

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
ANNUAL FINANCIAL REPORT
JUNE 30, 2008



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INTRODUCTORY SECTION

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ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2008
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Walter Gibson
Superintendent

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P. Mario Guggino
Assistant Superintendent
of Finance and Operations

To the Board of Education and the Citizens of the Los Lunas School District:

The Comprehensive Annual Financial Report (CAFR) of the Los Lunas School District (School District) for the fiscal year ending June 30, 2008 is submitted for your review. This report was prepared through an effort by the Los Lunas Schools' Business Office and the independent audit firm of Griego Professional Services, LLC. The CAFR includes the unqualified opinion of our Independent Auditor. To the best of our knowledge, the enclosed data is accurate in all material respects. The information is reported in a manner designed to fairly present the financial position and the results of operations for the district as a whole as well as the various funds and account groups of the School District. The CAFR for the year ending June 30, 2008, is prepared in conformance with generally accepted accounting principles (GAAP), in conformance with the standards of financial reporting established by the Governmental Accounting Standards Board (GASB), and in conformance with the Office of the State Auditor Rule 2.2.2 NMAC. The Los Lunas Schools is the only entity included in this report.

The CAFR is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes this transmittal letter, the District organizational chart and a list of the Los Lunas Board of Education members (Board), as well as the principal officers of the School District. The Financial Section includes the basic financial statements and the combining and individual fund statement and schedules.

The Statistical Section includes selected, un-audited, financial and non-financial information. This section is intended to provide the reader with information that examines long term financial trend information, demographics, tax levies, teacher salaries and data related to students. This information will provide a more robust view of the School District's operations.

GAAP requires that management provide a narrative technical review and analysis to accompany the basic financial statement in the form of the Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The MD&A can be found immediately following the Independent Auditor's Report.

Copies of this report will be widely distributed throughout the School District. In addition to our standard distribution to governing entities and rating services, this report will be made available to the public after final approval by the Office of the State Auditor through our web site at www.llschools.net. Our efforts are intended to encourage our interested public to have a greater awareness of the School District's financial operations.

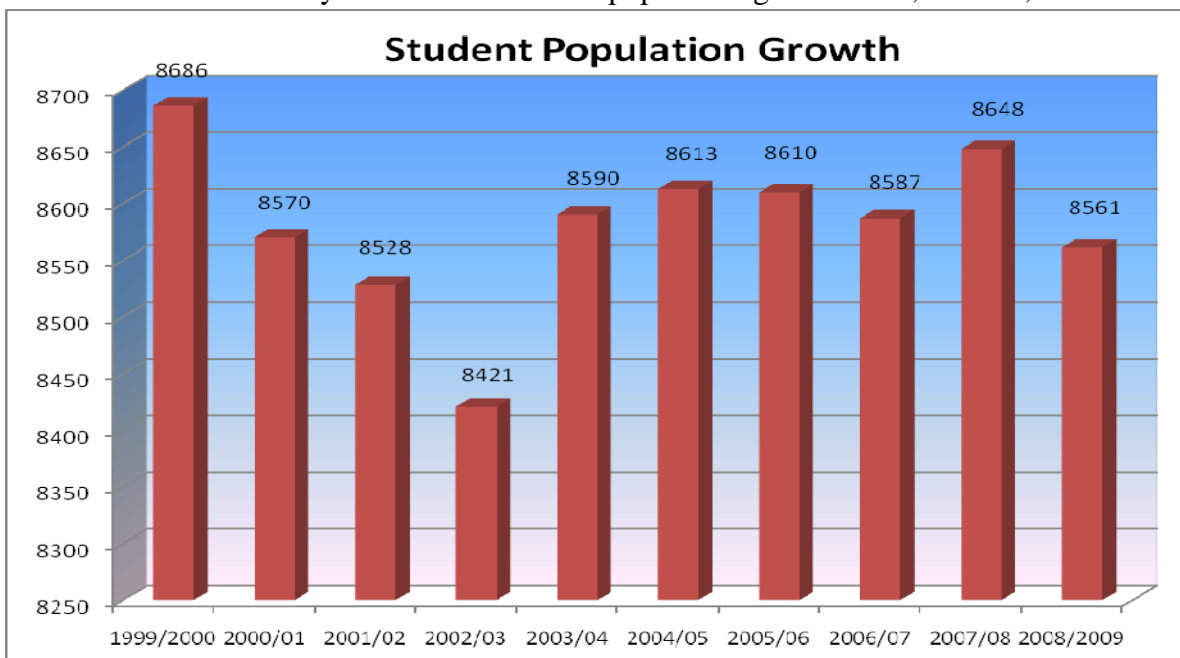
ABOUT THE LOS LUNAS SCHOOLS

The Los Lunas School District is located approximately twenty miles south of Albuquerque, New Mexico, the largest metropolitan area in the state of New Mexico. The Los Lunas School District consists of sixteen school sites and had a 40 day student membership of 8,642 students in the 2007/2008 school year. Two elementary schools serve students in the preschool through the 4th grade level, and six elementary schools serve preschool through 6th grade. One intermediate school serves the 5th and 6th grades; two middle schools serve the 7th and 8th grades; the Los Lunas High School, Valencia High School (this is the newest of our high schools), and Century High School (an alternative school) serve students in grades 9 through 12. Centralized district-wide food services, transportation and maintenance are located at the Los Lunas Schools Service Center, and Central Administration and Special Services offices are located at the School District Administrative Complex.

The Los Lunas School Board approved a boundary change in February 2006 which will create a pure feeder school system with two high schools (the alternative high school will also continue to operate), two middle schools and ten elementary (K-6) schools which is to be fully implemented by the beginning of the 2008/2009 school year. The change proposes the creation of as many as two Pre-K facilities. With the shift to an expanded K-6 model, the district hopes to balance population between schools and better anticipate growth.

Valencia High School, our second high school, opened in August 2006 with its first freshman class. It will grow into its campus year by year over the next three years to a capacity of 1,600 students. The 2008/2009 school year will be the final year of implementation, and a senior (grade 12) class will be on-site.

Prior to 1999/2000, the Los Lunas area was the focus of a general population growth, which translated to a significant growth in student population growth. The following chart illustrates our student population over the last ten years. Our most significant growth came in the 1997/1998 school year when the student population grew from 7,299 to 8,316.



The student growth has provided the School District with a significant and remarkable increase in revenues and expenditures from almost every major funding source. Total Revenues, inclusive of capital expenditures, as of June 30, 1997 were \$41,060,244. Revenues in 2006/2007 were \$103,883,263. More detailed information can be found in the Statistical Section of this report. In addition, the strain placed on our facilities due to this growth has required us to add numerous portables for short term classroom facilities. We broke ground for the new Sundance Elementary School in January 2008 on the west side of Los Lunas in the Huning Ranch development. This campus will be completed in November 2008, and occupied in January 2009. We will also break ground in January 2009 for an eight-classroom addition at Katherine Gallegos Elementary School (a school that is almost 400 students over capacity). Approximately 330 of these students will go to the new Sundance Elementary School; and we are in the process of designing a ten-classroom addition to Bosque Farms Elementary School (a school that is almost 75 students over capacity). School District indebtedness (Bond capacity) continues to be close to the maximum allowed by State Statute.

From the 1998/1999 through the 2006/2007 school year, student growth has leveled. Student count as of October 1, 2007 was 8,625, which reflects an increase over the 2006/2007 40-day count of 60 students. Because the district did not realize significant growth in this 40 day count (and we are actually down 199 students from the 2006/2007 80 and 120 day count average) we will probably not see additional funding this February. We are a “bedroom community” of Albuquerque, and have seen significant growth over the last several years. However, we do not anticipate growth this year due a continued sluggish economy and slow housing market as well as the state and national economic slowdown.

While the demographics of the School District are generally considered to be “rural”, the general population growth and increase in commercial investment has contributed to a consistent increase in the assessed valuation of the School District. In 2007, the assessed valuation of the School District increased by \$48,635,269 or 8.1%. This increase was due primarily to new additions and reappraisals. Assessed valuation in the Los Lunas residential and non-residential valuation districts continued to show expected increases, although we do not expect this to be the trend for the next two to five fiscal years.

In February 2008, the community approved a four year, \$30,000,000 General Obligation Bond election for school capital outlay projects. This is one year ahead of schedule and is necessary in order to “play catch-up” with numerous facilities’ needs. Projects presented to the public include: \$1,320,000 to match the PSCOC award for an eight-classroom addition at Katherine Gallegos Elementary School, \$1,500,000 to plan and design a ten-classroom addition at Bosque Farms Elementary School, \$5,000,000 for four new elementary school gymnasiums, and an additional \$2,000,000 to complete the Valencia High School Athletic Complex. Other projects include the completion of surveillance equipment and alarms at all schools, a coach style activities bus and extensive HVAC and landscaping upgrades.

Additional property tax levies, approved by local voters, support a two-mill levy for maintenance of schools and a three-mill levy for school technology. The three-mill levy was reenacted by voters in February 2007 for a five-year period and the two-mill levy was reenacted by voters in February 2007 for a four-year period.

The sale of General Obligation Bonds remains the most consistent and critical source of funds for School District capital improvements. Local support of these school capital programs has been strong, as evidenced by clear majorities voting in support of these efforts.

General Obligation Bond proceeds, as well as funding provided through the Public Schools Capital Outlay Council (PSCOC), Public Schools Facility Authority (PSFA), and direct legislative appropriations are used to expand and improve School District infrastructure through the building of new schools and adding to existing schools to meet past expansion of the student population. Because of the significant student growth we have experienced, the District continues to employ the services of a professional master planning firm, Architectural Research Consultants (ARC). The district received an extensive five year master-plan created by ARC in August 2006, and it has been updated annually (most recently in March 2008). This plan is in accordance with the requirements of PSCOC/PSFA. ARC is currently re-examining School District facilities and will assist the School District in upgrading the Facilities Master-Plan and will provide recommendations for the location of future school sites and/or additions.

ECONOMIC CONDITIONS AND OUTLOOK

Currently, due to a strong national demand for oil and gas, the state experienced an exceptional strengthening in its revenues in the 2006/2007 and 2007/2008 fiscal years. Early reviews of State Revenues available for the 2008/2009 fiscal year are providing a less positive outlook for public education in New Mexico than the 2007/2008 fiscal year experienced. The current state funding formula is in the process of being restructured. However, the additional estimated \$320,000,000 required to bring New Mexico schools to adequate levels of funding under this new formula will not be available for the 2008/2009 fiscal year due to state budget shortfalls as result of the current economic downturn.

Although growth has slowed in the last several months (a national as well as local trend), the local economic conditions within the Los Lunas area remain more solid than most of the state, and continue to show the potential for long-term growth. As noted later in this document, School District capital investment in the Los Lunas community is significant and not expected to change in the near future. New commercial additions to the Los Lunas community during the 2007/2008 school year include the completion of a new County Courthouse complex, a new regional transportation center (to service the Rail Runner commuter train which services the Belen to Santa Fe corridor). Additionally, the new “high rise” hotel at the Isleta Resort and Gaming Complex (6 miles north of Los Lunas) has been completed, Walgreen’s opened their second location on Main Street this year, Del Taco, Denny’s and several other businesses have established locations here as well.

THE ORGANIZATION OF THE DISTRICT

The Los Lunas Board of Education (Board) is a five-member elected public body representative of five election districts within School District boundaries. Each Board member is elected for a four-year term. Their authority and duties are defined in the Constitution of the State of New Mexico, State Statute section 22-5-1 to 22-5-16, NMSA, 1978 and in the related sections of the New Mexico Administrative Code (NMAC) relating to Public Schools.

In general, the Board acts to set School District policy, set budgets, hire a Superintendent and act upon recommendations made by the Superintendent. During the 2003 legislature, the passage of House Bill 212 which, among many issues, restricted the power of School Boards under 22-5-4 NMSA, 1978 to “Approve Personnel Actions” as part of school board duties.

The Board membership as of June 30, 2008 is as follows:

Board Member	Term Begin Date	Term End Date	Board Position
Frank A. Otero	March 1, 2007	March 1, 2011	President
Maria M. Marez ¹	March 1, 2007	March 1, 2011	Vice President
Christopher Martinez ^{1,2}	March 1, 2005	March 1, 2009	Secretary
Art Castillo	March 1, 2005	March 1, 2009	Member
Ed Hernandez	March 1, 2007	March 1, 2011	Member

1) **Note:** These individuals serve on the Finance Committee. Per board policy two board members are assigned to the Finance Committee. This committee reviews finance-related recommendations and provides recommendations to the Board, as a whole. Finance Committee members are appointed by the Board President.

2) **Note:** Effective June 26, 2007, Mr. Martinez replaced Board Member Gene P. Carabajal who resigned on April 10, 2007. The position will be placed on the ballot for election on February 1, 2009 in accordance with NMSA 22-5-9, 1978, Local School Board Vacancies.

The Superintendent is the Chief Executive Officer of the School District. The duties of the Superintendent are defined in statute and the New Mexico Regulatory Code. Mr. Walter G. Gibson was appointed as the Superintendent of the Los Lunas Schools in April 2005.

With over 39 years of combined teaching and school administration experience, Mr. Gibson has in excess of 26 years of public school administration and superintendent assignments including an assignment as a Community Superintendent for the Montgomery County Schools in Maryland with responsibility for 32 schools and 28,000 students. Mr. Gibson also directed the Downtown Consortium, a high school reform network in lower Montgomery County where he served as a Senior Associate at the National Center for Education and the Economy. In addition, Mr. Gibson has been involved in the design and construction of two state of the art high schools and served as an Assistant Superintendent for the Rio Rancho Schools here in New Mexico.

The Assistant Superintendent for Finance and Operations is Mr. P. Mario Guggino. The Assistant Superintendent of Finance and Operations serves as the School District’s Chief Operations Officer and Chief Financial Officer, and reports to the Superintendent. Mr. Guggino joined the staff of the Los Lunas Schools on November 27, 2006. This position is responsible for managing the departments of Finance, Transportation, Student Nutrition, Maintenance, Custodial, Construction Management and Purchasing.

Mr. Guggino has a Bachelor’s Degree from the University of New Mexico in Albuquerque, NM, a Level II New Mexico School Business Official’s License, and over 23 years of private and public sector experience as an operations manager/COO with approximately 7 years as a CFO and over 5 years of school administration experience. His experience encompasses over 20 years of hi-tech/engineering and construction related management with budgets up to \$100 million. He has served on the boards of several organizations and corporations.

The Director of Finance is the Business Manager and Comptroller, and reports to the Assistant Superintendent for Finance and Operations. Ms. Claire Cieremans has 11 years of

public sector administrative and financial experience with the Los Lunas School District. Ms. Cieremans holds a Bachelor’s Degree from the University of New Mexico in Albuquerque, NM and a Level II New Mexico School Business Official’s License. The Business Manager is responsible for the day-to-day management and oversight of the finance department. This individual also serves as the chief advisor to the Assistant Superintendent for Finance and Operations.

EMPLOYEE RELATIONS

During the 2007/2008 school year, the School District had approximately 1,400 full-time, part-time and substitute employees including 576 state certified teachers. During the 2006 legislature, action was taken to mandate the final phase of a state wide, five year plan to establish a three tiered salary schedule. This funding is intended to raise teacher salaries in order to meet competitive forces within other employment sectors. The three-tiered salary schedule will also reward teachers for higher levels of experience and education while establishing accountability.

The School District has maintained and reaffirmed a labor agreement representing its certified and, effective July 1, 2007, included the classified (Educational Support Personnel or ESP’s) employees’ bargaining unit, the NEA-Los Lunas. The current agreement was effective July 1, 2006, and will remain in effect through June 30, 2009. Relationships with the bargaining unit organization are best characterized as friendly, positive and productive.

FISCAL YEAR	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
Average Teacher Salary	\$ 36,946	\$ 38,014	\$ 39,701	\$41,707	\$44,108
% of Increase	3.94%	2.89%	4.4%	5.1%	5.76%

In 2003/2004, the state funded the first phase of the five year phase-in of a three tiered teacher salary schedule. This salary schedule established a state wide minimum entry level teacher salary of \$30,000. In the 2004/2005 school year, the state funded the second phase of the three tiered salary schedule for teachers. This phase moved Level II and Level III teachers to a minimum salary of \$35,000. In 2005/2006, the State funded phase three which moved minimum Level II and III teacher salaries to \$40,000 per year. In 2006/2007, the fourth phase was funded to bring the Level III teacher salaries to \$45,000. The 2007 Legislature mandated the implementation of the final and fifth phase of a minimum salary of \$50,000 for Level III teacher licensure for the 2007/2008 school year.

- Level One: \$30,000
- Level Two: \$40,000
- Level Three: \$50,000

Additional information regarding average teacher salaries is found in the Statistical Section of this report.

Salary schedules in the School District are competitive with those of neighboring school districts (as verified by an independent management consulting firm in the 2006/2007 fiscal year). Employee compensation packages give credit for increasing levels of education and length of service within each salary classification.

In addition, the School District pays for 65% of employee health, life and dental benefit policies. The School District also has a program to reimburse employee education expenses. This has led to increasing levels of employee participation in continuing education.

SERVICES PROVIDED

The School District Transportation Department provides services in conformance with State and Federal requirements. During the 2007/2008 school year, the School District Transportation Department employed 99 staff (compared to 135 in 2006/07). This department maintained a fleet of 83 buses that traveled approximately 1,252,944 round trip miles for the year (compared to 1,281,708 miles in 2006/2007) to provide transportation to approximately 7597 students (compared to 7,614 in 2006/2007). The transportation program is 100% funded by the State of New Mexico and statute requires that no funding be provided to transport students who live within a mile or less of a school. Expenditures for student transportation for the 2007/2008 school year were \$4,218,189 (NON-GAAP). In addition, the School District owns 7 buses that are used for student activities (one new coach style bus was delivered in January 2008 and a second is scheduled to be ordered in March of 2010), and has 21 spare buses for a total of 111 buses.

The School District's Student Nutrition Services employs 87 full-time (and 12 substitute) staff who served approximately 532,393 breakfasts, 1,087,174 lunches, and 15,652 snacks during the 2007/2008 school year. The School District makes a concerted effort to encourage students to eat breakfast and lunch. In 2007/2008 5,755 students (compared to 5,856 in 06/07) Pre-K through grade 12 participated in the USDA Free and Reduced Meal Program. During the fiscal year 2007/2008 the School District's food service operations required no support from the School District's Operations (General) Fund. The total expenditures for food services in 2007/2008 were \$3,378,833 (NON-GAAP).

The School District provides a significant number of support services to students. Each school site has been assigned a Registered Nurse and a Guidance Counselor. A number of school sites also maintain a social worker to provide additional support to students and their families. The Special Services Department offers speech and physical therapy, psychological, diagnostic, social work and other related services to students who demonstrate a need. These services are designed to help support the student's academic programs and help the student reach his/her full potential in life.

Athletic and other activity programs are provided to students whose interest and desire for experiences may lie beyond the pure academic realm. Athletics governed by the New Mexico Activity Association are offered in grades 7-12. In conjunction with other local governmental entities, the Los Lunas Schools supports other youth sports by allowing the use of School District facilities at a nominal cost to the using group.

Student achievement is the driving purpose of Los Lunas Schools, and at the center of the School District's services is instruction, as is captured in our mission statement – *“Every Student, Every Year: At Or Above Grade Level.”* Los Lunas Schools offers regular instruction to students Pre-K through 12.

With a staff of 554 certified teachers (13 are National Board Certified), during the 2007/2008 academic year the district served approximately 7613 students in regular education programs and 949 students in full-time special education and gifted programs. Some 844 Bilingual/ESL students received additional services through the ESL/Bilingual Education program. During the year 2007/2008, 411 diplomas were awarded by Los Lunas High School and 12 diplomas or certificates of completion were awarded by Century High School, the School District's alternative high school.

During the 2001/2002 fiscal year, the New Mexico Department of Health decided to terminate Medicaid administrative payments to school districts throughout the State of New Mexico. This action was challenged administratively and has been resolved. As a result of the challenges and a new Administration in State Government, during the early part of the 2003/2004 year, revenues began to flow from the Medicaid program to public schools. In the beginning of the 2004/2005 school year, school districts were informed of the ability to bill administrative costs which did substantially increase revenues during the school year. During the 2007/2008 school year, the District received \$997,422 in Medicaid revenue (compared to \$765,656 in 2006/2007). We anticipate receiving up to \$1,200,000 in the 2008/2009 school year.

STUDENT GRADUATION AND DROPOUT RATES

The rates of student graduations and dropouts are critical indicators of the success of any school district. This information and related academic data may be found in the Office of the Assessment and Data Coordinator of Los Lunas Schools. This office keeps records of key academic indicators and results provided to the New Mexico Department of Education and the public.

- The dropout rate for 7th-8th grade combined in 2007/2008 was 2.7%, compared to the state rate of 1.6%.
- The dropout rate for 9th-12th grade combined in 2007/2008 was 10.8%, compared to the state rate of 5.8%.
- Los Lunas Schools combined dropout rate (7th-12th grade) was 8.0% compared to the state rate of 4.8%.
- In 2007/2008, Los Lunas High School graduated 92.2%, compared to the rate of 91.1% (91.11% in 2006/2007) and Century High School (our alternative HS) graduated 50.0% of their seniors. The Los Lunas Schools overall graduation rate is 91.1%, which is above the state average of 86.8%.
- In 2007/2008, 55.5 % of all graduates indicated that they had applied to four-year post secondary schools, 15.4% to two-year colleges, 13.2% to Vocational, 6.1% to the military, and 9.8% went directly into the workforce.

MAJOR INITIATIVES AND EVENTS – FISCAL YEAR 2007/2008

Completed Construction of the Valencia High School: On October 25, 2005 the Board of Education formally renamed the Los Lunas Career Academy as Valencia High School. The new high school will be phased in over a four-year period with the first graduating class anticipated in the 2009/2010 school year.

The School District successfully opened Valencia High School in August 2006 with its first freshman class of 324 students. Each year for the next three years, a new incoming freshman class will be welcomed to this new school. The facility will be rated for a capacity of 1,600 students when fully completed. It is expected that this school will help to ease the overcrowding at Los Lunas High School.

The fifth and final stage of building construction will be completed in September 2008 at a cost of \$11.6 million. The construction of the athletic field commenced in mid January 2008. The cost for the first phase will be \$3.8 million. Phases two and three should be completed in 2010/2011 at an additional combined cost of approximately \$2 million. The completed complex will include the existing practice/soccer field, a football, baseball and soft ball field, bleachers, concession stands/shared plaza, bathroom facilities, field lighting and field-house.

General Obligation Bond Election: In February 2008 voters of the School District approved a \$30 million, four year, Bond election. The first sale of Bonds, \$8,865,000 will be on August 26, 2008. This funding will be used to support capital projects including two elementary school additions, the completion of the athletic complex at Valencia High School, three elementary school gyms, a remodel of the cafeteria at Los Lunas Middle School, and numerous other District projects.

Katherine Gallegos Elementary School and the Construction of the new Sundance Elementary School: This school had 780 students as of the 120 day count in March 2007. The capacity of this school is 386 students. In order to accommodate this surge in growth over the last several years, 13 more portable classrooms were added last winter break. The construction of the new west-side school will offer relief as approximately 380 students will be moved to the new school in January 2009 (see below for details).

