asset records and provide to the auditor in the future.

FS 05-10: Depreciation Allocation

Criteria: GASB Statement 34 requires that depreciation expense be allocated to each significant function such as direct instruction, instructional support, etc.

Condition: The district's capital asset schedule and depreciation summary does not maintain amounts by function. Without this information, it is not possible to allocate depreciation expense by function.

Cause: The district did not devote sufficient resources to the preparation of the depreciation schedules.

Effect: Capital asset schedules not set-up to accumulate data by function resulting in this data not being available.

Recommendation: We recommend that the depreciation schedules be summarized by function.

Management's response: The District will take action to revise the depreciation schedule and total by function.

FS 05-11: Interfund Borrowings

Criteria: Loans between funds should be authorized by the Board of Education.

Condition: At June 30, 2005, the general fund had loaned \$1,580,699 to various funds to cover cash overdrafts. None of these loans were approved by the Board of Education.

Cause: The District did not obtain proper approval for the various loans.

Effect: The various cash overdrafts were funded by the District's general fund.

Recommendation: We recommend the District manage their cash flows to minimize the overdraft situation and, when necessary, obtain Board of Education approval for interfund loans.

Management's Response: The District will implement stronger cash management procedures to minimize cash overdrafts and will obtain Board of Education approval when necessary.

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FS 05-12: Budget Over expenditures

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 to 22-8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts, the expenditure function is the legal level of control.

Condition: The School has one expenditure function where actual expenditures exceeded budgetary authority.

Jobs for American Funds	
Administration	\$329
Federal Relief	
Direct Instruction	488
RW Johnson Foundation	
Food Services	1
Debt Service Fund	
Administration	1,598

Cause and Effect: The School did not make the appropriate budgetary transfers to alleviate the over-expenditures experienced by the function. The School has not complied with New Mexico law, and the control established by the use of budgets has been compromised.

Auditors' Recommendation: The School should establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Management's Response: management will monitor expenditures monthly and make budget adjustments when needed.

B. FINDINGS – FEDERAL AWARDS

FA-5-11: Data Collection Form

Criteria: Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," establishes uniform audit requirements for non-Federal entities administering Federal awards. This requires that the Data Collection Form be submitted nine months after year end.

Condition: The school district did not submit its annual Data Collection Form to the Federal Audit Clearinghouse in a timely manner. This finding applies to all programs.

Cause: The agency's audit was not completed timely, therefore resulting in the delay in the submission of the Data Collection Form for the current year.

Effect: The effect of this condition is non-compliance with OMB Circular A-133 as it applies to the submission of the Data Collection Form.

Recommendation: We recommend the school district become current in their audit process, so that Data Collection Forms can be timely filed in the future.

Management's Response: The district will perform all of the necessary steps under its control to have the audit report completed on a timely basis and will file the Data Collection Form as required.

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FA-5-12: Audit Report Late

Criteria: OMB Circular A-133 states that the deadline for submission of the audit report is no later than nine months following the District's fiscal year end. The audit report was submitted to the State Auditor on January 17, 2007.

Condition: The District issued the audit report subsequent to the March 31, 2006 deadline. This finding applies to all programs.

Cause: The District was unable to submit the audit report on time as a result of the GASB 34 requirement for a capital asset listing and corresponding depreciation accrual.

Effect: The effect of this condition is non-compliance with Circular A-133.

Recommendation: The District must ensure that all future audit reports are filed in a timely manner. In order to meet this deadline, the District records must be available for audit including capital asset records.

Management's Response: The District will make every effort to have all accounting records done timely and ready for audit.

C. PRIOR YEAR AUDIT FINDINGS

FS 04-01: Incomplete Personnel Files – Unresolved, Repeated as FS 05-01

FS 04-02: Lack of Supporting Documentation for Credit Card Expenditures – Unresolved, Repeated as FS 05-05

FS 04-03: Bank Reconciliations – Unresolved and repeated as FS-05-08

FS 04-04: Audit Report – Unresolved, Repeated as FS 05-09

FS 04-05: Debt Service – Resolved and not repeated

FA 04-01: Lack of Compliance with Comparability Requirements – resolved and not repeated

D. OTHER DISCLOSURES

Auditor Prepared Financials

The financial statements presented in this report were prepared by the auditors, Accounting & Consulting Group, LLP

Exit Conference

The contents of this report were discussed on June 28, 2006. The following individuals were in attendance.

Zuni Public School District
Kaye L. Peery, PHD, Superintendent
Ernie Mackel, Member

Accounting & Consulting Group, LLP
C. Jack Emmons, CPA
Joy S. Emmons
Ryan Hieronymus
Trudy McGregor

AC
03-14-07

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