The groundbreaking ceremony for this newest addition to the School District will commence in mid January 2008. The two elementary schools serving that area are currently at capacity. On February 1, 2005, the voters approved the matching funds for a west side elementary school. Approximately 15 acres of land had been donated for this elementary school within the Huning Ranch Subdivision. The infrastructure adjacent to the property was completed in December 2007. This will be a \$15.9 million project. \$12.2 million was a PSCOC award in 2007, with the School District's "match" being \$3.7 million. This is an approximately 75,000 square foot state of the art building in the Huning Ranch development SW of I-25 and Hwy 6 (Main Street). The core facility will be built to accommodate 500 students. The anticipated initial student population will be approximately 380 students. Occupation of this facility is anticipated to be in January 2009.

MAJOR FUTURE INITIATIVES

Elementary School Classroom Additions: Two elementary school additions, the completion of the athletic complex at Valencia High School, three elementary school gyms, a remodel of the cafeteria at Los Lunas Middle School, and numerous other District projects.

Maintenance and Equipment Replacement: The School District continues to focus on the replacement of old and obsolete equipment. In the current Bond Authorization plan, \$1.5 million is to be allocated for HVAC equipment at virtually every school site.

Additionally, allocations of approximately \$250,000 per annum are available in the School District's two mill levy to replace maintenance, custodial, food service equipment, replace one activity bus and install security systems district wide at all 17 locations. The continued replacement of equipment was approved by voters in the February 2008 General Obligation Bond election.

High School Reform: In response to the High School Audit completed in the 2005/2006 school year, the School District held a High School Summit in January 2006 and developed a plan for high school improvement. The first phase of this plan includes the establishment of Freshmen Academies at both Los Lunas High School and the School District's new high school, Valencia High School. Plans are underway to expand this initiative to the upper grades in future years with the goal of improving the retention of high school students through graduation along with the academic performance of all students in grades 9 through 12.

The Los Lunas School District has continued to be a recognized leader in high school reform in New Mexico. Los Lunas High School and the School District's new high school, Valencia High School, have been reorganized into smaller learning communities, and the freshman academy at each school has raised the academic achievement level of ninth grade students, while retaining many more students in school. Supported by funding from the New Mexico Legislature, the School District has hired four academic coaches at the high school level and is in the process of organizing all coursework in the 11th and 12th grade around career and academic pathways.

Elementary School Reconfiguration: The School District approved a boundary change in February 2006 which will create a pure feeder school system with two high schools, two middle schools and 10 elementary schools. The change proposes the creation of as many as two Pre-K facilities. With the shift to an expanded K-6 model, the School District hopes to balance population between schools and better anticipate growth. In order to accomplish this balance and to be prepared for west-side growth, the construction of a new west-side elementary K-6 school is scheduled to be completed by December 2008.

Master Planning: The School District hired a consultant to assist in the planning of future schools and the utilization of existing schools. This project was completed in August 2006 and resulted in a five (5) year facilities Master Plan. The Master Plan was updated in March 2008, and will continue to be updated annually. The Facility Evaluation section of this Master Plan states that the average score for all facilities was 83%. This average indicates that this established School District is in the process of replacing its facilities, upgrading older areas and maintaining its facilities well.

MAJOR DEPARTMENTAL FOCUS

Personnel: Critical to the operation of any school district is the recruitment, retention and hiring of qualified staff. In order to develop a highly qualified staff as defined by NCLB and to insure that proper licensure requirements are adhered to, the Personnel Department is tasked with recruiting highly qualified and highly motivated individuals. This effort is supported by a Salary Schedule based upon the New Mexico Public Education Department's (NMPED) Three Tiered Licensure System which is intended to reward both education and experience.

The Personnel Department also works with the Data and Research Office in the daily operation of the STARS (Student Teacher Accountability Reporting System), a statewide database for reporting staff and student information to the NMPED.

Implementation of a “position control” database system is scheduled for January 2009. This will be integral to maintaining adherence to the budget as growth continues and for correctly staffing school sites as needed.

The Personnel Department administers various personnel based programs including a tuition reimbursement program to encourage all staff to increase their levels of education and a mentoring program for new teachers.

Safety and Security: Although reporting to the Deputy Superintendent of Personnel, this department warrants mention due to its critical role in keeping our students and campuses safe. The primary focus of the Campus Security Office is the safety of students and staff on campus. Campus Security Officers are stationed at all schools throughout the district. By being stationed in the schools, it allows the Officers to become familiar with students and staff, which allows all partners to build and develop a professional relationship. Campus Security Officers provide many services such as mediations, assisting with proper lock down procedures, implementing lock downs or evacuations, and working directly with school staff to ensure a safe and secure learning environment. Campus Security Officers will take no direct criminal action, but will deal directly with the School Resource Officer to ensure that all information is shared. Campus Security Officers could be asked to assist in the direct investigation of criminal activities, but will be directed by the School Resource Officer.

All School Resource Officers are fully credentialed and commissioned police officers in charge of patrolling the entire school district, and typically responding to calls for service at schools where there are no School Resource Officers stationed. School Resource Officers also provide support to Campus Security Officers on their campus when the need for assistance is required. School Resource Officers are in charge of their staff on their campus and may also be in charge of certain tactical plans or other administrative duties, and will act as the immediate link between school needs and local Law Enforcement.

Curriculum and Instruction: The Curriculum and Instruction Department (C&I) is tasked with developing, implementing, and assessing curriculum designed to meet or exceed New Mexico state standards; providing academic support services for students in the Indian Education and ESL/Bilingual Education programs; coordinating PED-mandated assessment programs; and coordinating professional development for certified personnel. Student academic achievement is continually assessed and drives the development of the School District’s Education Plan for Student Success (EPSS) as well as individual School Improvement Plans (SIP’s). These documents identify the basic goals of the Board and their iteration throughout district schools. The EPSS document is closely aligned to the School District budget.

This department oversees the implementation of the PED-mandated “Response to Intervention” program, designed to identify struggling students early on and provide appropriate interventions that will allow them to continue in the general education program.

The Curriculum and Instruction Department is also charged with developing and implementing district-wide training for teachers and administrators. The continuing training of educational staff in research-based instructional methods is a major district priority. The implementation of the No Child Left Behind Act and HB 212 legislation, calling for and reporting annual student assessment in reading, mathematics and science, has provided additional challenges and guidance for staff training needs.

Finally, the Curriculum and Instruction Department coordinates and implements a remedial summer school program. Instruction focused on differentiated student assignments in reading and mathematics, using research-based instructional methods and materials, with these skills reinforced through daily application in inquiry-based science projects.

Special Services: The School District offer a full range of school placement options to serve all district students with disabilities ages three to 21. The School District's philosophy is to provide an individualized program for each student in the least restrictive environment. Every school in the district has at least one special education teacher. Programs cover the full continuum of options including support in the regular classroom, resource rooms and self-contained classes for students who need more support.

Access to all special education programs is provided through a formal team assessment process initiated at the student's home school. Once the student is determined eligible as a special education student, the assessment team develops individual goals and makes a placement recommendation. Each student's placement is based on the student's individual needs.

A variety of special education programs are designed to meet the needs of individual students. Typical programs may include:

- Resource rooms in each school with at least one special education trained teacher.
- Self-contained programs for the mildly, mild/moderate, severely and severely multiple disabled, with programs based on the assessed individual needs of each student.
- Programs for students with emotional/behavioral disorders help students learn to manage their behavior and develop appropriate pro-social skills.
- Work-study, pre-vocational programs, and independent living skills at the secondary level are community based and geared to move students toward functional independence.

Technology: The School District has made a significant investment in technology. Since the 1997/1998 school year, over \$17 million has been invested in school technology. All schools and sites are connected to the Internet as well as configured to a School District Intranet. All school sites have standard computer lab classrooms that are a regular part of the instructional process. Currently, the School District has in place approximately 4,000 networked computers. During this time, Project Lead the Way labs have been outfitted for Los Lunas High School with plans to expand the program to Valencia High School.

Major curriculum related software in use at various school sites include FastForWord, the Read180 labs at all school sites and Carnegie Math labs at the middle and high schools as well as Discovery Learning's Unitedstreaming for all sites. The School District has invested approximately 450 new computers in Read180 and Carnegie Math labs during the summer and fall of 2006. A scheduled upgrade program covers 20% of our computers each year to keep our equipment up to date. The School District is also constantly upgrading connectivity among the sites and increasing internet access capability. In addition to the acquisition of updated technology, the Technology Department is responsible for maintenance of hardware, software and networks.

Finance and Operations: Based upon reorganization during the 2003/2004 school year, the District incorporated the Business (which includes Finance, Insurance, Purchasing and Inventory Control), Maintenance, Transportation, Food Services and Construction Departments into a single division supervised by the Assistant Superintendent for Finance and Operations. The focus of this division is to provide high quality operations support that will enhance the academic focus of the School District.

LOS LUNAS SCHOOLS OPERATIONS, ACCOUNTING AND FINANCIAL INFORMATION

We believe this written analysis and the accompanying financial report will indicate that the Los Lunas School District is in sound financial health. Indicators such as an A2 bond rating (Moody's Investor Services), balanced budgets, significant cash balances and strong budgetary management contribute to, and are indicators of, a positive financial direction and management. This is further explained in the Management Discussion and Analysis.

Staffing: As School District financial workloads grow, Business Office staffing levels, experience, education and training are strained to maintain and meet daily workload demands and administer the internal controls demanded of an organization the size of the Los Lunas School District. The increase in workloads is particularly acute in the Payroll, Purchasing, Maintenance and Technology Departments. One new position was added to our purchasing department, a maintenance supervisor and custodial supervisor were added as well to help oversee these crucial support functions. Policies and procedures are in place to guide staff through their daily business routines.

Internal Controls: The management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are reasonably protected from waste, theft, abuse or loss. Internal Controls also ensure that accounting data is adequately collected and compiled to allow for the preparation of accounting reports in accordance with generally accepted accounting principles. Capital assets are identified at the time of purchase, identified upon delivery and inventoried on a yearly basis. The Business Office assures that purchases are properly received and documented prior to payment. Issues related to the adequacy of internal controls are reviewed and changed as necessary. Procedures for School District business operations are set forth in the Business Office Procedures Manual. This manual is available in hard copy at each site and is also available on the Business Office Web Page at our School District's web address (www.llschools.net).

Budget Preparation: The School District's Budget is prepared with the maximum attention to goals set by the Board, the School District's Educational Plan for Student Success (EPSS), curriculum and public input. To every extent possible, work sessions are conducted to gain the input from interested organizations and school groups. A community meeting is held to get public input and a work session is held with the Board of Education. The proposed budget is presented to the Board in a public meeting for formal adoption. Pursuant to State Statute, the local school board sets budget priorities and the Public Education Department must approve final school district budgets.

Budgetary Control: The objective of budgetary controls is to assure compliance with the provisions of State Statute, the New Mexico Administrative Code and Board policy. In addition, budgetary controls insure that funding appropriated by the Board meets intended goals. The level of budgetary controls (that is the level by which expenditures can not exceed the appropriated amount) is carried down to the function level within each individual fund. The School District maintains an encumbrance accounting process as one technique to control budgets. In addition, the accounting system notifies users of expenditures exceeding budget at the object code level. Business Office management continually reviews detailed budget to expenditure reports for budget maintenance. As an integral part of the School District's accountability process, the Board is active in the monitoring of budgets and expenditures through a formal, monthly, reporting process to the Finance Committee and the Board as a whole. This reporting is provided at public meetings and becomes a part of the Board's permanent, public record. These reports are public documents and, through this public process, this financial reporting is open to public inspection.

Risk Management: The assets of the School District are protected through the New Mexico Public Schools Insurance Authority. This entity represents a pooled insurance organization of all participating school districts. The School District has opted for a property and liability insurance plan that carries a \$750 deductible on each loss. The School District also carries a \$750,000 employee fidelity policy, boiler insurance and athletic insurance.

Cash Management: The School District is responsible for cash management and investment of revenues. All investment accounts are required to meet certain specific collateral requirements as defined by State Statute. The Independent Auditor reviews this requirement. In an effort to maximize revenues, the School District invests surplus revenues and "sweeps" its main warrant account. Another investment method used by the School District is the State Investment Pool. Due to the increase in short-term investment returns, and the School District becoming competitive in the banking process, the School District's return from investments has increased substantially from prior years. In September 2005, the District removed investment accounts from the State Treasurer's investment pool due to a low rate of return and ongoing management problems at that office. In October 2006, the School District began utilizing the State Treasurer's Investment Pool again due to better interest rates and improved management within that organization.

INDEPENDENT AUDIT

State Statute requires the independent audit of public schools on an annual basis. These audits are defined and governed by regulations issued by the New Mexico Office of the State Auditor (NMAC 8.1). Regulations require that a public entity can not contract with an auditor for more than six consecutive years. The hiring and contracting of the Independent Auditor is made in accordance with the State of New Mexico Procurement Code Chapter 13 NMSA, State Auditor regulations and Los Lunas Board Policy. The scope of the audit is designed to meet the state and federal requirements set forth in the State Auditor's regulations. In addition, the School District has increased the scope of the Independent Audit to include audits of school site business activities.

ACKNOWLEDGEMENTS

The preparation and publication of this Comprehensive Annual Financial Report could not have been possible without the assistance, participation and cooperation of the entire Business Office staff, Dr. Patricio Rojas and his Data and Assessment Staff, and the office of the Superintendent. A special note of appreciation is extended to the Director of Finance, Claire Cieremans, for her efforts in providing and preparing the information used for this CAFR.

Finally, this report would not have been possible without the continued support of the Los Lunas Schools Board of Education whose values support School District efforts to provide high quality education and information to the public. The Board uses this information to assist in making decisions that ultimately benefit the students of the School District. Without their leadership and commitment to excellence, this report would not have been possible.

Respectfully Submitted,

Walter G. Gibson
Superintendent

P. Mario Guggino
Assistant Superintendent
of Finance and Operations

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LOS LUNAS SCHOOLS DISTRICT ORGANIZATIONAL CHART 2007-08

Approved LLS BOE
3/20/07

LOS LUNAS SCHOOLS BOARD OF EDUCATION

Superintendent of Schools

Deputy Superintendent

**Assistant Superintendent
for
Curriculum and Instruction**

**Assistant Superintendent
for
Finance and Operations**

**Assistant Superintendent
for
Special Services**

Director of Curriculum

Directors of:

- Finance
- Maintenance and Construction
- Transportation
- Food Services
- Purchasing

**Director of
Research and Data**

Directors of:

- Personnel
- Safety and Security
- Instructional Technology

Directors of:

- Special Education - Programs
- Special Education -- Compliance

K – 12 Coordinators:

- Literacy
- Mathematics
- Special Projects / Grants
- Bilingual Education
- Professional Development

Supervisors of:

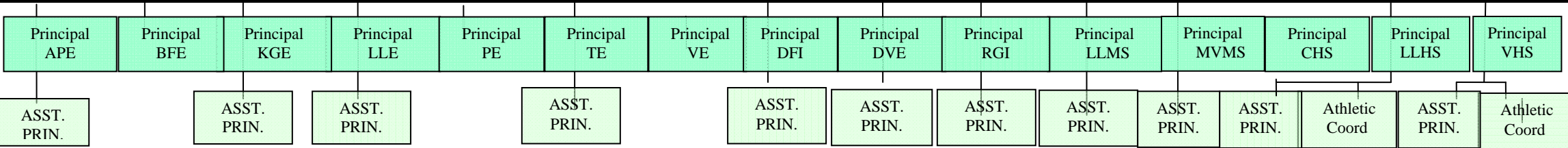
- Accounting
- Maintenance
- Custodial Services
- Construction Management
- Transportation
- Food Services

Coordinators of:

- SASI
- STARS

**Coordinator of
Network Operations**

**Coordinator of
Wellness, 504 Compliance ,
and
Student Support Services**



NOTE: All administrators supervise their support staff including teachers, nurses, librarians, secretaries, financial specialists, aides, ancillary, security, aide de camps, etc.

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**OFFICIAL ROSTER
JUNE 30, 2008**

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Frank A. Otero		President
Maria M. Marez		Vice President
Christopher D. Martinez		Secretary
Art Castillo		Member
Ed Hernandez		Member
	<u>School Officials</u>	
Walter Gibson		Superintendent
Mario Guggino		Assistant Superintendent of Finance & Operations
Claire Cieremans		Director of Finance
Philip Pacheco		Accounting Supervisor

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Los Lunas Schools
Los Lunas, New Mexico

We have audited the accompanying basic financial statements consisting of the governmental activities, each major fund, and the aggregate remaining fund information consisting of the aggregate nonmajor governmental fund column in the fund financial statements and the budgetary comparisons of the general and major special revenue funds of Los Lunas Schools, New Mexico, as of and for the year ended June 30, 2008, 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 and fiduciary funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of Los Lunas 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 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 Los Lunas Schools, New Mexico, as of June 30, 2008, and the respective changes in financial position thereof and the respective budgetary comparisons for the general funds and 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 Los Lunas Schools, New Mexico, as of June 30, 2008 and the respective budgetary comparisons of major capital project funds, the debt service fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2008 on our consideration of Los Lunas 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 page vi is not a required part of the basic financial statements but is 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.

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Our audit was conducted for the purpose of forming opinions on the Los Lunas School's basic financial statements and the combining and individual fund financial statements and budgetary comparisons presented as supplemental information. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governmental and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "Supporting Schedules" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Grigo Professional Services, LLC

Albuquerque, New Mexico
November 13, 2008

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LOS LUNAS SCHOOLS
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

The Management Discussion and Analysis is a required part of the School District's financial reporting and is an objective and easily readable discussion of the School District's financial activities. The reader will see two statements, a Statement of Net Assets and a Statement of Activities. These statements provide the overall view of the financial activities of the School District. This discussion and analysis will provide a review of the School District's *overall* financial activities, using the accrual basis of accounting, for the year ending June 30, 2008. Fund financial statements are reported on a modified accrual basis of accounting. Rather than looking at specific areas of performance, this discussion and analysis focuses on the financial performance of the School District as a whole. Whenever possible, this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other graphics information.

This annual report consists of a series of detailed, audited financial statements and the notes to those statements. Also included is the Independent Auditor's Report; Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards; Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133; and the Schedule of Findings and Responses.

In addition, this report also incorporates a Statistical Section that presents historical financial data as well as important demographical and education information.

LOS LUNAS SCHOOLS ACCOUNTING AND FINANCE

We believe this written analysis and the accompanying financial report will indicate to the reader that the Los Lunas Schools is in good financial health. Indicators to the reader such as bond ratings, fund balances, cash on hand and budget management all are signs of a positive financial direction and management. The School District maintains a financial and accounting staff with strong levels of technical experience and education.

In order to define and support internal controls, the School Business Office utilizes a comptrollership model organizational structure. A written Business Office Policies and Procedures Manual is in place to guide School District staff through the daily fiscal and business routines.

As an integral part of the School District accountability process, the Los Lunas Schools Board of Education monitors School District expenditures and budgets through a formal monthly reporting process to a Finance Committee and the full Board of Education. This reportage is provided at public meetings and becomes a part of the Los Lunas Schools Board of Education's

permanent public record. These reports are public documents and, through this public process, the financial reporting information is provided to the community and open to public inspection.

SIGNIFICANT FINANCIAL HIGHLIGHTS FOR THE YEAR ENDING JUNE 30, 2008

- During the 2007/2008 fiscal year, the School District did receive a Public School Capital Outlay Council (PSCOC) award for an eight-classroom addition at Katherine Gallegos Elementary School. The amount of the PSCOC award was \$12,200,000, and construction will commence in January 2009.
- A \$30,000,000 bond election was approved by the voters in February 2008, and the August 26, 2008 sale of the first series of these bonds will be for a total of \$8,865,000, of which \$2,365,000 will be used to refund the 1999 Bonds at a savings of approximately \$90,000. The balance of the \$6,500,000 will be used for funding the next wave of projects scheduled to commence in the 2008/2009 SY.
- The School District also received \$1,338,900 in legislative appropriations this fiscal year compared to \$1,248,000 in the previous fiscal year. This was largely due to the effectiveness of the District's ability to lobby our legislature in a state revenue growth year compared to the previous revenue growth year. Due to the current economic climate, we do not anticipate legislative appropriations to be as significant for the 2008/2009 fiscal year.
- The School District completed a five-year comprehensive facility Master Plan in August 2006. The plan was updated in March 2008 in preparation for a PSCOC award for an eight-classroom addition at Katherine Gallegos Elementary School as well as in preparation of a ten-classroom addition at Bosque Farms Elementary School. The plan will be reevaluated and updated annually. This plan addresses future population growth and the need for facilities over a five-year period. The plan examines all existing schools and recommends future changes and improvements.
- Capital Outlay expenses nearly doubled from \$9,880,235 in the year ending June 30, 2007 to \$17,941,653 for the year ending June 30, 2008. This significant increase represents the acceleration in spending in the Bond Building Fund due to completing the final phase (Phase 5) of Valencia High School, the Valencia High School athletic fields and the planning, design and construction of a new Elementary School. Expenditures in this area are expected to decrease slightly in the coming fiscal year due to the completion of the new Sundance Elementary School (formerly known as the West Side Elementary School prior to being named).
- As shown in the three-year comparison of the Statement of Net Assets, total net assets increased from \$57,896,755 in the year ending June 30, 2005 to \$61,360,314 in the year ending June 30, 2006 to \$70,384,930 in the year ending June 30, 2007, and \$79,318,612 in the fiscal year ending June 30, 2008. The overall increase in net assets is due to an increase in investment in total Capital Assets.

- The overall adjusted fund balance shown in the Statement of Revenues and Expenditures and Changes in Fund Balances (GAAP), increased from \$8,169,328 for the year ending June 30, 2006 to \$13,390,208 for the period ending June 30, 2007. During the period ending June 30, 2008, the overall Fund Balance decreased by \$2,091,156 to \$11,299,052. This decrease is due to the completion of, and requisite payments for on-going construction. Expenditures this year included several minor construction projects, the completion of Phase IV of Valencia High School (VHS), and the planning and design of the new Sundance Elementary School. The Fund Balance of the General (Operations) Fund decreased from \$834,801 to \$157,606 during the same period.
- The State Equalization Guarantee Formula increased by 5.94% for the fiscal year ending June 30, 2008. Revenues from the State Equalization Guarantee Formula (SEG) for the fiscal year ending June 30, 2007 were \$57,252,545; revenues for the fiscal year ending June 30, 2008 were \$61,295,704.
- Total expenditures, *inclusive of all capital expenditures from general obligation bond proceeds*, increased from \$93,995,800 for the year ending June 30, 2007 to \$103,883,263 for the year ending June 30, 2008, representing a 10.5% increase.
- The School District's overall cash assets decreased from \$13,815,029 on June 30, 2007 to \$12,699,318 on June 30, 2008. The largest cash balances were reflected in Operational (11000), Federal Direct (25000), Bond Building (31100), and HB-33 (31600). A complete reconciliation of fund cash balances is found on pages 127-130.
- The Operations Fund reserve was maintained at the target level of \$850,000 during the 2007/2008 fiscal year. This reserve account was decreased to \$250,000 for the 2008/2009 budget period due to state funding shortfalls, and a slight drop in enrollment (87 students).

GOVERNMENT WIDE FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS

This statement shows that as of June 30, 2008, the School District has total net assets of \$79,318,612 as compared to net assets of \$70,384,930 as of June 30, 2007, and \$61,360,314 as of June 30, 2006. The School District had \$19,113,642 in cash and current assets on hand as of June 30, 2008 compared to \$19,465,845 as of June 30, 2007, and accounts payable/current liabilities and current long-term debt of \$10,924,071 compared to \$12,823,995 as of June 30, 2007. Cash Assets decreased by \$1,115,711 while Other Current Assets increased by \$763,508. These two changes are directly related to the amount of reimbursements due from the Public Education Department and the PSCOC (that is, reimbursements were less timely than last year) Long-term liabilities have increased from \$28,264,315 as of June 30, 2007 to \$32,571,576 as of June 30, 2008.

The School District retains maximum allowable levels of debt related to its assessed valuation; therefore, the increase in long-term liabilities is due to increased valuation. Net Assets totaling \$10,441,950 are “restricted” for debt service and capital projects. Net Assets totaling \$1,155,555 are “unrestricted”.

	June 30, 2006	June 30, 2007	June 30, 2008
Assets			
Cash Assets	\$ 7,515,294	\$ 13,815,029	\$ 12,699,318
Other Current Assets	\$ 6,094,248	\$ 5,650,816	\$ 6,414,324
Bond Issuance Costs	\$ 65,252	\$ 108,437	\$ 129,510
Capital Assets	\$ 120,165,623	\$ 132,677,795	\$ 147,863,991
Depreciation	\$ (37,605,895)	\$ (40,773,555)	\$ (44,292,884)
Total Assets	\$ 96,234,522	\$ 111,478,522	\$ 122,814,259
Liabilities			
Accounts Payable	\$ 1,166,756	\$ 4,657,086	\$ 1,282,008
Other Current Liabilities	\$ 4,154,474	\$ 1,906,909	\$ 6,282,063
Current Portion/Long Term	\$ 3,391,080	\$ 6,260,000	\$ 3,360,000
Long Term Liabilities	\$ 26,161,898	\$ 28,269,597	\$ 32,571,576
Total Liabilities	\$ 34,874,208	\$ 41,093,592	\$ 43,495,647
Net Assets			
Invested in Capital Assets	\$ 53,673,220	\$ 57,494,240	\$ 67,721,107
Restricted	\$ 6,302,600	\$ 10,934,422	\$ 10,441,950
Unrestricted	\$ 1,384,494	\$ 1,906,593	\$ 1,155,555
Total Net Assets	\$ 61,360,314	\$ 70,335,255	\$ 79,318,612

Statement of Activities

The Statement of (Governmental) Activities is also a statement required by GASB 34, and is prepared using the accrual method of accounting. This report compliments the Statement of Net Assets by showing the overall change in the School District's net assets for the fiscal year ending June 30, 2008. As of June 30, 2008, the School District had net assets of \$79,318,612 as compared to net assets of \$70,384,930 as of June 30, 2007 and \$61,360,314 as of June 30, 2006.

	June 30, 2006	June 30, 2007	June 30, 2008
Governmental Activities			
Total Governmental Activities	\$ 76,259,230	\$ 81,807,821	\$ 86,028,105
Less Charges for Services	\$ (772,274)	\$ (949,780)	\$ (803,569)
Less Operating Grants and Contributions	\$ (13,366,163)	\$ (15,862,152)	\$ (15,074,563)
Less Capital Grants and Contributions	\$ (5,774,821)	\$ (8,902,113)	\$ (8,554,409)
Net (expenses) Revenues	\$ (56,345,972)	\$ (56,093,776)	\$ (61,595,564)
General Revenues			
Taxes-General, Debt Service, Capital Projects	\$ 5,781,938	\$ 6,847,486	\$ 8,721,513
State Aid not Restricted to Specific Purposes (State Equalization Guarantee - SEG)	\$ 53,552,571	\$ 57,252,545	\$ 61,295,704
Interest and Earnings in Investments	\$ 425,425	\$ 738,508	\$ 600,494
Miscellaneous	\$ 49,597	\$ 244,685	\$ (88,465)
Subtotal, General Revenues	\$ 59,809,531	\$ 65,118,392	\$ 70,529,246
Changes in Net Assets	\$ 3,463,559	\$ 9,024,616	\$ 8,933,682
Net Assets Beginning	\$ 57,896,755	\$ 61,360,314	\$ 70,384,930
Net Assets Ending	\$ 61,360,314	\$ 70,384,930	\$ 79,318,612

FUND FINANCIAL STATEMENTS

STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES

Fund financial statements are based on a *modified accrual* basis of accounting. The Statement of Revenues and Expenditures and Changes in Fund Balances is *not a* new statement to the School District's annual financial reports. This report guides the reader to a meaningful, overall, view of the District's revenues, expenditures and fund balance and changes to the fund balance. This report also shows the revenue and expenditure activities of each major fund and the total of all "other" Governmental Funds. Total revenues from State, Local and Federal sources were \$101,792,107. Total expenditures for the School District were \$103,883,263.

MULTI-YEAR DISTRICT REVENUES AND EXPENDITURES

During the 2007/2008 fiscal year, both revenues and expenditures increased from prior year balances. This increase is due to the District's on-going capital projects, growth in student population, hiring of additional teachers and other support staff as well as the completion of

construction of Valencia High School (VHS) Phase 5 and the design, planning and construction of the new Sundance Elementary School. In comparing the 2007/2008 year's transactions to those in 2006/2007, consistent growth can be observed.

In general, a multi-year view of overall School District revenues and expenditures indicates significant growth in both areas. The growth of both revenues and expenditures are commensurate with student growth, legislative initiatives, unfunded mandates, student needs and other educational programs as well as state and local increases in revenues for capital outlay purposes.

Year	Total Revenues *	Increase %	Total Expenditures*	Increase %
1996/1997	\$ 41,060,244		\$ 42,317,960	
1997/1998	\$ 49,732,514	22%	\$ 49,218,771	16%
1998/1999	\$ 50,954,992	29%	\$ 53,870,029	9%
1999/2000	\$ 60,492,174	19%	\$ 56,085,681	4%
2000/2001	\$ 66,373,486	10%	\$ 65,727,785	17%
2001/2002	\$ 70,314,391	6%	\$ 72,028,003	10%
2002/2003	\$ 76,605,597	9%	\$ 76,347,148	6%
2003/2004	\$ 75,436,662	(1.5%)	\$ 74,842,654	(2.0)%
2004/2005 **	\$ 87,325,182	15.7%	\$ 86,718,047	15.9%
2005/2006	\$ 84,438,528	(3.31%)	\$ 84,541,105	(2.0)%
2006/2007***	\$ 99,216,680	17.5%	\$ 93,995,800	11.18%
2007/2008	\$ 101,792,107	2.6%	\$ 103,883,263	10.52

* **Note:** Revenues include proceeds from general obligation bonds and exclude cash carryovers; Expenditures include capital outlays.

** **Note:** includes revenues and expenditures from November 2004 –Series 1995, 1996, 1997 G.O. Bond refunding; November 2004 G.O. Bond Sale; March 2005.

*** **Note:** includes an October 2006 BAN sale and a savings of \$122,327 in interest payments due the prior year's refinancing of debt.

THE BUDGET

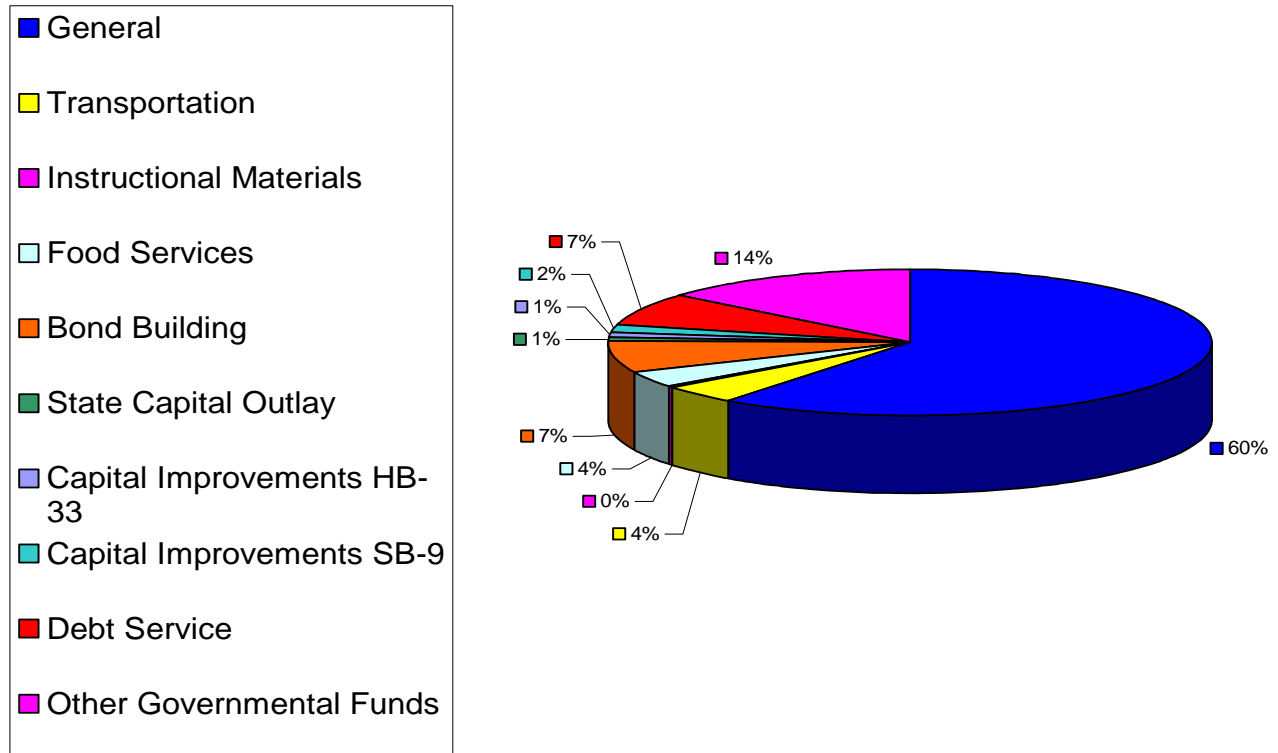
The State of New Mexico school budget process is defined under New Mexico State Statutes (Section 22-8, Public School Finance) and the New Mexico Administrative Code (Section 6). To enhance the process of developing a budget at the school district level, the Los Lunas School District utilizes goals and objectives defined by the Los Lunas School Board, community/parent input meetings, the district's five-year facility master plan, long term planning 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 (Operations Fund), Transportation, Cafeteria, Instructional Materials, Debt Service, Bond Building, HB-33 (Three-Mill Levy), SB-9 (Two-Mill Levy) and Special Capital Outlay - State. In addition, fifty-one (51) active, non-major, Special Revenue Funds and three (3) non-major Capital Projects funds are also reported for their budgetary performance. Non-major funds include Special Revenue funds, such as Title I and IDEA funds.

Non-major Capital Project funds include Energy Efficiency Act and Public School Capital Outlay. The following graphics and tables show the fiscal relationship of the major funds and the combined non-major funds.

FINAL EXPENDITURES



The reader will note that the Operations Fund Final Expenditures represents 60.36% of the total fund dollar amount compared to 66.17% in FY 2006/2007. This fund provides the salary and benefits for the significant majority of the Instructional, Instructional Support and School Support, Maintenance and Administrative staff as well as classroom materials, special education consulting staff and fixed utility costs. Revenue from this fund is substantially derived from the State Equalization Guarantee, which is the funding formula appropriated for education by the State Legislature. The Operations Fund is explored later in the Management Discussion and Analysis.

The following table examines the summary budget performance of the major funds for the fiscal year ending June 30, 2008. Detail budget performance is examined through the Statement of Revenues and Expenditures, Budget and Actual for each major and non-major fund.

**MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE
(NON-GAAP)**

FUND TYPE	FINAL BUDGET	ACTUAL	VARIANCE
Operations (11000)	\$ 63,279,404	\$ 62,138,958	\$ 1,140,446
Cafeteria (21000)	\$ 4,136,093	\$ 3,378,833	\$ 757,260
Transportation (13000)	\$ 4,224,854	\$ 4,218,189	\$ 6,665
Instructional Materials (14000)	\$ 876,803	\$ 634,791	\$ 242,012
Debt Service (41000)	\$ 11,702,171	\$ 7,603,846	\$ 4,098,325
Bond Building (31100)	\$ 10,303,041	\$ 6,740,428	\$ 3,562,613
Special Capital Outlay - State (31400)	\$ 2,711,658	\$ 1,076,383	\$ 1,635,232
SB-9 Capital Improve.(2-mill) (31700)	\$ 2,058,673	\$ 1,766,013	\$ 292,660
HB – 33 Technology(3-mill) (31600)	\$ 2,331,936	\$ 1,111,467	\$ 1,220,469

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.

Non-major funds, while important to the success of school operations, do not represent a significant fiscal impact to warrant specific discussion. However, because of their relative importance to the success of students we have elected to report the performance of two non-major funds.

**SELECTED NON-MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE
(NON – GAAP)**

FUND TYPE	FINAL BUDGET	ACTUAL	VARIANCE
Title 1 (24101)	\$ 2,213,277	\$ 1,960,483	\$ 252,794
IDEA (24106)	\$ 1,904,235	\$ 1,821,032	\$ 83,203

The General (Operations) Fund

The Operations Fund serves as the School District General (Operations) Fund and is the largest Fund. Because the Operations Fund revenues represent \$62,026,642 of the total \$101,792,107 of School District revenues (inclusive of bond proceeds), the significant impact of this fund on School District Operations must be kept in context.

The General (Operations) Fund is predominately funded by revenues from the State of New Mexico Equalization Guarantee Formula. This fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administrative staff. The General (Operations) Fund provides the predominant funding for athletics and summer school.

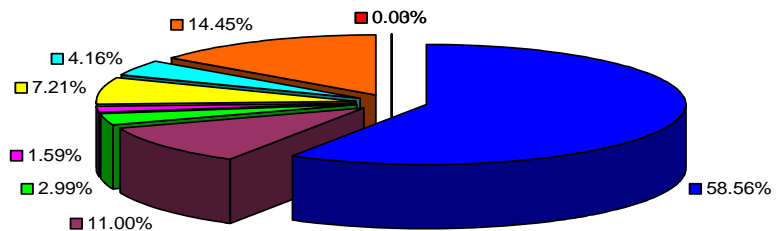
GENERAL (OPERATIONS) FUND REVENUES

YEAR	REVENUES	INCREASE %
1996/1997	\$ 28,720,704	8%
1997/1998	\$ 31,821,997	11%
1998/1999	\$ 36,791,198	16%
1999/2000	\$ 38,648,467	5%
2000/2001	\$ 42,095,896	9%
2001/2002	\$ 46,826,574	11%
2002/2003	\$ 46,398,919	(1%)
2003/2004	\$ 48,454,893	4.4%
2004/2005	\$ 50,430,536	4.1%
2005/2006	\$ 54,254,563	7.6%
2006/2007	\$ 58,216,044	7.3%
2007/2008	\$ 62,026,642	6.5%

Because the General (Operations) Fund is the main fund in which expenditures are significantly related to the educational process, \$62,703,997 was expended in the year ending June 30, 2008. The most significant inter-fund expense was for the function noted as “Instruction” (Direct Instruction). This expenditure was \$36,685,109 or 58.8% of all General (Operations) Fund expenditures, compared with fiscal year 2006/2007 of \$34,342,180 (58.9%). Expenditures included in this function are Regular Education, Special Education and Early Childhood Education teachers and educational assistants, benefits, payroll taxes, school supplies, training and miscellaneous instructional related contract services. Approximately 85% of all General (Operations) Fund expenditures are for employee salaries, payroll taxes and benefits.

Operational Fund Expenditures by Function

- Direct Instruction
- Support Services - Students
- Support Services - Instruction
- General Administration
- School Administration
- Central Services
- Operation/Maintenance
- Food Services (Operational)
- Capital Outlay



The following discussion on the General (Operations) Fund budget will relate functional expenditures for the year ending June 30, 2008, exclusive of Capital Outlay expenditures, for the Operations Fund. Direct Instruction represents 58.8% of all General (Operations) Fund expenditures. This represents a .1% decrease compared to the year fiscal ending June 30, 2007. Direct Instruction expenditures account for regular education, vocational education, bilingual education, special education and kindergarten teachers and educational assistants' salaries, payroll taxes and benefits.

**PERCENTAGE OF DIRECT INSTRUCTION TO TOTAL EXPENDITURES
OPERATIONS FUND
(GAAP)**

Year	Direct Instruction Cost	Actual Expenditures	%
2002/2003	\$ 26,555,869	\$ 47,333,700	56.1%
2003/2004	\$ 28,126,543	\$ 48,076,841	58.5%
2004/2005	\$ 30,404,078	\$ 51,081,357	59.4%
2005/2006	\$ 31,909,199	\$ 53,742,851	59.4%
2006/2007	\$ 34,342,180	\$ 58,308,781	58.9%
2007/2008	\$ 36,685,109	\$ 62,703,997	58.8%

The table above has been included to convey to the reader the School District's budgetary commitment to maximize expenditures in the "classroom". The table shows that expenditures in the area of Direct Instruction average 58.51% since the 2002/2003 year.

**GENERAL (OPERATIONS) FUND EXPENDITURES BY FUNCTION
(NON-GAAP)**

Function	Final Budget	Expenditure	Variance	Percentage (Expenditure) ^{Note 1}
Instruction (Direct)	\$ 36,791,507	\$ 36,698,843	\$ 92,664	59.06%
Support Services				
Students	\$ 6,523,479	\$ 6,888,883	\$ (365,404)	11.09%
Instruction	\$ 1,898,001	\$ 1,862,730	\$ 35,271	3.00%
General Administration	\$ 1,074,497	\$ 1,101,433	\$ 64,064	1.77%
School Administration	\$ 4,270,186	\$ 4,353,514	\$ (83,328)	7.01%
Central Services	\$ 2,515,133	\$ 2,496,987	\$ 18,146	4.02%
Operations and Maintenance	\$ 9,312,218	\$ 8,808,073	\$ 504,145	14.17%
Other Support Services	\$ 869,383	0	\$ 869,383	0.00%
Food Services ^{Note 2}	\$ 25,000	\$ 19,495	\$ 5,505	0.03%
Athletics	0	0	0	0.00%
Community Services	0	0	0	0.00%
Pupil Transportation ^{Note 2}	0	0	0	0.00%
Capital Outlay	0	0	0	0.00%
Total	\$ 63,279,404	\$ 62,138,958	\$ 1,140,446	100.00%

Note 1: Percentage of expenditure to total expenditures

Note 2: Funding for Food Services from Fund 21000 and Pupil Transportation are from Fund 13000. Operating costs not normally incurred by this fund.

Instructional Support represents 22.87% (compared to 22.54% last fiscal year 2006/2007) of General (Operations) Fund expenditures, and accounts for expenditures for school principals, program coordinators, counselors, school nursing staff, librarians, special education ancillary staff and significant support to special education programs through contract ancillary support staff and contract programs. The Office of the Superintendent and the Business Office represent the overhead support for the entire operations of the School District; these programs combined represent 5.12% of the total General (Operations) Fund. Maintenance and Operations account for 14.17% of the General (Operations) Fund expenditures. Included in the Maintenance and Operations expenditures are salaries and benefits for maintenance staff, school custodians, fixed utility costs, maintenance and repairs, maintenance supplies/equipment and school custodial supplies/equipment. Because of the expansion/addition of school facilities, this functional expenditure will need to be increased to meet school needs. Additional support for maintenance supplies and projects comes from the voter approved Two-Mill Levy Fund, which is also given a state matching grant. The General (Operations) Fund also supports expenditures for school athletics and summer school.

OPERATIONS BUDGET RESERVE FUNDS

The School District maintains a Non-Operating function within the General (Operations) Fund as a reserve against unexpected emergency expenses or unexpected and unpredicted reductions in revenues. Most unexpected emergency expenses are those related to legal settlements or facility repairs. Facility issues can be addressed through the School District Two-Mill Levy Fund or insurance coverage that lessens the need for the School District to maintain a high Operations Fund reserve. At the end of the 2006/2007 fiscal year, the reserve fund balance was \$600,000. The budget for the 2007/2008 fiscal year reflects a reserve fund of \$850,000. As stated earlier in this report, \$850,000 is the target balance for this reserve account for the 2007/2008 fiscal year. Due to the loss of 111 students for the upcoming 2008/2009 school year, and the reduction of 103 Special Education students, the district received ~ \$3.3M less in funding for the 2008/2009 fiscal year. As a result, the LLS Board of Education elected to reduce the reserve account to \$250,000 for the 2008/2009 operating budget.

CAPITAL ASSETS

GASB 34 requires public entities to depreciate capital assets. As of June 30, 2008, the School District capital assets were valued at \$103,571,107 after depreciation. This statement includes total accumulated depreciation of the School District's capital assets in the amount of \$44,292,884. 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. In accordance with State Statute, State Regulations and School Board Policy, all assets with a value in excess of \$1,000 are capitalized. Effective July 1, 2006, this amount had been increased to \$5,000 (unless buildings, land or improvements, then it is still \$1,000). All assets reported as of July 1, 2006, with a cost between \$1,000 and \$5,000, will remain on the District's inventory list and continue to be subject to depreciation rules for the life of the asset. After July 1, 2006, only those assets with a cost greater than \$5,000 will be added to the list of depreciable assets.

Because of past student growth and certain aging facilities, the School District has taken a planned and focused approach towards investing in equipment and building new facilities as well as adding to and maintaining existing facilities. This effort is evidenced by the substantial and continuous investment in the “Capital Outlay” account. A ten-year history of this account is presented in the Statistical Section of this report under Financial Trend Data-Stat-4. This planning includes applications for additional capital funding support from the Public School Capital Outlay Council (PSCOC).

In addition to construction, the School District continued planned efforts to replace old vehicles, enhance technology, and replace outdated school furnishings and equipment. In order to assure that aged equipment and vehicles are replaced on a routine basis, the Board of Education enacted a policy mandating that the replacement of equipment be funded, yearly, as a matter of routine. Schedules for equipment replacement will be included in future G.O. Bond elections and/or the Two Mill Levy.

The following table illustrates the three-year history of year-end balances for the School District’s investment in all capital assets:

CAPITAL ASSETS

Asset Type	Balance June 30, 2006	Balance June 30, 2007	Balance June 30, 2008
Land and Land Improvements	\$ 7,671,289	\$ 9,088,502	\$ 10,354,241
Buildings and Building Improvements	\$ 95,661,989	\$ 98,086,438	\$ 104,214,658
Furniture, Fixtures and Equipment	\$ 5,872,916	\$ 5,425,236	\$ 5,495,366
Vehicles	\$ 7,045,404	\$ 7,995,208	\$ 8,280,584
Construction in Progress	\$ 3,914,025	\$ 12,082,411	\$ 19,519,142
Total Assets	\$ 120,165,623	\$ 132,677,795	\$ 147,863,991
Less Accumulated Depreciation	\$ (37,605,895)	\$ (40,773,555)	\$ (44,292,884)
Capital Assets - Net	\$ 82,559,728	\$ 91,904,240	\$ 103,571,107
Net Change in Assets	\$ 3,073,599	\$ 9,344,512	\$ 11,666,867

This table shows that the School District is diligently replacing assets and building facilities to accommodate the significant growth in students as indicated in a net increase of Capital Assets in the amount of \$11,666,867 as of June 30, 2008.

In the fiscal year ending June 30, 2008, the Statement of Revenues, Expenditures and Changes in Fund Balances shows the School District expended \$17,941,653 for the capital outlay function. \$7,392,400 was expended from the proceeds of Bond Building Fund, \$1,111,467 was expended from HB-33 (Three-Mill Levy) for technological improvements, and \$1,748,436 was expended from SB-9 (Two-Mill Levy) funds. All three of these funds are authorized by local election.

GENERAL LONG-TERM DEBT

Article IX, Section 11 of the New Mexico Constitution limits the powers of a school district to incur general obligation debt beyond a school year. The School District can incur such debt for “the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public classrooms or any combination of these purposes”. The approval of the debt is subject to a vote of the local electors and may not exceed 6% of the assessed valuation of the taxable property within the School District. Currently, long-term debt may not exceed \$39,081,961. Total Long-Term Debt, including current portion as of June 30, 2008, was \$35,850,000.

The School District has maintained a level of indebtedness to the maximum extent allowed. The policy to maintain this amount of debt is largely due to the need to add additional facilities in order to meet student population requirements upgrade and expand existing facilities, and to leverage additional funds available from Public School Capital Outlay. Public School Capital Outlay Fund awards give higher funding priorities to school districts with lower assessed valuations and higher levels of indebtedness. The most recent general obligation bond election was held on February 1, 2008 in which the School District’s voters approved a \$27.0 million, four-year, General Obligation Bond initiative by a margin exceeding 75%. This election was held one year earlier due to the increase in assessed valuation of taxable property within the School District.

During the fiscal year ending June 30, 2008, the School District made one sale of General Obligation Bonds in the amount of \$7,700,000 on October 19, 2007. This bond sale was the third issuance of the 2005 General Obligation Bond election. As a result of action taken by the 2002 legislature, a statute was enacted to allow school districts to complete sales of Bond Anticipation Notes (BANs). This legislation allows school districts to enter into short-term borrowing agreements and make repayments with the proceeds of future general obligation bond sales. Borrowing may not be longer than a one-year term and limited to the amount of the principal retirement for that year. The district did not enter into any BAN agreements for the fiscal year 2007/2008.

The School District has maintained an A2 underlying rating for the August 26, 2008 bond sale. Effective July 1, 2003, School District bonds also carry the *enhanced* State of New Mexico bond rating of Aa2. This action was authorized in Senate Bill 847. The effect of this bill will be to reduce the risk to bond holders and, as a consequence, reduce the interest costs to the taxpayer. The School District has never defaulted on any of its debt or other obligations. Listed below is the School District’s total general obligation debt as of June 30, 2008, inclusive of the Bond Sale on October 19, 2007 of \$7,700,000.

YEAR ENDED JUNE 30	PRINCIPAL	INTEREST	TOTAL
2009	\$ 3,360,000	\$ 1,428,982	\$ 4,788,982
2010	\$ 3,790,000	\$ 1,219,365	\$ 5,009,365
2011	\$ 3,885,000	\$ 1,070,379	\$ 4,955,379
2012	\$ 3,825,000	\$ 916,347	\$ 4,741,347
2013	\$ 3,915,000	\$ 756,911	\$ 4,671,911
2014-2018	\$12,550,000	\$ 1,807,967	\$14,357,967
2019-2023	\$ 4,525,000	\$ 244,550	\$ 4,769,550
Total	\$35,850,000	\$ 7,444,499	\$ 43,294,499

The School District recommends the Transcripts of Proceedings, dated October 19, 2007 and the Official Statement, dated August 26, 2008 to a reader desiring to know more about the School District's long-term debt and community demographics. (Information is also available in the Statistical Section of this Financial Report.) This Official Statement may be obtained by visiting our web site at www.llschools.net under the Business Office tab, or by contacting:

RBC Capital Markets.
6301 Uptown Blvd. NE, Suite 110
Albuquerque, NM 87110

In addition to the sale of General Obligation Bonds, the School District is eligible to receive awards from the Public Schools Capital Outlay Council (PSCOC) in accordance with Senate Bill 513, Chapter 147 Section 10(b) NMSA. The impact of these various awards is discussed throughout this Management Discussion and Analysis.

AGENCY FUNDS

The 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 funds are also subject to annual review by the School District's Independent Auditor. The year ending June 30, 2008 states the accumulated balance of all agency funds was \$503,036.

FUTURE TRENDS

The Economy and Public School Funding: due to increased prices for oil and natural gas resources, state revenues have shown significant increases. State Funding of public schools for the 2007/2008 school year was increased by approximately 5.94% (the SEG was increased based on a per member basis).

In 2005/2006, the legislature funded the increase of the Level-Two teacher salary to \$40,000, minimum. It is believed that the appropriation represented an accurate reflection of the District's cost. Legislative action for the 2006/2007 school year appropriated funding for the implementation of the Level-Three master teacher salary to \$45,000, minimum. The funds were not fully appropriated for the final phase of the \$50,000 minimum for Level-Three teachers in the 2007/2008 year. This, coupled with the decrease in student enrollment and Special Education enrollment and increased worker's compensation insurance and medical insurance increases, left the district with an approximate \$3,300,000 shortfall in funding for the 2008/2009 fiscal year.

Local Assessments General and Obligation Bonds: Local property taxes serve as the revenue source for the repayment of general obligation bonds. Because of the growth of both residential and commercial assessed valuation for properties in the Los Lunas School District, the School District has undertaken an aggressive expansion program to add additional classroom space in the School District. The following table illustrates the growth of the assessed valuation for both the Los Lunas Schools and Valencia County.

VALUATION TABLE

TAX YEAR	LOS LUNAS SCHOOLS	VALENCIA COUNTY
2008	\$ 651,366,022	*\$ 1,059,270,257
2007	\$ 602,730,753	**\$ 979,497,388
2006	\$ 524,579,516	\$ 875,594,467
2005	\$ 479,069,182	\$ 820,258,813
2004	\$ 447,871,070	\$ 771,579,462
2003	\$ 456,149,485	\$ 704,372,495
2002	\$ 412,948,320	\$ 687,197,444
2001	\$ 400,031,110	\$ 678,216,414
2000	\$ 378,025,851	\$ 601,120,398
1999	\$ 360,259,568	\$ 568,808,478
1998	\$ 295,512,079	\$ 539,539,467
1997	\$ 281,084,892	\$ 446,362,396

*Note: Preliminary Assessment

** Source: Official Statement Dated August 6, 2007

Source: Certificate of Tax Rates Dated: September 2008

Because of continued development in both the residential and commercial properties in the School District, it is expected that future assessed valuations will continue to increase. It is also expected that voter support for the Los Lunas Schools will continue to be strong and revenues from General Obligation Bond proceeds will continue to be an integral part of the School District Master Plan.

Community Growth: In the past year, the community has seen the start of a number of residential growth areas. Most of the growth and homebuilding is focused on the West side of the District. The largest, The Huning Ranch subdivision expects to build out to approximately 8,600 homes within the next ten years. Other smaller subdivisions have been approved and a number of houses have been constructed or are under construction. In addition, a large national manufacturer of home building products has located a factory in Los Lunas with the intention of employing 700 workers within the next five years. We do not expect this trend to continue for the upcoming 2008/2009 fiscal year due to the current economic conditions in NM and the nation in general. All near future projections are expected to include lower projected gas and oil revenues, a flat growth pattern in assessed valuation of taxable property within the School District, no growth in student population and a cautious eye toward future bond and Mill Levy initiatives for the next two-five years.

District Master Planning: The District once again contracted with Architectural Research Consultants, Inc (ARC) to provide master planning for the Los Lunas School District. Because

of the potential for large student population growth, the School is undertaking a master planning process to look at future student population projections and existing school utilization for a ten-year period. This project will help the District plan new school locations and provide analytical data for use by the District and the Public Schools Capital Outlay Council that will affect future capital funding needs. The District received a five-year Master Plan in August 2006, updated it in March of 2007, and again in March of 2008. The School District will continue to update and extend this plan in consultation with ARC on an annual basis.

More Information

Additional information concerning the performance of the School District may be found in the Statistical Section of this Consolidated Annual Financial Report.

Contacting the Los Lunas Schools

This financial report is designed to provide our community, taxpayers, investors and creditors with an overview of the Los Lunas School District's financial condition and to provide accountability for the funds the School District receives. If you have questions about our report or about the operations of the Los Lunas School District, please visit our web site at www.llschools.net , or contact:

Walter Gibson
Superintendent
Los Lunas School District
PO Drawer 1300
Los Lunas, NM 87031
wgibson@llschools.net

or

P. Mario Guggino
Assistant Superintendent of Finance and Operations
Los Lunas School District
PO Drawer 1300
Los Lunas NM 87031
mguggino@llschools.net

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
STATEMENT OF NET ASSETS
JUNE 30, 2008

Exhibit A-1
(Page 1 of 2)

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 12,699,318
Receivables (net of allowance for uncollectibles)	6,195,322
Inventory	219,002
Total current assets	<u>19,113,642</u>
Noncurrent assets	
Bond issuance costs (net of amortization of \$62,245)	129,510
Capital assets (net of accumulated depreciation):	
Construction in progress	19,519,142
Land and land improvements	10,354,241
Buildings and building improvements	104,214,658
Furniture, fixtures and equipment	13,775,950
Less: accumulated depreciation	<u>(44,292,884)</u>
Total noncurrent assets	<u>103,700,617</u>
Total assets	<u><u>\$ 122,814,259</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
STATEMENT OF NET ASSETS
JUNE 30, 2008

Exhibit A-1
(Page 2 of 2)

	<u>Governmental Activities</u>
LIABILITIES AND NET ASSETS	
Accounts payable	\$ 1,282,008
Accrued payroll liabilities	4,565,950
Accrued compensated absences	625,166
Accrued interest	723,855
Deferred revenue	367,092
Current portion of long-term debt	<u>3,360,000</u>
Total current liabilities	10,924,071
Noncurrent liabilities:	
Bond underwriter premiums (net of amortization of \$95,871)	81,576
Bonds due in more than one year	<u>32,490,000</u>
Total noncurrent liabilities	32,571,576
Total liabilities	43,495,647
Invested in capital assets, net of related debt	67,721,107
Restricted for:	
Debt service	5,630,552
Capital projects	4,811,398
Unrestricted	<u>1,155,555</u>
Total net assets	<u>79,318,612</u>
Total liabilities and net assets	<u><u>\$ 122,814,259</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Service</u>
Primary Government		
Governmental activities:		
Instruction	\$ 40,595,737	\$ 184,780
Support services:		
Students	7,782,368	-
Instruction	2,386,221	-
General Administration	1,338,271	-
School Administration	5,139,669	-
Other Support Services	-	-
Central Services	2,429,195	-
Operation & Maintenance of Plant	9,055,992	-
Student Transportation	3,823,710	-
Food Services Operation	3,842,719	618,789
Community Services	-	-
Facilities Materials, Supplies & Other Se	8,262,413	-
Interest on long-term debt	1,371,810	-
Capital outlay:		
Depreciation - unallocated	-	-
Total Primary Government	<u>\$ 86,028,105</u>	<u>\$ 803,569</u>

The accompanying notes are an integral part of these financial statements

<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Assets</u>
<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>		
\$ 7,140,684	\$ -		\$ (33,270,273)
1,386,604	-		(6,395,764)
138,183	-		(2,248,038)
-	-		(1,338,271)
158	-		(5,139,511)
-	-		-
190,262	-		(2,238,933)
-	-		(9,055,992)
3,712,661	-		(111,049)
2,506,011	-		(717,919)
-	-		-
-	8,554,409		291,996
-	-		(1,371,810)
-	-		-
<u>\$ 15,074,563</u>	<u>\$ 8,554,409</u>		<u>(61,595,564)</u>

General Revenues:

Property taxes:	
Levied for general purposes	\$ 159,125
Levied for debt service	5,310,629
Levied for capital projects	3,251,759
State Equalization Guarantee	61,295,704
Unrestricted investment earnings	600,494
Gain on sale of fixed assets	9,855
Transfers to activity funds	-
Miscellaneous	(98,320)
Total general revenues	<u>70,529,246</u>
Change in net assets	8,933,682
Net assets - beginning	<u>70,384,930</u>
Net assets - ending	<u>\$ 79,318,612</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	Operational Fund			Food Services 21000
	General 11000	Transportation 13000	Instructional Materials 14000	
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 4,637,551	\$ 58,582	\$ 362,335	\$ 630,353
Accounts receivable				
Taxes	34,884	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other	7,909	-	-	-
Inventory	-	62,013	-	156,989
<i>Total assets</i>	<u>4,680,344</u>	<u>120,595</u>	<u>362,335</u>	<u>787,342</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	190,820	403	-	21,624
Accrued payroll liabilities	4,299,538	19,308	-	38,277
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	-	-
Deferred revenue - property taxes	32,380	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>4,522,738</u>	<u>19,711</u>	<u>-</u>	<u>59,901</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	62,013	-	156,989
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	157,606	-	-	334,396
Undesignated, reported in				
General Fund	-	38,871	362,335	-
Special Revenue Funds	-	-	-	236,056
<i>Total fund balance</i>	<u>157,606</u>	<u>100,884</u>	<u>362,335</u>	<u>727,441</u>
<i>Total liabilities and fund balance</i>	<u>\$ 4,680,344</u>	<u>\$ 120,595</u>	<u>\$ 362,335</u>	<u>\$ 787,342</u>

The accompanying notes are an integral part of these financial statements

Bond Building 31100	Special Capital Outlay - State 31400	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
\$ 3,759,928	\$ -	\$ 1,415,194	\$ -	\$ 290,674	\$ 1,544,701	\$ 12,699,318
-	-	387,317	259,266	1,059,706	-	1,741,173
-	1,489,772	-	444,220	-	2,512,248	4,446,240
-	-	-	-	4,280,172	-	4,280,172
-	-	-	-	-	-	7,909
-	-	-	-	-	-	219,002
<u>3,759,928</u>	<u>1,489,772</u>	<u>1,802,511</u>	<u>703,486</u>	<u>5,630,552</u>	<u>4,056,949</u>	<u>23,393,814</u>
1,062,735	-	-	-	-	6,426	1,282,008
-	-	-	-	-	208,827	4,565,950
-	-	-	-	-	-	-
-	1,482,021	-	444,220	-	2,353,931	4,280,172
-	-	355,649	238,136	973,375	-	1,599,540
-	-	-	-	-	367,092	367,092
<u>1,062,735</u>	<u>1,482,021</u>	<u>355,649</u>	<u>682,356</u>	<u>973,375</u>	<u>2,936,276</u>	<u>12,094,762</u>
-	-	-	-	-	-	219,002
-	-	-	21,130	4,657,177	-	4,678,307
2,697,193	7,751	1,446,862	-	-	-	4,151,806
-	-	-	-	-	-	-
-	-	-	-	-	-	492,002
-	-	-	-	-	-	401,206
-	-	-	-	-	1,120,673	1,356,729
<u>2,697,193</u>	<u>7,751</u>	<u>1,446,862</u>	<u>21,130</u>	<u>4,657,177</u>	<u>1,120,673</u>	<u>11,299,052</u>
<u>\$ 3,759,928</u>	<u>\$ 1,489,772</u>	<u>\$ 1,802,511</u>	<u>\$ 703,486</u>	<u>\$ 5,630,552</u>	<u>\$ 4,056,949</u>	<u>\$ 23,393,814</u>

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
GOVERNMENTAL FUNDS**

Exhibit B-1
(Page 2 of 2)

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008**

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Fund balances - total governmental funds	\$ 11,299,052
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	103,571,107
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities	1,599,540
Bond issuance costs, including original issue discounts and premiums are not financial resources and therefore are not reported in the funds	
Bond issuance costs net of related accumulated amortization	129,510
Bond underwriter premiums net of accumulated amortization	(81,576)
Accrued interest	(723,855)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued compensated absences	(625,166)
General obligation bonds	<u>(35,850,000)</u>
Net Assets-total Governmental Activities	<u>\$ 79,318,612</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Operational Fund			
	General 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000
<i>Revenues:</i>				
Property taxes	\$ 139,990	\$ -	\$ -	\$ -
State grants	61,295,875	3,712,661	933,171	(555,793)
Federal grants	196,269	-	-	3,061,804
Miscellaneous	194,781	10,115	-	619,087
Interest	199,727	7,972	8,189	13,020
<i>Total revenues</i>	<u>62,026,642</u>	<u>3,730,748</u>	<u>941,360</u>	<u>3,138,118</u>
<i>Expenditures:</i>				
Current:				
Instruction	36,685,109	-	359,477	-
Support Services				
Students	6,891,587	-	-	-
Instruction	1,875,017	-	68,983	-
General Administration	997,568	-	-	-
School Administration	4,518,690	-	-	-
Central Services	2,603,594	-	-	-
Operation & Maintenance of Plant	9,050,000	-	-	-
Student Transportation	26,968	4,107,137	-	-
Other Support Services	-	-	-	-
Food Services Operations	19,495	-	-	3,641,450
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	35,969	-	-	-
<i>Total expenditures</i>	<u>62,703,997</u>	<u>4,107,137</u>	<u>428,460</u>	<u>3,641,450</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(677,355)</u>	<u>(376,389)</u>	<u>512,900</u>	<u>(503,332)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	160	-	-	-
Proceeds from bond issues	-	-	-	-
Bond underwriter premium	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>160</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(677,195)</u>	<u>(376,389)</u>	<u>512,900</u>	<u>(503,332)</u>
<i>Fund balances - beginning of year</i>	<u>834,801</u>	<u>477,273</u>	<u>(150,565)</u>	<u>1,230,773</u>
<i>Fund balances - end of year</i>	<u>\$ 157,606</u>	<u>\$ 100,884</u>	<u>\$ 362,335</u>	<u>\$ 727,441</u>

The accompanying notes are an integral part of these financial statements

Bond Building 31100	Special Capital Outlay - State 31400	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,750,495	\$ 1,167,268	\$ 4,767,056	\$ -	\$ 7,824,809
-	1,082,705	-	447,668	-	8,721,348	75,637,635
-	-	-	-	-	5,846,984	9,105,057
(5,629)	(89,658)	-	-	-	184,158	912,854
297,316	619	12,973	-	58,376	2,302	600,494
<u>291,687</u>	<u>993,666</u>	<u>1,763,468</u>	<u>1,614,936</u>	<u>4,825,432</u>	<u>14,754,792</u>	<u>94,080,849</u>
-	-	-	-	-	5,060,337	42,104,923
-	-	-	-	-	875,093	7,766,680
-	-	-	-	-	390,191	2,334,191
-	-	17,783	11,857	48,567	218,339	1,294,114
-	-	-	-	-	567,348	5,086,038
-	-	-	-	-	80,129	2,683,723
-	-	-	-	-	28,766	9,078,766
-	-	-	-	-	41,279	4,175,384
-	-	-	-	-	-	-
-	-	-	-	-	101,536	3,762,481
-	-	-	-	-	-	-
7,360,369	668,423	1,093,684	1,736,579	-	7,082,598	17,941,653
-	-	-	-	6,260,000	-	6,260,000
-	-	-	-	1,295,279	-	1,295,279
32,031	32,031	-	-	-	-	100,031
<u>7,392,400</u>	<u>700,454</u>	<u>1,111,467</u>	<u>1,748,436</u>	<u>7,603,846</u>	<u>14,445,616</u>	<u>103,883,263</u>
<u>(7,100,713)</u>	<u>293,212</u>	<u>652,001</u>	<u>(133,500)</u>	<u>(2,778,414)</u>	<u>309,176</u>	<u>(9,802,414)</u>
-	-	-	-	-	(160)	-
4,488,891	-	-	-	3,211,109	-	7,700,000
5,629	5,629	-	-	-	-	11,258
<u>4,494,520</u>	<u>5,629</u>	<u>-</u>	<u>-</u>	<u>3,211,109</u>	<u>(160)</u>	<u>7,711,258</u>
<u>(2,606,193)</u>	<u>298,841</u>	<u>652,001</u>	<u>(133,500)</u>	<u>432,695</u>	<u>309,016</u>	<u>(2,091,156)</u>
<u>5,303,386</u>	<u>(291,090)</u>	<u>794,861</u>	<u>154,630</u>	<u>4,224,482</u>	<u>811,657</u>	<u>13,390,208</u>
<u>\$ 2,697,193</u>	<u>\$ 7,751</u>	<u>\$ 1,446,862</u>	<u>\$ 21,130</u>	<u>\$ 4,657,177</u>	<u>\$ 1,120,673</u>	<u>\$ 11,299,052</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Exhibit B-2
(Page 2 of 2)

**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, 2008**

	Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ (2,091,156)
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	(4,441,968)
Capital Outlays	16,135,859
Loss on disposal of capital assets	(27,024)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	
Change in deferred revenue related to the property taxes receivable	896,704
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:	
Bond issuance costs	44,677
Amortization of bond issuance costs	(23,604)
Amortization of original issue premium	38,021
Increase in accrued interest payable	(76,531)
Increase in accrued compensated absences	(81,296)
Bond proceeds	(7,700,000)
Principal payments on bonds	6,260,000
Change in Net Assets-total Governmental Activities	\$ 8,933,682

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
GENERAL FUND

Exhibit C-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 123,599	\$ 123,599	\$ 140,572	\$ 16,973
State grants	60,674,748	61,380,619	61,295,875	(84,744)
Federal grants	197,839	197,839	196,269	(1,570)
Miscellaneous	86,954	86,954	209,918	122,964
Interest	175,000	175,000	199,727	24,727
<i>Total revenues</i>	61,258,140	61,964,011	62,042,361	78,350
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	36,353,636	36,791,507	36,698,843	92,664
Support Services				
Students	6,241,078	6,523,479	6,888,883	(365,404)
Instruction	1,898,001	1,898,001	1,862,730	35,271
General Administration	1,061,898	1,074,497	1,010,433	64,064
School Administration	4,270,186	4,270,186	4,353,514	(83,328)
Central Services	2,542,133	2,515,133	2,496,987	18,146
Operation & Maintenance of Plant	9,532,003	9,312,218	8,808,073	504,145
Student Transportation	-	-	-	-
Other Support Services	869,383	869,383	-	869,383
Food Services Operations	25,000	25,000	19,495	5,505
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	62,793,318	63,279,404	62,138,958	1,140,446
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(1,535,178)	(1,315,393)	(96,597)	1,218,796
<i>Other financing sources (uses):</i>				
Designated cash	1,535,178	1,315,393	-	(1,315,393)
Operating transfers	-	-	160	160
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	1,535,178	1,315,393	160	(1,315,233)
<i>Net changes in fund balances</i>	-	-	(96,437)	(96,437)
<i>Fund balances - beginning of year</i>	-	-	4,733,988	4,733,988
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 4,637,551	\$ 4,637,551
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(15,719)	
Adjustments to expenditures			(565,039)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (677,195)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
TRANSPORTATION FUND

Exhibit C-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	3,347,981	3,991,700	3,712,661	(279,039)
Federal grants	-	-	-	-
Miscellaneous	-	39,909	47,439	7,530
Interest	-	7,896	7,972	76
<i>Total revenues</i>	3,347,981	4,039,505	3,768,072	(271,433)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	3,347,981	4,224,854	4,218,189	6,665
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	3,347,981	4,224,854	4,218,189	6,665
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	(185,349)	(450,117)	(264,768)
<i>Other financing sources (uses):</i>				
Designated cash	-	185,349	-	(185,349)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	185,349	-	(185,349)
<i>Net changes in fund balances</i>	-	-	(450,117)	(450,117)
<i>Fund balances - beginning of year</i>	-	-	508,699	508,699
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 58,582	\$ 58,582
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(37,324)	
Adjustments to expenditures			111,052	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (376,389)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-3

LOS LUNAS SCHOOLS

INSTRUCTIONAL MATERIALS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	827,988	827,988	1,039,721	211,733
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	8,189	8,189
<i>Total revenues</i>	<u>827,988</u>	<u>827,988</u>	<u>1,047,910</u>	<u>219,922</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	760,948	793,755	565,808	227,947
Support Services				
Students	-	-	-	-
Instruction	67,040	83,048	68,983	14,065
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>827,988</u>	<u>876,803</u>	<u>634,791</u>	<u>242,012</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(48,815)</u>	<u>413,119</u>	<u>461,934</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	48,815	-	(48,815)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>48,815</u>	<u>-</u>	<u>(48,815)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>413,119</u>	<u>413,119</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(50,784)</u>	<u>(50,784)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,335</u>	<u>\$ 362,335</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(106,550)	
Adjustments to expenditures			206,331	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 512,900</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-4

LOS LUNAS SCHOOLS

FOOD SERVICES SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	3,125,200	3,125,200	2,836,017	(289,183)
Miscellaneous	455,000	455,000	619,087	164,087
Interest	15,000	15,000	13,020	(1,980)
<i>Total revenues</i>	<u>3,595,200</u>	<u>3,595,200</u>	<u>3,468,124</u>	<u>(127,076)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	4,489,938	4,136,093	3,378,833	757,260
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,489,938</u>	<u>4,136,093</u>	<u>3,378,833</u>	<u>757,260</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(894,738)</u>	<u>(540,893)</u>	<u>89,291</u>	<u>630,184</u>
<i>Other financing sources (uses):</i>				
Designated cash	894,738	540,893	-	(540,893)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>894,738</u>	<u>540,893</u>	<u>-</u>	<u>(540,893)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>89,291</u>	<u>89,291</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>541,062</u>	<u>541,062</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 630,353</u>	<u>\$ 630,353</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(330,006)	
Adjustments to expenditures			(262,617)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (503,332)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2008

Exhibit D-1

	<u>Agency Funds</u>
ASSETS	
<i>Current Assets</i>	
Cash	<u>\$ 503,036</u>
<i>Total assets</i>	<u><u>503,036</u></u>
 LIABILITIES	
<i>Current Liabilities</i>	
Deposits held in trust for others	<u>503,036</u>
<i>Total liabilities</i>	<u><u>\$ 503,036</u></u>

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

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STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies

The Los Lunas 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 sixteen schools within the District with a total enrollment of approximately 8,541 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 Los Lunas Schools (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 more significant of the District's accounting policies are described below.

A. Reporting Entity

GASB Statement No. 14 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, 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.

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

Separate financial statements are provided for governmental funds 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.

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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 are recognized as revenues in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 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 modified 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 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 long-term debt not being financed by proprietary or nonexpendable trust funds.

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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 #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:

Operational Funds:

The *Transportation Fund* is used to account for the State Equalization received from the State Department of Education which is used to pay for the costs associated with transporting school age children.

The *Instructional Materials Fund* is used to account for the monies received from the State Department of Education for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

The *Food Services Special Revenue Fund* is used to account for the cost of operating a student breakfast, lunch, snack bar and summer lunch program and is financed with federal grants and fees paid by program users.

The *Bond Building Capital Projects Fund* is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose 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.

The *Special Capital Outlay State Capital Projects Fund* is used to account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading the Los Lunas High School hallways and doors and an electrical upgrade at Bosque Farms Elementary School.

The *Capital Improvements HB-33 Capital Projects Fund* is used to account for monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of purchasing technology assets and supplies.

The *Capital Improvements SB-9 Capital Projects Fund* is used 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).

The *Debt Service Fund* is used to account for the accumulation of resources for the payment of Long-Term Debt principal and interest.

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

Program revenues are categorized as (a) charges for services, which include revenues collected for cafeteria fees and lost books, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as Title I, IDEA-B, Charter Schools, and Magnet school funding to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources such as SB-9 and HB-33 funding to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include 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 long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Assets, Liabilities and Net Assets or Equity

Cash and Temporary Investments: The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the District are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "internal balances."

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
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

The District receives monthly income from a tax levy in Valencia 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 Valencia County Treasurer in July and August 2008 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2008.

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

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

Instructional Materials: The New Mexico State Department of Education receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of material listed in the State Board of Education 'State Adopted Instructional Material' list, while the other fifty 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.

Inventory: Inventory is valued at lower of cost (first-in, first-out) or market. Inventory in the General Fund consists of expendable supplies held for consumption. Inventory in the Special Revenue Funds consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed. The U.S.D.A. commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories 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, 2008. Inventories in the Transportation Fund consisted of related supplies.

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. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. However, infrastructure assets have not been included in the June 30, 2008 financial statements of Los Lunas School District, since the District did not own any infrastructure assets as of June 30, 2008. Information technology equipment, including software, is being capitalized and included in furniture and equipment as the District did not maintain internally developed software. The District expenses the cost of library books when purchased. 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, 2008.

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

Capital expenditures made on the District's building construction projects by the NM Public School Facilities Authority have been recorded as a revenue and expenditure in the fund financial statements, and have been included as capital assets in the District's government-wide financial statements.

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: The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be "available" under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements.

Compensated Absences: Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule of 12 days to 20 days per year, depending on length of service, the employee's hire date and the employee's employment status (administrator or classified). All earned vacation must be taken within one year after it is earned. 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 14 days per year, depending on the employee's annual contract length. There is no limit to the amount of sick leave an employee may accumulate. Employees with a minimum of twelve years of service with the Los Lunas School District are eligible for the following compensation upon official retirement from the District through the New Mexico Educational Retirement Board:

1. Eligible employees will receive 10% of the average daily rate stated in the final employment contract for all unused sick leave earned on June 30 of the year prior to the last year of service up to a maximum of 700 hours; and
2. Eligible employees will receive 100% of the average daily rate stated in the final employment contract for all unused sick leave earned in the final school year of employment up to a maximum of 49 hours.

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 district-wide statement of net assets.

Long-term Obligations: In the government-wide fund 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.

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 another 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.

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

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

Fund Equity: Reservations of fund balance represent amounts that are not appropriable for expenditures or legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

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

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

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or 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 non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

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. Significant estimates affecting the District's financial statements include management's estimate of the useful lives of capital assets.

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 \$61,295,704 in state equalization guarantee distributions during the year ended June 30, 2008.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be 'measurable' and 'available'. The District recognized \$7,846,340 in tax revenues during the year ended June 30, 2008. 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.

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

E. Revenues (continued)

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. Valencia County collects County, City and School taxes and distributes them 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 \$3,485,378 in transportation distributions during the year ended June 30, 2008.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while the other fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2008 totaled \$963,333.

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 districts 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.

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, 2008, the District received \$581,775 in public school capital outlay funds and \$94,029 in special capital outlay funds.

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1. Summary of Significant Accounting Policies - (Continued)

E. Revenue - (continued)

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

The district received \$299,556 in state SB-9 matching during the year end June 30, 2008.

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

The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food services 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 Projects, 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 Public School Finance Division.

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

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

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department a proposed operating budget for the ensuing fiscal

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2. Stewardship, Compliance and Accountability - (Continued)

Budgetary Information - (continued)

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 (PED) by the District shall contain headings and details as described by law and have been approved by the Public Education Department.

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 which 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. 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.
5. 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.
6. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the SBPU.
7. Legal budget control for expenditures is by function.
8. 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 Los Lunas Schools 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.
9. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds.
10. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.

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

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 3. Cash and Temporary Investments

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2008.

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

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

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

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

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

Deposits

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Schools for a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	1 st Community Bank
Total amounts of deposits	\$ 268,096
FDIC coverage	<u>(100,000)</u>
Total uninsured public funds	<u>\$ 168,096</u>
Pledged collateral held by pledging bank's trust department or agent but not in agency's name	<u>(160,871)</u>
Uninsured and uncollateralized	(7,225)
Collateral requirement (50% of uninsured public funds)	\$ 84,048
Pledged security	<u>160,871</u>
Total under (over) collateralized	<u>\$ (76,823)</u>

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2008, \$168,096 of the District's bank balance of \$268,096 was exposed to custodial credit risk. \$160,871 was uninsured and the collateral was held by the pledging bank's trust department, not in the District's name and \$7,225 was uninsured and uncollateralized. At June 30, 2008, the carrying amount of these deposits was \$58,774.

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 3. Cash and Temporary Investments - (Continued)

Investments

As of June 30, 2008, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> <u>Less than 1 Year</u>
Repurchase agreements	\$ 10,098,546	\$ 10,098,546
State Investment Pool	4,500,000	4,500,000
Total	<u>\$ 14,598,546</u>	<u>\$ 14,598,546</u>

Statutes require collateral pledged for repurchase agreements in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one hundred and two percent of the amount on deposit with the institution. The schedule listed below discloses requirements on reporting the insured portion of the District's repurchase agreements.

	<u>1st Community Bank</u>
Repurchase Agreements	
Total amount of deposits	\$ 10,098,546
FDIC coverage	<u>—</u>
Total uninsured public funds	<u>\$ 10,098,546</u>
 Pledged collateral held by pledging bank's trust department or agent but not in agency's name	 (10,376,001)
 Collateral requirement (102% of uninsured public funds)	 \$ 10,300,517
Pledged security	<u>10,376,001</u>
Under (over) collateralized	<u>\$ (75,484)</u>

Custodial credit risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's \$10,098,546 investment in repurchase agreements, the entire balance of underlying securities are held by the investment's counterparty not in the name of the District. The District's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). The carrying value of the District's investments at June 30, 2008 was \$13,140,971.

The State Treasurer Local Government Investment Pool is not SEC Registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment funds in the securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares; at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in the amounts of the fund were invested. Any realized gain or loss on the portfolio is distributed through the investment yield on distribution dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2008. The State of New Mexico is regulatory oversight entity and participation in the pool in voluntary.

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 3. Cash and Temporary Investments - (Continued)

Interest rate risk is the risk that interest rate variations may adversely affect an investment's fair value. The prices of securities fluctuate with market interest rate and the securities held in a portfolio will decline if market interest rates rise. The portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investments to rising interest rates. At June 30, 2008, the Districts investment of New MexiGROW LGIP had a credit risk rating of AAAM, value of \$7,000,000 and a 46-day WAM.

Reconciliation of Cash and Temporary Investments

Governmental Funds – Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 12,699,318
Statement of Fiduciary Net Assets – cash per Exhibit D-1	<u>503,036</u>
	13,202,354
Less investment with State of New Mexico Treasurer	<u>(4,500,000)</u>
	8,702,354
Add outstanding checks and other reconciling items	<u>1,666,897</u>
	10,369,251
Less petty cash	<u>(2,609)</u>
Bank balance of deposits and repurchase agreements	<u>\$ 10,366,642</u>

NOTE 4. Receivables

Receivables as of June 30, 2008, are as follows:

	<u>General</u>	<u>Capital Improvements HB-33</u>	<u>Capital Improvements SB-9</u>
Property taxes	\$ 34,884	\$ 387,317	\$ 259,266
Other	7,909	—	—
Intergovernmental – grants	<u>—</u>	<u>—</u>	<u>444,220</u>
Totals	<u>\$ 42,793</u>	<u>\$ 387,317</u>	<u>\$ 703,486</u>

	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Total</u>
Property taxes	\$ 1,059,706	\$ —	\$ 1,741,173
Other	—	—	7,909
Intergovernmental – grants	<u>—</u>	<u>4,002,020</u>	<u>4,446,240</u>
Totals	<u>\$ 1,059,706</u>	<u>\$ 4,002,020</u>	<u>\$ 6,195,322</u>

The above receivables are deemed 100% collectible. In accordance with GASB #33, property tax receivables are presented net of deferred revenues in the amount of \$1,599,540 on the governmental fund financial statements.

“Other” receivables consist of wage reimbursements of \$7,909.

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 5. Interfund Receivables, Payables, and Transfers

Net operating transfers, which were made to close out funds and to supplement grants were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Operational	\$ 160	\$ —
Bilingual Ed / Comp School Grants USDE	—	158
Beginning Teacher Mentoring Program	—	3
School on the Rise	<u>1</u>	<u>—</u>
Total Governmental Transfers	<u>\$ 161</u>	<u>\$ 161</u>

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. The composition of interfund balances as of June 30, 2008 is as follows:

Governmental Activities:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Capital Improvements – SB-9	\$ —	\$ 444,220
Debt Service	4,280,172	—
Nonmajor Funds:		
Title I – IASA	—	766,153
Entitlement IDEA-B	—	467,263
Discretionary IDEA-B	—	91,940
Preschool IDEA-B	—	53,627
Education of Homeless	—	101
Enhancing Ed Thru Tech-(E2T2-F)	—	6,912
Comprehensive School Reform	—	21,931
ELL Title III Incentive Awards	—	5,597
Title V-Part A Innovative Ed Pro Strategies	—	202
English Language Acquisition	—	42,664
Teacher/Principal Training & Recruiting	—	122,909
Safe & Drug Free Schools & Community	—	7,997
Title I School Improvement	—	30,445
Immigrant Funding – Title III	—	45,591
Carl D. Perkins Secondary – Current	—	56,244
Indian Ed Formula Grant	—	8,982
State School Imp Program PED	—	19,661
Pre K Initiative	—	12,042
Schools in need of improvement	—	26,015
Legislative Appropriations of 2007	—	224,513
Pre-Kindergarten - Special State	—	16,843
Libraries SB301 GO Bonds	—	36,593
GEAR-UP CHE	—	132,226
Public School Capital Outlay	—	157,480
Special Capital Outlay - State	<u>—</u>	<u>1,482,021</u>
Total Governmental Activities	<u>\$ 4,280,172</u>	<u>\$ 4,280,172</u>

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2008, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

	Balance June 30, 2007	Additions	Deletions	Adjustments	Balance June 30, 2008
Capital Assets not being depreciated:					
Construction in progress	\$ 12,082,411	\$ 11,779,537	\$ —	\$ (4,342,806)	\$ 19,519,142
Capital Assets used in Governmental Activities:					
Land and land improvements	9,088,502	1,265,739	—	—	10,354,241
Buildings and building improvements	98,086,438	1,785,414	—	4,342,806	104,214,658
Furniture, fixtures & equipment	5,425,236	321,309	(251,179)	—	5,495,366
Vehicles	7,995,208	983,860	(698,485)	—	8,280,584
Total Capital Assets, being depreciated:	<u>120,595,384</u>	<u>4,356,322</u>	<u>(949,664)</u>	<u>4,342,806</u>	<u>128,344,849</u>
Less Accumulated Depreciation for:					
Land and land improvements	1,995,337	327,636	—	—	2,322,973
Buildings and building improvements	30,024,179	2,884,501	—	—	32,908,680
Furniture, fixtures & equipment	4,293,020	539,708	(233,914)	—	4,598,814
Vehicles	4,461,019	690,123	(688,726)	—	4,462,417
Total Accumulated Depreciation:	<u>40,773,555</u>	<u>4,441,968</u>	<u>(922,640)</u>	<u>—</u>	<u>44,292,884</u>
Total Capital Assets, being depreciated:	<u>79,821,829</u>	<u>(85,646)</u>	<u>(27,024)</u>	<u>4,342,806</u>	<u>84,051,965</u>
Governmental activities capital assets, net:	<u>\$ 91,904,240</u>	<u>\$ 11,693,891</u>	<u>\$ (27,024)</u>	<u>\$ —</u>	<u>\$ 103,571,107</u>

Capital assets, net of accumulated depreciation, at June 30, 2008 appear in the Statement of Net Assets and/or the Fund Statements Balance Sheets as follows: Governmental activities \$103,571,107.

Depreciation expense for the year ended June 30, 2008 was charged to governmental activities as follows:

Instruction	\$ 322,650
Support Services - Students	15,688
Support Services - Instruction	52,030
Support Services – General Admin	8,188
Support Services – School Admin	53,631
Central Services	176,651
Operations & Maintenance of Plant	96,315
Transportation	600,416
Food Services	80,238
Capital Outlay	<u>3,036,161</u>
	<u>\$ 4,441,968</u>

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 7. Long-term Debt

During the year ended June 30, 2008, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Bonds	\$ 31,310,000	\$ 7,700,000	\$ 3,160,000	\$ 35,850,000	\$ 3,360,000
Bond Anticipation Notes	3,100,000	—	3,100,000	—	—
Compensated Absences	<u>543,870</u>	<u>746,735</u>	<u>665,439</u>	<u>625,166</u>	<u>625,166</u>
Total	<u>\$ 34,953,870</u>	<u>\$ 8,446,735</u>	<u>\$ 6,925,439</u>	<u>\$ 36,475,166</u>	<u>\$ 3,985,166</u>

The annual requirements to amortize the General Obligation Bonds as of June 30, 2008, including interest payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2009	3,360,000	1,428,982	4,788,982
2010	3,790,000	1,219,365	5,009,365
2011	3,885,000	1,070,379	4,955,379
2012	3,825,000	916,347	4,741,347
2013	3,915,000	756,911	4,671,911
2014-2018	12,550,000	1,807,967	14,357,967
2019-2023	<u>4,525,000</u>	<u>244,550</u>	<u>4,769,550</u>
Totals	<u>\$ 35,850,000</u>	<u>\$ 7,444,499</u>	<u>\$ 43,294,499</u>

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

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, 2008, compensated absences increased \$81,296 over the prior year accrual. See Note 1 for more details

Operating Leases – The District leases office equipment and storage units under short-term cancelable operating leases. Rental cost for the year ended June 30, 2008 was \$285,003.

NOTE 8. Risk Management

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery and Money Orders. A limit of \$100,000 applies to Money and Security, which includes a \$750 deductible.

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 8. Risk Management (continued)

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2008, there have been no claims that have exceeded insurance coverage.

NOTE 9. 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 funds reported a deficit fund balance at June 30, 2008:

Nonmajor Funds:

Legislative Appropriations of 2007	\$	3,695
Total	\$	3,695

These deficits are expected to be funded by additional grant funds.

- B.** Excess of expenditures over appropriations. No funds exceeded approved budgetary authority for the year ended June 30, 2008:

NOTE 10. Pension Plan – Educational Retirement Board

Plan Description. Substantially all of Los Lunas Schools' full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11 NMSA 1978.) The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits, and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P. O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy. Plan members are required to contribute 7.42% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2008, 2007 and 2006 were \$5,009,618, \$4,339,603, and \$3,757,671, respectively, which equal the amount of the required contributions for each fiscal year.

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description. Los Lunas Schools contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and / or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque NM 87107.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of each salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The District's contributions to the RHCA for the years ended June 30, 2008, 2007, and 2006 were \$597,978, \$556,178, and \$520,200, respectively, which equal the required contributions for each year.

NOTE 12. 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 Schools 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.

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 13. 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 Assets and Liabilities – All Agency Funds section of the financial statements.

NOTE 14. Joint Powers Agreements

The New Mexico Human Services Department (HSD) and Los Lunas Schools are in agreement to improve the health and developmental outcomes of children and youth in New Mexico by providing quality health care and services through the Medicaid School-Based Services program and assuring the appropriate use of public funds in accordance with applicable state and federal requirements. The responsible party is the NM Human Services Department. The beginning and ending dates of this agreement are 02-15-05, to 06-30-08. To assist HSD in maintaining functions associated with the Medicaid School-Based Services program, Los Lunas Schools agrees to make a quarterly payment equal to 5% of the gross reimbursed direct service claims. The audit responsibility is with HSD.

The New Mexico Public School Capital Outlay Council (PSCOC) through its Public School Facilities Authority (PSFA) and Los Lunas Schools are in agreement to cooperate to complete the public school capital outlay projects and to correct existing health and safety deficiencies that have been identified, verified, prioritized. The responsible party is the PSCOC. The beginning and ending dates of this agreement are 12-15-06, to 06-30-10.

NOTE 15. Commitments

Los Lunas Schools contracts with outside vendors for construction and renovation of various facilities. At June 30, 2008, contracts outstanding for capital projects totaled \$3,235,543.

NOTE 16. Related Party Transactions

During the year ended June 30, 2008, Los Lunas Schools contracted services from related parties. Expenditures related to the contracts totaled \$75,111.

NOTE 17. Subsequent Events

On August 26, 2008, the District issued General Obligation School Building & Refunding Bonds in the amount of \$8,865,000. \$6,500,000 of the proceeds are to be used for erecting, remodeling, making additions to and furnishing school buildings, purchasing and improving school grounds and purchasing computer software and hardware for student use in public school classrooms, providing matching funds for capital outlay projects pursuant to the Public School Capital Outlay Act; making payments pursuant to a financing agreement entered into by the school district or a charter school located in the school district for the leasing of a building or other real property with an option to purchase for a price that is reduced according to payments made. The remaining \$2,365,000 of the proceeds are to be used to refinance the outstanding Series 1999 bonds of the District and to pay costs of issuance. The interest rates on the bonds range from 3.0% to 4.0% and principal payments are due beginning in 2009 through 2021.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
ASSETS			
<i>Current Assets</i>			
Cash and temporary investments	\$ 1,544,701	\$ -	\$ 1,544,701
Accounts receivable			
Taxes	-	-	-
Due from other governments	2,354,768	157,480	2,512,248
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
	<u>3,899,469</u>	<u>157,480</u>	<u>4,056,949</u>
<i>Total assets</i>	<u>3,899,469</u>	<u>157,480</u>	<u>4,056,949</u>
LIABILITIES AND FUND BALANCES			
<i>Current Liabilities:</i>			
Accounts payable	6,426	-	6,426
Accrued payroll liabilities	208,827	-	208,827
Accrued compensated absences	-	-	-
Interfund payables	2,196,451	157,480	2,353,931
Deferred revenue - property taxes	-	-	-
Deferred revenue - other	367,092	-	367,092
	<u>2,778,796</u>	<u>157,480</u>	<u>2,936,276</u>
<i>Total liabilities</i>	<u>2,778,796</u>	<u>157,480</u>	<u>2,936,276</u>
<i>Fund balances</i>			
Fund Balance:			
Reserved:			
Reserved for inventory	-	-	-
Reserved for debt service	-	-	-
Reserved for capital projects	-	-	-
Unreserved:			
Designated for subsequent year's expenditures	18,665	-	18,665
Undesignated, reported in			
General Fund	-	-	-
Special Revenue Funds	1,102,008	-	1,102,008
	<u>1,120,673</u>	<u>-</u>	<u>1,120,673</u>
<i>Total fund balance</i>	<u>1,120,673</u>	<u>-</u>	<u>1,120,673</u>
<i>Total liabilities and fund balance</i>	<u>\$ 3,899,469</u>	<u>\$ 157,480</u>	<u>\$ 4,056,949</u>

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

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STATE OF NEW MEXICO

Statement A-2

LOS LUNAS SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
State grants	1,697,312	7,024,036	8,721,348
Federal grants	5,846,984	-	5,846,984
Miscellaneous	184,158	-	184,158
Interest	2,302	-	2,302
<i>Total revenues</i>	<u>7,730,756</u>	<u>7,024,036</u>	<u>14,754,792</u>
<i>Expenditures:</i>			
Current:			
Instruction	5,060,337	-	5,060,337
Support Services			
Students	875,093	-	875,093
Instruction	390,191	-	390,191
General Administration	218,339	-	218,339
School Administration	567,348	-	567,348
Central Services	80,129	-	80,129
Operation & Maintenance of Plant	28,766	-	28,766
Student Transportation	41,279	-	41,279
Other Support Services	-	-	-
Food Services Operations	101,536	-	101,536
Community Service	-	-	-
Capital outlay	-	7,082,598	7,082,598
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>7,363,018</u>	<u>7,082,598</u>	<u>14,445,616</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>367,738</u>	<u>(58,562)</u>	<u>309,176</u>
<i>Other financing sources (uses):</i>			
Operating transfers	(160)	-	(160)
Proceeds from bond issues	-	-	-
<i>Total other financing sources (uses)</i>	<u>(160)</u>	<u>-</u>	<u>(160)</u>
<i>Net changes in fund balances</i>	<u>367,578</u>	<u>(58,562)</u>	<u>309,016</u>
<i>Fund balances - beginning of year</i>	<u>753,095</u>	<u>58,562</u>	<u>811,657</u>
<i>Fund balances - end of year</i>	<u>\$ 1,120,673</u>	<u>\$ -</u>	<u>\$ 1,120,673</u>

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

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SPECIAL REVENUE FUNDS

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SPECIAL REVENUE FUNDS (Continued)

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:

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.

Non-Instruction Ed. Support (23000) – To account for budgeted revenues and expenditures which relate to student activities other than athletics.

Title I (24101 – IASA, 24162 – School Improvement and 27143 – State School Improvement Program) – The major objectives of the Title I program are 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 Act (ESEA) of 1965, as amended, Public Law 103-383.

Javits Gifted & Talented Students (24102) – This program is dedicated to targeting building capacity to improve gifted education service to students.

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.

IDEA-B Discretionary (24107) –To provide funds for the purchase of Math (Get Ahead Math) and Literacy (corrective reading) intervention programs /materials.

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.

Education of Homeless (24113) – To ensure that homeless children and youth have equal access to the same free, appropriate public education as other children; to provide activities for and services to ensure that these children enroll in, attend, and achieve success in school; to establish or designate an office in each State educational agency (SEA) for the coordination of education for homeless children and youth; to develop and implement programs for school personnel to heighten awareness of specific problems of homeless children and youth; and to provide grants to local educational agencies (LEAs). Authorized by McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.

Fresh Fruits & Vegetables USDA (24118) – To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2005. Authorized by National School Lunch Act, as amended, 42 U.S.C. 1769.

Partnerships in Character Education Pilot (24129) – The district participated in a pilot program for the Public Education Department. It included salary expenses for employees who worked on the preparation and delivery of evaluation forms.

Technology Literacy Challenge (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.

SPECIAL REVENUE FUNDS (Continued)

ELL Title III – Incentive awards (24143) – This program insures that English language learners including immigrant children and youth develop English proficiency and meet the same academic content and achievement standards that all students are expected to meet.

Title V Part A Innovative Ed Pro Strategies (24150) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

English Language Acquisition (24153) – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards.

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.

Safe & Drug Free Schools & Community (24157) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

Immigrant Funding Title III (24163) – To account for funding for English Language Learners and, specifically, for those who are recent immigrants to the United States.

Bilingual Ed. Comp. Grant USDE (25109) – 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.

Impact Aid (25145 - Special Education and 25147 - Indian Education) – 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 (25149) – To account for an agreement to provide child care services in conjunction with the Graduation, Reality and Dual Role Skills Program. Funding is provided by State of New Mexico Children Youth and Families Department.

Title XIX MEDICAID 3/21 Years (25153) – 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.

Child Care Block Grant CYFD (25157) – To account for funds received for the transition assistance program funding through the Children, Youth and Families Department and the State of New Mexico.

TANF/GRADS HSD (25162) – 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.

Direct Actions F/use FDN (25175) – To account for monies received from the action for youth foundation of New Mexico to be used for providing after-school tutoring in basic skills. Authority for creation of this fund is in the New Mexico Department of Education School District Policies and procedures manual.

Indian Education Formula Grant (25184) – 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.

SPECIAL REVENUE FUNDS (Continued)

Gear Up USDE (25211) –To encourage eligible entities to provide or maintain a guarantee to eligible low-income students who obtain a secondary diploma, of the financial assistance necessary to permit the student to attend an institution of higher education; and provide additional support services to students who are at risk of dropping out of school. Higher Education act, Title IV, Part A, Subpart 2, Chapter 2, Public Law 105-244.

Smaller Learning Communities (25217) – 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 the National Education Goals. Elementary and Secondary Education Act of 1965; Title X, Part A, as amended, 20 U.S.C. 8001-8007.

LANL Foundation (26113) – Educational enrichment grant in support of The Renaissance Program at Los Lunas Middle School.

PNM Foundation Inc (26123) – To account for a grant received from Public Service Company of New Mexico for an educational project.

Technology for Education PED (27117) - 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.

Physical Education Classes - PED (27121) –To account for monies received from the State of New Mexico to be used for Elementary Physical Education. Funds must be utilized for salary and benefits of a PED licensed physical education instructor.

Incentives for School Improvement Act (27138) – 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.

Pre K Initiative (27149) – To account for monies received from the State of New Mexico to be used to provide direct services to 20 4 year old children in Pre-Kindergarten program s at Mariposa Elem., and Tome Elem.

Beginning Teacher Mentoring Program (27154) – 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.

Breakfast for Elementary Students (27155) – The 2005 Legislative General Appropriations Act allocated \$475,000 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation.

Legislative Appropriation Math Grant (27160) - This proposal requests funding in the amount of \$60,000 to support standards-aligned professional development, for forty K-12 teachers in Socorro Consolidated Schools, with emphasis on K-12 vertically aligned mathematics content and the processes of mathematics and development and implementation of appropriate curriculum. Presenters model student-centered techniques of teaching adopted math curriculum that engage students, creating conducive learning environments for teacher-participants that can be transferred to the K-12 classrooms. All K-12 schools in the district will be involved.

Pre Kindergarten Start Up (27161) – The purpose of this program is to effectively and safely implement a preschool curriculum from funding provided by the Public Education Department. The funds provided are used to purchase age appropriate furniture, supplies and materials for the initiation stages of the four-year old pre-K program.

Schools in Need of Improvement (27163) –to provide funds for Desert View Elementary for a module based math program.

School on the Rise (27164) – This grant was awarded as a result of meeting adequate yearly progress for two consecutive years. These funds are to be used for library materials.

Legislative Appropriations of 2007 (27165) –to provide funds for college readiness and high school redesign initiative/

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SPECIAL REVENUE FUNDS (Continued)

Kindergarten - Three Plus (27166) –the funding is part of a pilot project for Kindergarten through third grade students at both Ann Parish Elementary and Desert View Elementary. Funds used for teachers, educational assistants, nurses, an academic coach, and PE coach at both schools.

Pre-Kindergarten - Special State (27169) –to provide Pre K program services for learning materials, transportation, start up and safety improvements for 20 (children).

Libraries SB301 GO Bonds (27170) –In the November 2004 election, New Mexico voters approved GO bond C for \$6,156,000 to fund public school and juvenile detention libraries statewide. Statute specifies that the funds are available to acquire library books, equipment and library resources for public schools and juvenile detention libraries.

Office of Cultural Affairs (28177) – to account for monies received from the State of New Mexico to be used for preserving and promoting New Mexico’s culture.

GEAR UP CHE (28178) – (Gaining Early Awareness and Readiness for Undergraduate Programs.) The purpose of this grant is to increase the number of low-income students who upon graduation from high school have the skills and knowledge to succeed in college.

Private Dir Grants (Categorical) (29102) – To account for local grants awarded to provide additional funding for specific projects. AEL was awarded to provide training for the LLHS Administration. Milken was used for beautification purposes at a school site.

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Athletics 22000	Non-Instructional Support 23000	Title I IASA 24101	Javis Gifted & Talented Students 24102
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 18,665	\$ 31,377	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	848,515	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>18,665</u>	<u>31,377</u>	<u>848,515</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	2,841	-	-
Accrued payroll liabilities	-	1,595	82,362	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	766,153	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>4,436</u>	<u>848,515</u>	<u>-</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	18,665	-	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	-	26,941	-	-
<i>Total fund balance</i>	<u>18,665</u>	<u>26,941</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 18,665</u>	<u>\$ 31,377</u>	<u>\$ 848,515</u>	<u>\$ -</u>

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

Entitlement IDEA-B 24106	Discretionary IDEA-B 24107	Preschool IDEA-B 24109	Education of Homeless 24113	Fresh Fruits & Vegetables 24118	Partnerships in Char Ed Pilot 24129
\$ -	\$ -	\$ -	\$ -	\$ 235,151	\$ -
-	-	-	-	-	-
495,984	91,940	53,627	101	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>495,984</u>	<u>91,940</u>	<u>53,627</u>	<u>101</u>	<u>235,151</u>	<u>-</u>
3,585	-	-	-	-	-
25,136	-	-	-	-	-
-	-	-	-	-	-
467,263	91,940	53,627	101	-	-
-	-	-	-	-	-
-	-	-	-	235,151	-
<u>495,984</u>	<u>91,940</u>	<u>53,627</u>	<u>101</u>	<u>235,151</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 495,984</u>	<u>\$ 91,940</u>	<u>\$ 53,627</u>	<u>\$ 101</u>	<u>\$ 235,151</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Enhancing Ed Thru Tech (E2T2-F) 24133	Comprehensive School Reform 24135	ELL Title III Incentive Awards 24143	Title V Part A Innovative Ed Pro Strategies 24150
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	6,912	21,931	5,597	202
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>6,912</u>	<u>21,931</u>	<u>5,597</u>	<u>202</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	6,912	21,931	5,597	202
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>6,912</u>	<u>21,931</u>	<u>5,597</u>	<u>202</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
<i>Total fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 6,912</u>	<u>\$ 21,931</u>	<u>\$ 5,597</u>	<u>\$ 202</u>

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

English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154	Safe & Drug Free Schools & Community 24157	Title I School Improvement 24162	Immigrant Funding Title III 24163	Carl D Perkins Secondary Current 24174
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
42,664	130,895	9,290	30,445	45,874	65,296
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>42,664</u>	<u>130,895</u>	<u>9,290</u>	<u>30,445</u>	<u>45,874</u>	<u>65,296</u>
-	-	-	-	-	-
-	7,986	1,293	-	283	9,052
-	-	-	-	-	-
42,664	122,909	7,997	30,445	45,591	56,244
-	-	-	-	-	-
-	-	-	-	-	-
<u>42,664</u>	<u>130,895</u>	<u>9,290</u>	<u>30,445</u>	<u>45,874</u>	<u>65,296</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 42,664</u>	<u>\$ 130,895</u>	<u>\$ 9,290</u>	<u>\$ 30,445</u>	<u>\$ 45,874</u>	<u>\$ 65,296</u>

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Bilingual Ed/ Comp School Grants USDE 25109	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	GRADS Child Care CYFD 25149
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ 95,147	\$ 31,230	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>95,147</u>	<u>31,230</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	1,493	768	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	93,654	30,462	-
<i>Total liabilities</i>	<u>-</u>	<u>95,147</u>	<u>31,230</u>	<u>-</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
<i>Total fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ 95,147</u>	<u>\$ 31,230</u>	<u>\$ -</u>

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

Title XIX Medicaid 3/21 Years 25153	Child Care Block Grant CYFD 25157	TANF/ GRADS HSD 25162	Direct Actions F/use FDN 25175	Indian Ed Formula Grant 25184	GEAR UP USDE 25211
\$ 775,671	\$ 1,244	\$ -	\$ -	\$ -	\$ 6,398
-	-	-	-	-	-
27,341	-	-	-	10,261	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>803,012</u>	<u>1,244</u>	<u>-</u>	<u>-</u>	<u>10,261</u>	<u>6,398</u>
-	-	-	-	-	-
8,079	-	-	-	1,279	-
-	-	-	-	-	-
-	-	-	-	8,982	-
-	-	-	-	-	-
-	1,244	-	-	-	6,398
<u>8,079</u>	<u>1,244</u>	<u>-</u>	<u>-</u>	<u>10,261</u>	<u>6,398</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>794,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>794,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>803,012</u>	\$ <u>1,244</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,261</u>	\$ <u>6,398</u>

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Smaller Learning Communities 25217	LANL Foundation 26113	PNM Foundation Inc 26123	Technology for Education PED 27117
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ 183	\$ 1,312	\$ 2	\$ 61,724
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	-	-	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>183</u>	<u>1,312</u>	<u>2</u>	<u>61,724</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	3,517
Accrued compensated absences	-	-	-	-
Interfund payables	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	183	-	-	-
<i>Total liabilities</i>	<u>183</u>	<u>-</u>	<u>-</u>	<u>3,517</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	-
Undesignated, reported in General Fund	-	-	-	-
Special Revenue Funds	-	1,312	2	58,207
<i>Total fund balance</i>	<u>-</u>	<u>1,312</u>	<u>2</u>	<u>58,207</u>
<i>Total liabilities and fund balance</i>	<u>\$ 183</u>	<u>\$ 1,312</u>	<u>\$ 2</u>	<u>\$ 61,724</u>

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

Physical Education Classes 27121	Incentives for School Impr Act PED 27138	State School Imp Program PED 27143	PreK Initiative 27149	Beginning Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155	Legislative Appropriation Math Grant 27160
\$ -	\$ 171,698	\$ -	\$ -	\$ -	\$ 3,135	\$ -
-	-	-	-	-	-	-
-	-	19,661	12,042	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	171,698	19,661	12,042	-	3,135	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	19,661	12,042	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	171,698	-	-	-	3,135	-
-	171,698	-	-	-	3,135	-
\$ -	\$ 171,698	\$ 19,661	\$ 12,042	\$ -	\$ 3,135	\$ -

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Pre- Kindergarten Start-Up 27161	Schools in Need of Improvement 27163	School on the Rise 27164	Legislative Appropriations of 2007 27165
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	26,015	-	224,513
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>26,015</u>	<u>-</u>	<u>224,513</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	3,695
Accrued compensated absences	-	-	-	-
Interfund payables	-	26,015	-	224,513
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>26,015</u>	<u>-</u>	<u>228,208</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	(3,695)
<i>Total fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,695)</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ 26,015</u>	<u>\$ -</u>	<u>\$ 224,513</u>

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

Kindergarten Three Plus 27166	Pre-Kindergarten Special State 27169	Libraries SB301 GO Bonds 27170	Office of Cultural Affairs 28177	GEAR-UP CHE 28178	Private Dir Grants (categorical) 29102	Total
\$ 111,489	\$ -	\$ -	\$ 275	\$ -	\$ -	\$ 1,544,701
-	-	-	-	-	-	-
-	16,843	36,593	-	132,226	-	2,354,768
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>111,489</u>	<u>16,843</u>	<u>36,593</u>	<u>275</u>	<u>132,226</u>	<u>-</u>	<u>3,899,469</u>
-	-	-	-	-	-	6,426
62,289	-	-	-	-	-	208,827
-	-	-	-	-	-	-
-	16,843	36,593	-	132,226	-	2,196,451
-	-	-	-	-	-	-
-	-	-	-	-	-	367,092
<u>62,289</u>	<u>16,843</u>	<u>36,593</u>	<u>-</u>	<u>132,226</u>	<u>-</u>	<u>2,778,796</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	18,665
-	-	-	-	-	-	-
49,200	-	-	275	-	-	1,102,008
<u>49,200</u>	<u>-</u>	<u>-</u>	<u>275</u>	<u>-</u>	<u>-</u>	<u>1,120,673</u>
\$ 111,489	\$ 16,843	\$ 36,593	\$ 275	\$ 132,226	\$ -	\$ 3,899,469

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Athletics 22000	Non-Instructional Support 23000	Title I IASA 24101	Javis Gifted & Talented Students 24102
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	1,959,280	-
Miscellaneous	59,413	124,256	-	-
Interest	783	1,519	-	-
<i>Total revenues</i>	<u>60,196</u>	<u>125,775</u>	<u>1,959,280</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	67,735	178,563	1,691,536	-
Support Services				
Students	-	-	19,630	-
Instruction	-	-	-	-
General Administration	-	-	90,374	-
School Administration	-	-	157,740	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>67,735</u>	<u>178,563</u>	<u>1,959,280</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(7,539)</u>	<u>(52,788)</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>Net changes in fund balances</i>	<u>(7,539)</u>	<u>(52,788)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>26,204</u>	<u>79,729</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 18,665</u>	<u>\$ 26,941</u>	<u>\$ -</u>	<u>\$ -</u>

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

Entitlement IDEA-B 24106	Discretionary IDEA-B 24107	Preschool IDEA-B 24109	Education of Homeless 24113	Fresh Fruits & Vegetables 24118	Partnerships in Char Ed Pilot 24129
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,813,168	91,940	68,289	6,059	-	-
201	-	-	-	-	-
-	-	-	-	-	-
<u>1,813,369</u>	<u>91,940</u>	<u>68,289</u>	<u>6,059</u>	<u>-</u>	<u>-</u>
1,206,918	91,640	46,833	5,958	-	-
87,206	-	-	-	-	-
246,834	-	(26)	-	-	-
23,736	300	750	101	-	-
207,396	-	20,732	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
41,279	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,813,369</u>	<u>91,940</u>	<u>68,289</u>	<u>6,059</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Enhancing Ed Thru Tech (E2T2-F) 24133	Comprehensive School Reform 24135	ELL Title III Incentive Awards 24143	Title V Part A Innovative Ed Pro Strategies 24150
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	14,563	-	5,597	9,106
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>14,563</u>	<u>-</u>	<u>5,597</u>	<u>9,106</u>
<i>Expenditures:</i>				
Current:				
Instruction	14,262	-	5,597	8,904
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	301	-	-	202
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>14,563</u>	<u>-</u>	<u>5,597</u>	<u>9,106</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</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.

English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154	Safe & Drug Free Schools & Community 24157	Title I School Improvement 24162	Immigrant Funding Title III 24163	Carl D Perkins Secondary Current 24174
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
64,786	453,698	44,527	24,154	45,874	95,873
-	105	-	-	-	-
-	-	-	-	-	-
<u>64,786</u>	<u>453,803</u>	<u>44,527</u>	<u>24,154</u>	<u>45,874</u>	<u>95,873</u>
17,340	167,662	-	24,154	45,112	90,740
-	243,221	23,110	-	-	454
-	10,566	-	-	-	-
44,446	7,469	21,417	-	762	4,679
3,000	24,885	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>64,786</u>	<u>453,803</u>	<u>44,527</u>	<u>24,154</u>	<u>45,874</u>	<u>95,873</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Bilingual Ed/ Comp School Grants USDE 25109	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	GRADS Child Care CYFD 25149
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	158	51,744	33,301	5,000
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>158</u>	<u>51,744</u>	<u>33,301</u>	<u>5,000</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	38,387	5,998	5,000
Support Services				
Students	-	10,000	-	-
Instruction	-	-	20,427	-
General Administration	-	3,357	6,876	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>51,744</u>	<u>33,301</u>	<u>5,000</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>158</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers	(158)	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(158)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</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.

Title XIX Medicaid 3/21 Years 25153	Child Care Block Grant CYFD 25157	TANF/ GRADS HSD 25162	Direct Actions F/use FDN 25175	Indian Ed Formula Grant 25184	GEAR UP USDE 25211
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
888,379	97,382	8,000	-	66,289	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>888,379</u>	<u>97,382</u>	<u>8,000</u>	<u>-</u>	<u>66,289</u>	<u>-</u>
19,907	97,382	8,000	-	12,202	-
460,248	-	-	-	31,224	-
55,733	-	-	-	20,064	-
4,300	-	-	-	2,799	-
153,595	-	-	-	-	-
-	-	-	-	-	-
28,766	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>722,549</u>	<u>97,382</u>	<u>8,000</u>	<u>-</u>	<u>66,289</u>	<u>-</u>
<u>165,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>165,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>629,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 794,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Smaller Learning Communities 25217	LANL Foundation 26113	PNM Foundation Inc 26123	Technology for Education PED 27117
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	190,262
Federal grants	(183)	-	-	-
Miscellaneous	183	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,262</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	534	50,596
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	2,149
School Administration	-	-	-	-
Central Services	-	819	-	79,310
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>819</u>	<u>534</u>	<u>132,055</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(819)</u>	<u>(534)</u>	<u>58,207</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>Net changes in fund balances</i>	<u>-</u>	<u>(819)</u>	<u>(534)</u>	<u>58,207</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>2,131</u>	<u>536</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 1,312</u>	<u>\$ 2</u>	<u>\$ 58,207</u>

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

Physical Education Classes 27121	Incentives for School Impr Act PED 27138	State School Imp Program PED 27143	PreK Initiative 27149	Beginning Teacher Mentoring Program 27154	Breakfast for Elementary Students 27155	Legislative Appropriation Math Grant 27160
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	175,051	-	52,499	91,037	101,536	30,292
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	175,051	-	52,499	91,037	101,536	30,292
-	14,991	-	52,499	91,036	-	30,292
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	101,536	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	14,991	-	52,499	91,036	101,536	30,292
-	160,060	-	-	1	-	-
-	-	-	-	(3)	-	-
-	-	-	-	-	-	-
-	-	-	-	(3)	-	-
-	160,060	-	-	(2)	-	-
-	11,638	-	-	2	3,135	-
\$ -	\$ 171,698	\$ -	\$ -	\$ -	\$ 3,135	\$ -

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Pre- Kindergarten Start-Up 27161	Schools in Need of Improvement 27163	School on the Rise 27164	Legislative Appropriations of 2007 27165
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	61,296	-	486,532
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>61,296</u>	<u>-</u>	<u>486,532</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	61,296	-	488,556
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	1,671
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>61,296</u>	<u>-</u>	<u>490,227</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,695)</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	1	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>(3,695)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,695)</u>

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

Kindergarten Three Plus 27166	Pre-Kindergarten Special State 27169	Libraries SB301 GO Bonds 27170	Office of Cultural Affairs 28177	GEAR-UP CHE 28178	Private Dir Grants (categorical) 29102	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
270,000	40,600	36,593	-	161,614	-	1,697,312
-	-	-	-	-	-	5,846,984
-	-	-	-	-	-	184,158
-	-	-	-	-	-	2,302
<u>270,000</u>	<u>40,600</u>	<u>36,593</u>	<u>-</u>	<u>161,614</u>	<u>-</u>	<u>7,730,756</u>
218,150	40,600	-	-	161,957	-	5,060,337
-	-	-	-	-	-	875,093
-	-	36,593	-	-	-	390,191
2,650	-	-	-	-	-	218,339
-	-	-	-	-	-	567,348
-	-	-	-	-	-	80,129
-	-	-	-	-	-	28,766
-	-	-	-	-	-	41,279
-	-	-	-	-	-	-
-	-	-	-	-	-	101,536
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>220,800</u>	<u>40,600</u>	<u>36,593</u>	<u>-</u>	<u>161,957</u>	<u>-</u>	<u>7,363,018</u>
49,200	-	-	-	(343)	-	367,738
-	-	-	-	-	-	(160)
-	-	-	-	-	-	-
-	-	-	-	-	-	(160)
<u>49,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(343)</u>	<u>-</u>	<u>367,578</u>
-	-	-	275	343	-	753,095
<u>\$ 49,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,120,673</u>

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

STATE OF NEW MEXICO

Statement B-3

LOS LUNAS SCHOOLS

ATHLETICS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	46,490	46,490	59,413	12,923
Interest	-	-	783	783
<i>Total revenues</i>	<u>46,490</u>	<u>46,490</u>	<u>60,196</u>	<u>13,706</u>
<i>Expenditures:</i>				
Current:				
Instruction	60,734	72,694	67,735	4,959
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>60,734</u>	<u>72,694</u>	<u>67,735</u>	<u>4,959</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(14,244)</u>	<u>(26,204)</u>	<u>(7,539)</u>	<u>18,665</u>
<i>Other financing sources (uses):</i>				
Designated cash	14,244	26,204	-	(26,204)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>14,244</u>	<u>26,204</u>	<u>-</u>	<u>(26,204)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(7,539)</u>	<u>(7,539)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>26,204</u>	<u>26,204</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,665</u>	<u>\$ 18,665</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (7,539)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-4

NON-INSTRUCTIONAL SUPPORT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	625,000	625,000	126,546	(498,454)
Interest	-	-	1,519	1,519
<i>Total revenues</i>	<u>625,000</u>	<u>625,000</u>	<u>128,065</u>	<u>(496,935)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	594,003	682,865	175,214	507,651
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>594,003</u>	<u>682,865</u>	<u>175,214</u>	<u>507,651</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>30,997</u>	<u>(57,865)</u>	<u>(47,149)</u>	<u>10,716</u>
<i>Other financing sources (uses):</i>				
Designated cash	(30,997)	57,865	-	(57,865)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(30,997)</u>	<u>57,865</u>	<u>-</u>	<u>(57,865)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(47,149)</u>	<u>(47,149)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>78,526</u>	<u>78,526</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,377</u>	<u>\$ 31,377</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(2,290)	
Adjustments to expenditures			(3,349)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (52,788)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

LOS LUNAS SCHOOLS

TITLE I - IASA SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	2,112,821	2,213,277	1,965,713	(247,564)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>2,112,821</u>	<u>2,213,277</u>	<u>1,965,713</u>	<u>(247,564)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,806,765	1,901,458	1,697,708	203,750
Support Services				
Students	20,777	23,277	19,630	3,647
Instruction	-	-	-	-
General Administration	135,948	133,601	88,690	44,911
School Administration	149,331	154,941	154,455	486
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,112,821</u>	<u>2,213,277</u>	<u>1,960,483</u>	<u>252,794</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>5,230</u>	<u>5,230</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>5,230</u>	<u>5,230</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(771,383)</u>	<u>(771,383)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (766,153)</u>	<u>\$ (766,153)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(6,433)	
Adjustments to expenditures			1,203	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-6

JAVITS GIFTED & TALENTED STUDENTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	79	79
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>79</u>	<u>79</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>79</u>	<u>79</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>79</u>	<u>79</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(79)</u>	<u>(79)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(79)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-7

LOS LUNAS SCHOOLS

ENTITLEMENT IDEA-B SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	1,859,326	1,904,235	1,872,780	(31,455)
Miscellaneous	-	-	201	201
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,859,326</u>	<u>1,904,235</u>	<u>1,872,981</u>	<u>(31,254)</u>
<i>Expenditures:</i>				
Current:				
Instruction	1,270,234	1,296,698	1,216,752	79,946
Support Services				
Students	23,820	37,265	98,764	(61,499)
Instruction	312,529	317,529	239,730	77,799
General Administration	23,736	23,736	23,736	-
School Administration	174,927	174,927	200,771	(25,844)
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	54,080	54,080	41,279	12,801
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,859,326</u>	<u>1,904,235</u>	<u>1,821,032</u>	<u>83,203</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>51,949</u>	<u>51,949</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>51,949</u>	<u>51,949</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(519,212)</u>	<u>(519,212)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (467,263)</u>	<u>\$ (467,263)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(59,612)	
Adjustments to expenditures			7,663	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

LOS LUNAS SCHOOLS

DISCRETIONARY IDEA-B SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	100,000	-	(100,000)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	99,700	91,640	8,060
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	300	300	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>100,000</u>	<u>91,940</u>	<u>8,060</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(91,940)</u>	<u>(91,940)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(91,940)</u>	<u>(91,940)</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>\$ (91,940)</u>	<u>\$ (91,940)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			91,940	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

LOS LUNAS SCHOOLS

PRESCHOOL IDEA-B SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	54,694	76,775	23,407	(53,368)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>54,694</u>	<u>76,775</u>	<u>23,407</u>	<u>(53,368)</u>
<i>Expenditures:</i>				
Current:				
Instruction	4,920	52,431	46,833	5,598
Support Services				
Students	28,292	2,653	-	2,653
Instruction	-	209	162	47
General Administration	750	750	750	-
School Administration	20,732	20,732	20,732	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>54,694</u>	<u>76,775</u>	<u>68,477</u>	<u>8,298</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(45,070)</u>	<u>(45,070)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(45,070)</u>	<u>(45,070)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(8,557)</u>	<u>(8,557)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (53,627)</u>	<u>\$ (53,627)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			44,882	
Adjustments to expenditures			188	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

LOS LUNAS SCHOOLS

EDUCATION OF HOMELESS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	9,000	5,963	(3,037)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>9,000</u>	<u>5,963</u>	<u>(3,037)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	8,844	5,958	2,886
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	156	101	55
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>9,000</u>	<u>6,059</u>	<u>2,941</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(96)</u>	<u>(96)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(96)</u>	<u>(96)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>(5)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (101)</u>	<u>\$ (101)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			96	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

LOS LUNAS SCHOOLS

FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	235,151	235,151
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>235,151</u>	<u>235,151</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>235,151</u>	<u>235,151</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>235,151</u>	<u>235,151</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>\$ 235,151</u>	<u>\$ 235,151</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(235,151)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

LOS LUNAS SCHOOLS

PARTNERSHIPS IN CHAR ED PILOT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	500	500
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(500)</u>	<u>(500)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(500)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-13

ENHANCING ED THRU TECH SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	21,997	11,119	(10,878)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>21,997</u>	<u>11,119</u>	<u>(10,878)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	21,630	17,730	3,900
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	367	301	66
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>21,997</u>	<u>18,031</u>	<u>3,966</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,912)</u>	<u>(6,912)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(6,912)</u>	<u>(6,912)</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>\$ (6,912)</u>	<u>\$ (6,912)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			3,444	
Adjustments to expenditures			3,468	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

LOS LUNAS SCHOOLS

COMPREHENSIVE SCHOOL REFORM SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	18,294	18,294
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>18,294</u>	<u>18,294</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>18,294</u>	<u>18,294</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>18,294</u>	<u>18,294</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(40,225)</u>	<u>(40,225)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,931)</u>	<u>\$ (21,931)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(18,294)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-15

ELL TITLE III INCENTIVE AWARDS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	6,000	-	(6,000)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	6,000	5,597	403
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>6,000</u>	<u>5,597</u>	<u>403</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,597)</u>	<u>(5,597)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(5,597)</u>	<u>(5,597)</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>\$ (5,597)</u>	<u>\$ (5,597)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			5,597	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-16

TITLE V PART A INNOVATIVE ED PRO STRATEGIES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	10,992	29,585	25,148	(4,437)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>10,992</u>	<u>29,585</u>	<u>25,148</u>	<u>(4,437)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	10,790	29,383	25,148	4,235
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	202	202	202	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,992</u>	<u>29,585</u>	<u>25,350</u>	<u>4,235</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(202)</u>	<u>(202)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(202)</u>	<u>(202)</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>\$ (202)</u>	<u>\$ (202)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(16,042)	
Adjustments to expenditures			16,244	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

LOS LUNAS SCHOOLS

ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	73,627	73,671	34,966	(38,705)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>73,627</u>	<u>73,671</u>	<u>34,966</u>	<u>(38,705)</u>
<i>Expenditures:</i>				
Current:				
Instruction	1,627	19,817	17,340	2,477
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	66,000	47,854	44,446	3,408
School Administration	6,000	6,000	3,000	3,000
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>73,627</u>	<u>73,671</u>	<u>64,786</u>	<u>8,885</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(29,820)</u>	<u>(29,820)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(29,820)</u>	<u>(29,820)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(12,844)</u>	<u>(12,844)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,664)</u>	<u>\$ (42,664)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			29,820	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-18

TEACHER / PRINCIPAL TRAINING / RECRUITING SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			Variance
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	417,149	481,131	363,651	(117,480)
Miscellaneous	-	-	105	105
Interest	-	-	-	-
<i>Total revenues</i>	<u>417,149</u>	<u>481,131</u>	<u>363,756</u>	<u>(117,375)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	170,312	191,709	167,762	23,947
Support Services				
Students	201,263	236,748	236,146	602
Instruction	15,000	15,000	10,566	4,434
General Administration	7,676	7,676	7,469	207
School Administration	22,898	29,998	24,885	5,113
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>417,149</u>	<u>481,131</u>	<u>446,828</u>	<u>34,303</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(83,072)</u>	<u>(83,072)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(83,072)</u>	<u>(83,072)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(39,837)</u>	<u>(39,837)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (122,909)</u>	<u>\$ (122,909)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			90,047	
Adjustments to expenditures			(6,975)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-19

SAFE & DRUG FREE SCHOOLS & COMMUNITY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	44,096	45,961	52,251	6,290
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>44,096</u>	<u>45,961</u>	<u>52,251</u>	<u>6,290</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	15,998	15,998	21,817	(5,819)
Instruction	-	-	-	-
General Administration	28,098	29,963	21,417	8,546
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>44,096</u>	<u>45,961</u>	<u>43,234</u>	<u>2,727</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>9,017</u>	<u>9,017</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>9,017</u>	<u>9,017</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(17,014)</u>	<u>(17,014)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,997)</u>	<u>\$ (7,997)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(7,724)	
Adjustments to expenditures			(1,293)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-20

TITLE I SCHOOL IMPROVEMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	24,154	61,430	37,276
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>24,154</u>	<u>61,430</u>	<u>37,276</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	24,154	24,154	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>24,154</u>	<u>24,154</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>37,276</u>	<u>37,276</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>37,276</u>	<u>37,276</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(67,721)</u>	<u>(67,721)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,445)</u>	<u>\$ (30,445)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(37,276)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

LOS LUNAS SCHOOLS

IMMIGRANT FUNDING- TITLE III SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	75,763	-	(75,763)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>75,763</u>	<u>-</u>	<u>(75,763)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	74,496	44,829	29,667
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	1,267	762	505
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>75,763</u>	<u>45,591</u>	<u>30,172</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(45,591)</u>	<u>(45,591)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(45,591)</u>	<u>(45,591)</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>\$ (45,591)</u>	<u>\$ (45,591)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			45,874	
Adjustments to expenditures			(283)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

LOS LUNAS SCHOOLS

CARL D PERKINS SECONDARY -CURRENT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	92,758	93,255	497
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>92,758</u>	<u>93,255</u>	<u>497</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	82,808	82,020	788
Support Services				
Students	-	-	454	(454)
Instruction	-	-	-	-
General Administration	-	9,950	4,679	5,271
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>92,758</u>	<u>87,153</u>	<u>5,605</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>6,102</u>	<u>6,102</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>6,102</u>	<u>6,102</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(62,346)</u>	<u>(62,346)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (56,244)</u>	<u>\$ (56,244)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2,618	
Adjustments to expenditures			(8,720)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

LOS LUNAS SCHOOLS

BILINGUAL ED/COMP SCHOOL GRANTS USDE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	(158)	(158)
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(158)</u>	<u>(158)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(158)</u>	<u>(158)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>158</u>	<u>158</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			158	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

LOS LUNAS SCHOOLS

IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	86,102	86,102
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>86,102</u>	<u>86,102</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	44,840	36,894	7,946
Support Services				
Students	-	10,000	10,000	-
Instruction	-	-	-	-
General Administration	-	4,456	3,357	1,099
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>59,296</u>	<u>50,251</u>	<u>9,045</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(59,296)</u>	<u>35,851</u>	<u>95,147</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	59,296	-	(59,296)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>59,296</u>	<u>-</u>	<u>(59,296)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>35,851</u>	<u>35,851</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>59,296</u>	<u>59,296</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,147</u>	<u>\$ 95,147</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(34,358)	
Adjustments to expenditures			(1,493)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-25

IMPACT AID INDIAN EDUCATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	28,213	28,213
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>28,213</u>	<u>28,213</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	5,998	5,998	-
Support Services				
Students	-	-	-	-
Instruction	-	-	19,659	(19,659)
General Administration	-	9,918	6,876	3,042
School Administration	-	19,633	-	19,633
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>35,549</u>	<u>32,533</u>	<u>3,016</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(35,549)</u>	<u>(4,320)</u>	<u>31,229</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	35,549	-	(35,549)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>35,549</u>	<u>-</u>	<u>(35,549)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(4,320)</u>	<u>(4,320)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>35,550</u>	<u>35,550</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,230</u>	<u>\$ 31,230</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			5,088	
Adjustments to expenditures			(768)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

LOS LUNAS SCHOOLS

GRADS CHILDCARE CYFD SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	5,000	5,000	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	5,000	5,000	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</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>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

LOS LUNAS SCHOOLS

TITLE XIX MEDICAID 3 / 21 YEARS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	475,000	775,000	997,422	222,422
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>475,000</u>	<u>775,000</u>	<u>997,422</u>	<u>222,422</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	27,261	27,261	19,907	7,354
Support Services				
Students	295,386	595,386	457,831	137,555
Instruction	43,000	43,000	55,733	(12,733)
General Administration	4,300	4,300	4,300	-
School Administration	105,053	105,053	148,581	(43,528)
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	28,766	(28,766)
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>475,000</u>	<u>775,000</u>	<u>715,118</u>	<u>59,882</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>282,304</u>	<u>282,304</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>282,304</u>	<u>282,304</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>493,367</u>	<u>493,367</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 775,671</u>	<u>\$ 775,671</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(109,043)	
Adjustments to expenditures			(7,431)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 165,830</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

LOS LUNAS SCHOOLS

CHILD CARE BLOCK GRANT CYFD SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	82,011	82,011	22,210	(59,801)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>82,011</u>	<u>82,011</u>	<u>22,210</u>	<u>(59,801)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	82,011	97,391	97,382	9
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>82,011</u>	<u>97,391</u>	<u>97,382</u>	<u>9</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(15,380)</u>	<u>(75,172)</u>	<u>(59,792)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	15,380	-	(15,380)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>15,380</u>	<u>-</u>	<u>(15,380)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(75,172)</u>	<u>(75,172)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>76,416</u>	<u>76,416</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,244</u>	<u>\$ 1,244</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			75,172	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-29

LOS LUNAS SCHOOLS

TANF/GRADS HSD SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	8,000	8,000	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	8,000	8,000	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</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>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-30

LOS LUNAS SCHOOLS

DIRECT ACTIONS F/USE FDN SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</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>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

LOS LUNAS SCHOOLS

INDIAN ED FORMULA GRANT SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	66,644	91,712	25,068
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>66,644</u>	<u>91,712</u>	<u>25,068</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	12,390	12,390	-
Support Services				
Students	-	33,495	31,224	2,271
Instruction	-	-	19,296	(19,296)
General Administration	-	1,226	2,799	(1,573)
School Administration	-	19,533	-	19,533
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>66,644</u>	<u>65,709</u>	<u>935</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>26,003</u>	<u>26,003</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>26,003</u>	<u>26,003</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(34,985)</u>	<u>(34,985)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,982)</u>	<u>\$ (8,982)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(25,423)	
Adjustments to expenditures			(580)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-32

LOS LUNAS SCHOOLS

GEAR UP USDE SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,398</u>	<u>6,398</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,398</u>	<u>\$ 6,398</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-33

LOS LUNAS SCHOOLS

SMALLER LEARNING COMMUNITIES

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	10,087	10,087
Miscellaneous	-	-	183	183
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>10,270</u>	<u>10,270</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>10,270</u>	<u>10,270</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>10,270</u>	<u>10,270</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(10,087)</u>	<u>(10,087)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183</u>	<u>\$ 183</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(10,270)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-34

LOS LUNAS SCHOOLS

LANL FOUNDATION SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	2,131	819	1,312
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,131</u>	<u>819</u>	<u>1,312</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(2,131)</u>	<u>(819)</u>	<u>1,312</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	2,131	-	(2,131)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,131</u>	<u>-</u>	<u>(2,131)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(819)</u>	<u>(819)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,131</u>	<u>2,131</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,312</u>	<u>\$ 1,312</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (819)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-35

LOS LUNAS SCHOOLS

PNM FOUNDATION INC SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	536	534	2
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>536</u>	<u>534</u>	<u>2</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(536)</u>	<u>(534)</u>	<u>2</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	536	-	(536)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>536</u>	<u>-</u>	<u>(536)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(534)</u>	<u>(534)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>536</u>	<u>536</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (534)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-36

LOS LUNAS SCHOOLS

TECHNOLOGY FOR EDUCATION PED SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	158,837	270,198	111,361
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>158,837</u>	<u>270,198</u>	<u>111,361</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	65,065	49,265	15,800
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	2,657	2,149	508
School Administration	-	-	-	-
Central Services	-	91,115	77,124	13,991
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>158,837</u>	<u>128,538</u>	<u>30,299</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>141,660</u>	<u>141,660</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>141,660</u>	<u>141,660</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(79,936)</u>	<u>(79,936)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,724</u>	<u>\$ 61,724</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(79,936)	
Adjustments to expenditures			(3,517)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 58,207</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-37

LOS LUNAS SCHOOLS

PHYSICAL EDUCATION CLASSES SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	23,819	23,819
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>23,819</u>	<u>23,819</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>23,819</u>	<u>23,819</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>23,819</u>	<u>23,819</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(23,819)</u>	<u>(23,819)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(23,819)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-38

INCENTIVES FOR SCHOOL IMPROVEMENT ACT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	21,543	175,051	153,508
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>21,543</u>	<u>175,051</u>	<u>153,508</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	33,180	14,991	18,189
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>33,180</u>	<u>14,991</u>	<u>18,189</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(11,637)</u>	<u>160,060</u>	<u>171,697</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	11,637	-	(11,637)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>11,637</u>	<u>-</u>	<u>(11,637)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>160,060</u>	<u>160,060</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>11,638</u>	<u>11,638</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,698</u>	<u>\$ 171,698</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 160,060</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-39

LOS LUNAS SCHOOLS

STATE SCHOOL IMP PROGRAM PED SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(19,661)</u>	<u>(19,661)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,661)</u>	<u>\$ (19,661)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-40

LOS LUNAS SCHOOLS

PRE K INITIATIVE SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	52,499	71,015	18,516
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>52,499</u>	<u>71,015</u>	<u>18,516</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	52,499	52,499	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>52,499</u>	<u>52,499</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>18,516</u>	<u>18,516</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>18,516</u>	<u>18,516</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(30,558)</u>	<u>(30,558)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,042)</u>	<u>\$ (12,042)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(18,516)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-41

BEGINNING TEACHER MENTORING PROGRAM SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	28,336	91,036	106,389	15,353
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>28,336</u>	<u>91,036</u>	<u>106,389</u>	<u>15,353</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	28,336	91,036	91,036	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>28,336</u>	<u>91,036</u>	<u>91,036</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>15,353</u>	<u>15,353</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	(3)	(3)
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(3)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>15,350</u>	<u>15,350</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(15,350)</u>	<u>(15,350)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(15,352)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (2)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-42

BREAKFAST FOR ELEMENTARY STUDENTS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	101,536	101,536	101,536	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>101,536</u>	<u>101,536</u>	<u>101,536</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	101,536	101,536	101,536	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>101,536</u>	<u>101,536</u>	<u>101,536</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,135</u>	<u>3,135</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,135</u>	<u>\$ 3,135</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-43

LEGISLATIVE APPROPRIATION MATH GRANT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	41,898	68,144	26,246
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>41,898</u>	<u>68,144</u>	<u>26,246</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	41,898	30,292	11,606
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>41,898</u>	<u>30,292</u>	<u>11,606</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>37,852</u>	<u>37,852</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>37,852</u>	<u>37,852</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(37,852)</u>	<u>(37,852)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(37,852)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-44

LOS LUNAS SCHOOLS

PRE-KINDERGARTEN START-UP SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	20,838	20,838
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>20,838</u>	<u>20,838</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>20,838</u>	<u>20,838</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>20,838</u>	<u>20,838</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(20,838)</u>	<u>(20,838)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(20,838)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-45

LOS LUNAS SCHOOLS

SCHOOLS IN NEED OF IMPROVEMENT SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	79,616	35,281	(44,335)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>79,616</u>	<u>35,281</u>	<u>(44,335)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	79,616	61,296	18,320
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>79,616</u>	<u>61,296</u>	<u>18,320</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(26,015)</u>	<u>(26,015)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(26,015)</u>	<u>(26,015)</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>\$ (26,015)</u>	<u>\$ (26,015)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			26,015	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-46

LOS LUNAS SCHOOLS

SCHOOL ON THE RISE SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	1,499	1,499
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,499</u>	<u>1,499</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,499</u>	<u>1,499</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	1	1
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>1,500</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,500)</u>	<u>(1,500)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(1,499)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>1</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-47

LEGISLATIVE APPROPRIATIONS OF 2007 SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	515,000	262,019	(252,981)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>515,000</u>	<u>262,019</u>	<u>(252,981)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	513,329	484,861	28,468
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	1,671	1,671	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>515,000</u>	<u>486,532</u>	<u>28,468</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(224,513)</u>	<u>(224,513)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(224,513)</u>	<u>(224,513)</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>\$ (224,513)</u>	<u>\$ (224,513)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			224,513	
Adjustments to expenditures			(3,695)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (3,695)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement B-48

KINDERGARTEN THREE PLUS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	270,000	270,000	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>270,000</u>	<u>270,000</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	266,915	155,861	111,054
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	3,085	2,650	435
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>270,000</u>	<u>158,511</u>	<u>111,489</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>111,489</u>	<u>111,489</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>111,489</u>	<u>111,489</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>\$ 111,489</u>	<u>\$ 111,489</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(62,289)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 49,200</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-49

LOS LUNAS SCHOOLS

PRE-KINDERGARTEN - SPECIAL STATE SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	40,600	23,757	(16,843)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>40,600</u>	<u>23,757</u>	<u>(16,843)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	40,600	40,600	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>40,600</u>	<u>40,600</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(16,843)</u>	<u>(16,843)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(16,843)</u>	<u>(16,843)</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>\$ (16,843)</u>	<u>\$ (16,843)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			16,843	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-50

LOS LUNAS SCHOOLS

LIBRARIES SB301 GO BONDS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	58,662	-	(58,662)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>58,662</u>	<u>-</u>	<u>(58,662)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	58,662	36,593	22,069
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>58,662</u>	<u>36,593</u>	<u>22,069</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(36,593)</u>	<u>(36,593)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(36,593)</u>	<u>(36,593)</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>\$ (36,593)</u>	<u>\$ (36,593)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			36,593	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-51

LOS LUNAS SCHOOLS

OFFICE OF CULTURAL AFFAIRS SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>275</u>	<u>275</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275</u>	<u>\$ 275</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-52

LOS LUNAS SCHOOLS

GEAR-UP CHE SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	162,395	94,214	(68,181)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>162,395</u>	<u>94,214</u>	<u>(68,181)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	162,395	162,333	62
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>162,395</u>	<u>162,333</u>	<u>62</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(68,119)</u>	<u>(68,119)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(68,119)</u>	<u>(68,119)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(64,107)</u>	<u>(64,107)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (132,226)</u>	<u>\$ (132,226)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			67,400	
Adjustments to expenditures			376	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (343)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-53

LOS LUNAS SCHOOLS

PRIVATE DIR GRANTS (CATEGORICAL) SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	6,000	6,000
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,000)</u>	<u>(6,000)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(6,000)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

CAPITAL PROJECTS FUNDS

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CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District has the following separate funds classified as Capital Projects Funds:

Public Schools Capital Outlay (31200) – To account for Critical Capital Outlay funds and other special capital outlay funds received from the State of New Mexico. The funds are restricted for the purposes outlined in the applicable legislation under which the funds were approved. This generally includes construction of new schools or improvements to existing schools.

Energy Efficiency Act (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).

Public Schools 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.

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STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2008

Statement C-1

	Public School Capital Outlay 31200	Energy Efficiency Act 31800	Public School Capital Outlay 20% 32100	Total
ASSETS				
<i>Current Assets</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	157,480	-	-	157,480
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>157,480</u>	<u>-</u>	<u>-</u>	<u>157,480</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	157,480	-	-	157,480
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>157,480</u>	<u>-</u>	<u>-</u>	<u>157,480</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
<i>Total fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 157,480</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,480</u>

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

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STATE OF NEW MEXICO

Statement C-2

LOS LUNAS SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDING JUNE 30, 2008

	Public School Capital Outlay 31200	Energy Efficiency Act 31800	Public School Capital Outlay 20% 32100	Total
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	7,024,036	-	-	7,024,036
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>7,024,036</u>	<u>-</u>	<u>-</u>	<u>7,024,036</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Capital outlay	7,079,272	1,054	2,272	7,082,598
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,079,272</u>	<u>1,054</u>	<u>2,272</u>	<u>7,082,598</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(55,236)</u>	<u>(1,054)</u>	<u>(2,272)</u>	<u>(58,562)</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>Net changes in fund balances</i>	<u>(55,236)</u>	<u>(1,054)</u>	<u>(2,272)</u>	<u>(58,562)</u>
<i>Fund balances - beginning of year</i>	<u>55,236</u>	<u>1,054</u>	<u>2,272</u>	<u>58,562</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.

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STATE OF NEW MEXICO

Statement C-3

LOS LUNAS SCHOOLS

BOND BUILDING CAPITAL PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	100,000	100,000	297,316	197,316
<i>Total revenues</i>	<u>100,000</u>	<u>100,000</u>	<u>297,316</u>	<u>197,316</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	3,828,523	10,303,041	6,740,428	3,562,613
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,828,523</u>	<u>10,303,041</u>	<u>6,740,428</u>	<u>3,562,613</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,728,523)</u>	<u>(10,203,041)</u>	<u>(6,443,112)</u>	<u>3,759,929</u>
<i>Other financing sources (uses):</i>				
Designated cash	3,728,523	5,714,150	-	(5,714,150)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	4,488,891	4,488,891	-
<i>Total other financing sources (uses)</i>	<u>3,728,523</u>	<u>10,203,041</u>	<u>4,488,891</u>	<u>(5,714,150)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,954,221)</u>	<u>(1,954,221)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>5,714,149</u>	<u>5,714,149</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,759,928</u>	<u>\$ 3,759,928</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(651,972)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (2,606,193)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-4

LOS LUNAS SCHOOLS

PUBLIC SCHOOL CAPITAL OUTLAY CAPITAL PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	581,775	581,775
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>581,775</u>	<u>581,775</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>581,775</u>	<u>581,775</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>581,775</u>	<u>581,775</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(739,255)</u>	<u>(739,255)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (157,480)</u>	<u>\$ (157,480)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			6,442,261	
Adjustments to expenditures			<u>(7,079,272)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (55,236)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-5

LOS LUNAS SCHOOLS

SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			Variance
	Original Budget	Final Budget	Actual	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	2,134,658	2,711,615	94,029	(2,617,586)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	619	619
<i>Total revenues</i>	<u>2,134,658</u>	<u>2,711,615</u>	<u>94,648</u>	<u>(2,616,967)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	2,134,658	2,711,615	1,076,383	1,635,232
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,134,658</u>	<u>2,711,615</u>	<u>1,076,383</u>	<u>1,635,232</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(981,735)</u>	<u>(981,735)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(981,735)</u>	<u>(981,735)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(500,286)</u>	<u>(500,286)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,482,021)</u>	<u>\$ (1,482,021)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			904,647	
Adjustments to expenditures			375,929	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 298,841</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-6

LOS LUNAS SCHOOLS

CAPITAL IMPROVEMENTS HB-33 STATE CAPITAL PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ 1,573,496	\$ 1,573,496	\$ 1,755,248	\$ 181,752
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	12,973	12,973
<i>Total revenues</i>	<u>1,573,496</u>	<u>1,573,496</u>	<u>1,768,221</u>	<u>194,725</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	15,735	23,235	17,783	5,452
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	2,361,778	2,308,701	1,093,684	1,215,017
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,377,513</u>	<u>2,331,936</u>	<u>1,111,467</u>	<u>1,220,469</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(804,017)</u>	<u>(758,440)</u>	<u>656,754</u>	<u>1,415,194</u>
<i>Other financing sources (uses):</i>				
Designated cash	804,017	758,440	-	(758,440)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>804,017</u>	<u>758,440</u>	<u>-</u>	<u>(758,440)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>656,754</u>	<u>656,754</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>758,440</u>	<u>758,440</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,415,194</u>	<u>\$ 1,415,194</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(4,753)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 652,001</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-7

LOS LUNAS SCHOOLS

CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ 1,048,998	\$ 1,048,998	\$ 1,170,463	\$ 121,465
State grants	-	1,009,675	299,556	(710,119)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,048,998</u>	<u>2,058,673</u>	<u>1,470,019</u>	<u>(588,654)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	10,490	12,490	11,857	633
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	1,038,508	2,046,183	1,754,156	292,027
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,048,998</u>	<u>2,058,673</u>	<u>1,766,013</u>	<u>292,660</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(295,994)</u>	<u>(295,994)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(295,994)</u>	<u>(295,994)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(148,226)</u>	<u>(148,226)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (444,220)</u>	<u>\$ (444,220)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			144,917	
Adjustments to expenditures			17,577	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (133,500)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS

Statement C-8

ENERGY EFFICIENCY ACT CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	554	1,054	1,054	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>554</u>	<u>1,054</u>	<u>1,054</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(554)</u>	<u>(1,054)</u>	<u>(1,054)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	554	1,054	-	(1,054)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>554</u>	<u>1,054</u>	<u>-</u>	<u>(1,054)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,054)</u>	<u>(1,054)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,054</u>	<u>1,054</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (1,054)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-9

LOS LUNAS SCHOOLS

PUBLIC SCHOOL CAPITAL OUTLAY 20% CAPITAL PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2008

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	2,272	2,272	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,272</u>	<u>2,272</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(2,272)</u>	<u>(2,272)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	2,272	-	(2,272)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,272</u>	<u>-</u>	<u>(2,272)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,272)</u>	<u>(2,272)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,272</u>	<u>2,272</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (2,272)</u>	

The accompanying notes are an integral part of these financial statements

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DEBT SERVICE FUND

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STATE OF NEW MEXICO

Statement D-1

LOS LUNAS SCHOOLS

DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2008

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 4,365,912	\$ 4,365,912	\$ 4,780,057	\$ 414,145
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	58,376	58,376
<i>Total revenues</i>	<u>4,365,912</u>	<u>4,365,912</u>	<u>4,838,433</u>	<u>472,521</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	43,659	53,658	48,567	5,091
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Reserve	1,504,086	4,093,234	-	4,093,234
Principal	3,160,000	6,260,000	6,260,000	-
Interest	1,184,169	1,295,279	1,295,279	-
<i>Total expenditures</i>	<u>5,891,914</u>	<u>11,702,171</u>	<u>7,603,846</u>	<u>4,098,325</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,526,002)</u>	<u>(7,336,259)</u>	<u>(2,765,413)</u>	<u>4,570,846</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,526,002	4,125,150	-	(4,125,150)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	3,211,109	3,211,109	-
<i>Total other financing sources (uses)</i>	<u>1,526,002</u>	<u>7,336,259</u>	<u>3,211,109</u>	<u>(4,125,150)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>445,696</u>	<u>445,696</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,125,150</u>	<u>4,125,150</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,570,846</u>	<u>\$ 4,570,846</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(13,001)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 432,695</u>	

The accompanying notes are an integral part of these financial statements

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**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

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STATE OF NEW MEXICO

Statement E-1

LOS LUNAS SCHOOLS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY ASSET CLASS AND FUNCTION

YEAR ENDED JUNE 30, 2008

	Balance June 30 2007	Additions	Deletions	Adjustments	Balance June 30 2008
<i>Governmental funds capital assets:</i>					
Land & land improvements	\$ 9,088,502	\$ 1,265,739	\$ -	\$ -	\$ 10,354,241
Buildings & building improvements	98,086,438	1,785,414	-	4,342,806	104,214,658
Furniture, fixtures & equipment	5,425,236	321,309	251,179	-	5,495,366
Vehicles	7,995,208	983,860	698,484	-	8,280,584
Construction in progress	12,082,411	11,779,537	-	(4,342,806)	19,519,142
<i>Total governmental funds capital assets</i>	<u>132,677,795</u>	<u>16,135,859</u>	<u>949,663</u>	<u>-</u>	<u>147,863,991</u>
<i>Investments in governmental funds capital assets by function:</i>					
Functions:					
Instruction	4,417,923	108,240	103,403	-	4,422,760
Support Services - Students	152,482	-	6,098	-	146,384
Support Services - Instruction	687,135	-	47,232	-	639,903
Support Services - General	128,609	-	3,230	-	125,379
Support Services - School Admin	451,207	-	20,150	-	431,057
Fiscal Services	146,176	-	6,348	-	139,828
Purchasing, Warehousing, & Distributi	56,598	-	-	-	56,598
Personnel Services	38,473	-	10,018	-	28,455
Technology - District Wide	917,415	431,179	14,798	-	1,333,796
Operations & Maintenance	1,291,106	87,862	26,253	-	1,352,715
Security	44,952	31,227	-	-	76,179
Transportation	7,077,837	952,090	694,780	-	7,335,147
Food Services	948,666	-	17,353	-	931,313
Capital Outlay	104,236,805	2,745,724	-	4,342,806	111,325,335
Construction in Progress	12,082,411	11,779,537	-	(4,342,806)	19,519,142
<i>Total investment in governmental funds capital assets by function</i>	<u>\$ 132,677,795</u>	<u>\$ 16,135,859</u>	<u>\$ 949,663</u>	<u>\$ -</u>	<u>\$ 147,863,991</u>

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

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
AGENCY FUNDS
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2008

Schedule I

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
Los Lunas High School	\$ 247,752	\$ 275,550	\$ 286,903	\$ 236,399
Los Lunas Middle School	26,822	75,129	77,095	24,856
Los Lunas Elementary	13,825	19,942	23,509	10,258
Ann Parish Elementary	18,341	28,039	27,675	18,705
Peralta Elementary	11,134	14,835	17,465	8,504
Bosque Farms Elementary	9,750	53,977	34,999	28,728
Daniel Fernandez Intermediate	12,217	19,374	16,204	15,387
Katherine Gallegos Elementary	15,160	44,018	45,753	13,425
Tome Elementary	4,199	18,641	19,520	3,320
Raymond Galbadon Intermediate	21,018	20,278	24,374	16,922
Manzano Vista Middle School	37,903	72,562	74,754	35,711
Valencia Elementary	9,981	19,414	23,019	6,376
District-wide	53,901	41,466	23,248	72,119
Special Services	23,463	13,372	8,230	28,605
Desert View Intermediate	19,368	15,153	23,113	11,408
Century High School	3,556	11,808	6,579	8,785
Project Keys	5,268	56,708	64,538	(2,562)
Desert View Elementary After School Program	(22,029)	10,516	38,556	(50,069)
Career Academy	33,301	92,922	91,912	34,311
Los Lunas High School Swimming Pool	1,799	47,596	67,816	(18,421)
Mariposa Elementary	262	7	-	269
Total All Schools	\$ 546,991	\$ 951,307	\$ 995,262	\$ 503,036

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

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STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2008

Schedule II

Name of Depository	Description of Pledged Collateral	Fair / Par Market Value June 30, 2008	Name and Location of Safekeeper
First Community Bank	Federal National Mortgage Association CUSIP #31371K5U1 4.5%, Due 06-1-18	\$ 1,631,534	First Community Bank
First Community Bank	Federal National Mortgage Association CUSIP #31371LAE9 5.0%, Due 06-1-13	1,400,511	First Community Bank
First Community Bank	Federal National Mortgage Association CUSIP #31371LE70 4.5%, Due 10-1-13	1,684,783	First Community Bank
First Community Bank	Federal National Mortgage Association CUSIP #31371LJ75 4.0%, Due 1-1-19	863,834	First Community Bank
First Community Bank	Federal National Mortgage Association CUSIP #31371LWL9 5.0%, Due 10-1-19	4,558,140	First Community Bank
First Community Bank	Federal National Mortgage Association CUSIP #31385XGP6 4.0%, Due 7-1-18	237,199	First Community Bank
First Community Bank	CUSIP #3146AFR1 5.72%, Due 06-1-20	160,871	First Community Bank
		<u>\$ 10,536,872</u>	

The accompanying notes are and integral part of these financial statements

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STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2008

Schedule III

Bank Account Type	First Community Bank	Totals
Checking - General Account	\$ 58,774	\$ 58,774
Checking - Repurchase Agreement	10,098,546	10,098,546
Checking - Payroll Clearing	<u>209,322</u>	<u>209,322</u>
Total On Deposit	10,366,642	10,366,642
Reconciling Items	<u>(1,666,897)</u>	<u>(1,666,897)</u>
Reconciled Balance June 30, 2007	<u>\$ 8,699,745</u>	<u>\$ 8,699,745</u>
Investments with State of New Mexico Treasurer's Office		4,500,000
Plus: Petty Cash		<u>2,609</u>
Less: Fiduciary Funds Cash		<u>(503,036)</u>
Cash per Government-wide Financial Statements		<u>\$ 12,699,318</u>

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
CASH RECONCILIATION
JUNE 30, 2008

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000	Athletics Account 22000
Cash, June 30, 2007	\$ 4,693,540	\$ 508,699	\$ (50,784)	\$ 541,062	\$ 26,204
Add:					
2007-08 revenues	62,041,995	3,768,072	1,047,911	3,468,124	60,196
Loans from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash available	66,735,535	4,276,771	997,127	4,009,186	86,400
Less:					
2007-08 expenditures	(62,097,984)	(4,218,189)	(634,792)	(3,378,833)	(67,735)
Loans to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash, June 30, 2008	<u><u>\$ 4,637,551</u></u>	<u><u>\$ 58,582</u></u>	<u><u>\$ 362,335</u></u>	<u><u>\$ 630,353</u></u>	<u><u>\$ 18,665</u></u>

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

Non-Instruction Account 23000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000	State Direct 28000
\$ 625,517	\$ (1,539,723)	\$ 626,113	\$ 2,667	\$ (214,741)	\$ (63,832)
1,078,728	4,764,015	1,248,928	-	1,429,546	94,214
-	1,719,576	8,982	-	335,667	132,226
1,704,245	4,943,868	1,884,023	2,667	1,550,472	162,608
(1,169,832)	(4,708,717)	(974,150)	(1,353)	(1,202,426)	(162,333)
-	-	-	-	-	-
<u>\$ 534,413</u>	<u>\$ 235,151</u>	<u>\$ 909,873</u>	<u>\$ 1,314</u>	<u>\$ 348,046</u>	<u>\$ 275</u>

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
CASH RECONCILIATION
JUNE 30, 2008

	Local / State 29000	Bond Building 31100	Public School Capital Outlay 31200	Spec. Capital Outlay-State 31400	Cap. Improv. HB 33 31600
Cash, June 30, 2007	\$ (6,000)	\$ 5,714,149	\$ (739,255)	\$ (500,286)	\$ 758,440
Add:					
2007-08 revenues	6,000	4,786,207	581,775	94,648	1,768,221
Loans from other funds	-	-	157,480	1,482,021	-
Total cash available	-	10,500,356	-	1,076,383	2,526,661
Less:					
2007-08 expenditures	-	(6,740,428)	-	(1,076,383)	(1,111,467)
Loans to other funds	-	-	-	-	-
Cash, June 30, 2008	<u>\$ -</u>	<u>\$ 3,759,928</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,415,194</u>

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

Cap. Improv. SB 9 31700	Energy Efficiency 31800	Public School Cap. Outlay 20% 32100	Debt Service Fund 41000	Total
\$ (148,226)	\$ 1,054	\$ 2,272	\$ 4,125,150	\$ 14,362,020
1,470,019	-	-	8,049,542	95,758,141
444,220	-	-	-	4,280,172
1,766,013	1,054	2,272	12,174,692	114,400,333
(1,766,013)	(1,054)	(2,272)	(7,603,846)	(96,917,807)
-	-	-	(4,280,172)	(4,280,172)
\$ -	\$ -	\$ -	\$ 290,674	\$ 13,202,354

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

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COMPLIANCE SECTION

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

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Los Lunas Schools
Los Lunas, New Mexico

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information consisting of the aggregate nonmajor governmental fund column and the fiduciary fund column in the fund financial statements and the budgetary comparisons of the general and major special revenue funds of Los Lunas Schools, New Mexico, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 13, 2008. We also have audited the financial statements of each of the District's nonmajor governmental funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents, and have issued our report thereon dated November 13, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Los Lunas Schools, New Mexico's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the agency's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the agency's internal control.

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Los Lunas 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported under *Governmental Auditing Standards* paragraph 5.14 and 5.16, and Section 12-6-5 NMSA 1978, which are described in the accompanying schedule of findings and responses as finding FS 08-01.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the agency's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the organization, the audit committee, 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.

Grigo Professional Services, LLC

Albuquerque, New Mexico
November 13, 2008

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FEDERAL FINANCIAL ASSISTANCE

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

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Education
Los Lunas Schools
Los Lunas, New Mexico

Compliance

We have audited the compliance of Los Lunas 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, 2008. Los Lunas Schools, New Mexico's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and responses. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Los Lunas Schools, New Mexico's management. Our responsibility is to express an opinion on Los Lunas 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 Los Lunas 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 Los Lunas Schools, New Mexico's compliance with those requirements.

In our opinion, Los Lunas 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, 2008.

Internal Control Over Compliance

The management of Los Lunas 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 Los Lunas 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

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.

Grigo Professional Services, LLC

Albuquerque, New Mexico
November 13, 2008

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STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Schedule V
(Page 1 of 3)

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
U.S. Department of Health and Human Services			
<i>Passthrough State of New Mexico Children Youth & Families Department</i>			
Child Care Block Grant	25157	93.037	\$ 97,382
GRADS Child Care CYFD	25149	93.590	<u>5,000</u>
<i>Subtotal - Passthrough State of New Mexico Children Youth & Families Department</i>			<u>102,382</u>
<i>Passthrough State of New Mexico Department of Health</i>			
Medicaid	25153	93.778	722,549
TANF / GRADS HSD	25162	93.558	<u>8,000</u>
<i>Subtotal - Passthrough State of New Mexico Department of Health</i>			<u>730,549</u>
Total U.S. Department of Health and Human Services			<u>832,931</u>
U.S. Department of Education			
<i>Passthrough State of New Mexico Department of Education</i>			
Title I (1)	24101	84.010	1,959,280
IDEA B - Entitlement (1)	24106	84.027	1,813,369
IDEA-B Discretionary	24107	84.027A	91,940
IDEA B - Pre School	24109	84.173	68,289
Education of Homeless	24113	84.196A	6,059
Technology Literacy Challenge	24133	84.318X	14,563
ELL Title III Incentive Awards	24143	84.365A	5,597
Title V	24150	84.298	9,106
Title III English Language Acquisition	24153	84.365A	64,786
Title IIA Teacher / Principal Training (1)	24154	84.367A	453,803
Title IV Safe & Drug Free Schools	24157	84.186A	44,527
Title I School Improvement (1)	24162	84.010	24,154
Immigrant Funding Title III	24163	84.365A	45,874
Carl Perkins- Secondary Current	24174	84.048	<u>95,873</u>
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>4,697,220</u>
<i>Direct U.S. Department of Education</i>			
Impact Aid (1)	11000	84.041	112,956
Impact Aid - Special Education (1)	25145	84.041	51,744
Impact Aid - Indian Education (1)	25147	84.041	33,301
Indian Education Formula Grant	25184	84.060A	<u>66,289</u>
<i>Subtotal - Direct U.S. Department of Education</i>			<u>264,290</u>
Total U.S. Department of Education			<u>4,961,510</u>

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Schedule V
(Page 2 of 3)

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA	Federal Expenditures
U.S. Department of Agriculture			
<i>Direct U.S. Department of Agriculture</i>			
Forest Reserve	11000	10.672	<u>906</u>
<i>Subtotal - Direct U.S. Department of Agriculture</i>			<u>906</u>
<i>Passthrough State of New Mexico Department of Education</i>			
School Lunch Program	21000	10.555	<u>2,836,017</u>
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>2,836,017</u>
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities)	21000	10.550	<u>225,787</u>
<i>Subtotal - Passthrough State of New Mexico Department of Health and Human Services</i>			<u>225,787</u>
Total U.S. Department of Agriculture			<u>3,062,710</u>
Total Federal Financial Assistance			<u><u>\$ 8,857,151</u></u>

(1) Denotes Major Federal Financial Assistance Program

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

STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

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 Los Lunas Schools (District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Subrecipients

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

3. Non Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2008 was \$225,787 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.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 8,857,151
Total expenditures funded by other sources	<u>95,026,112</u>
Total expenditures	<u><u>\$ 103,883,263</u></u>

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

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STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2008

Section I – Summary of Audit Results

Financial Statements:

- | | |
|---|-------------|
| 1. Type of auditors' report issued | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| c. Control deficiencies identified not considered to be significant deficiencies? | Yes |
| d. Noncompliance material to financial statements noted? | No |

Federal Awards:

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| c. Control deficiencies identified not considered to be significant deficiencies? | No |
| 2. Type of auditors' report issued on compliance for major programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No |

4. Identification of major programs:

CFDA Number	Federal Program
84.010	Title I –IASA
84.027	IDEA-B Entitlement
84.367	Teacher/Principal Training
84.041	Impact Aid

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | No |

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STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2008

Section II – Financial Statement Findings

FS 08-01 Human Resource Documentation

Criteria: NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Condition: During test work of internal controls for payroll, we noted one (1) instance out of twenty (20) where an I-9 was not kept on file.

Cause: Unknown, possible loss of document.

Effect: The District is in a violation of NMAC 6.20.2.18 and the Immigration Reform and Control Act of 1986. Other possible effects: if document was misplaced there is a risk of unauthorized personnel viewing sensitive information, possible hire of illegal alien.

Auditor's Recommendation: We recommend that the District follow the corrective action plan set forth in the Immigration Reform and control Act of 1986 and request that the employee complete section 1 of Form I-9 immediately and submit documentation as required in Section 2. The new form should be dated when completed-never post dated. When an employee does not provide acceptable documentation, the employer must terminate employment or risk being subject to penalties for “knowingly” continuing to employ an unauthorized worker if the individual is not in fact authorized to work.

Management's Response: The employee file that noted that an I-9 Form was not kept on file and therefore in violation of NMAC 6.20.2.18 and the Immigration Reform and Control Act of 1986, was a file that is 10 years old. The process and procedures that have been set up in the Personnel Office for Los Lunas Schools currently uses a checklist that must be initialed by a Personnel Office employee before a file is deemed ready for filing. The procedures that are in place under the current administration were designed to ensure that all forms are properly completed and filed. However, the Personnel Office will begin conducting an audit of files to ensure that all personnel files contain all required forms including the I-9 Form.

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STATE OF NEW MEXICO
LOS LUNAS SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2008

Section III – Federal Award Findings and Responses

None

Section IV – Prior Year Audit Findings

FS 07-01 Budgetary Conditions – Resolved

FS 07-02 SAS 112 Compliance – Resolved

FS 07-03 Cash Receipts – Resolved

Section V – Other Disclosures

Auditor Prepared Financials

The financial statements presented in this report were prepared by the auditors, Griego Professional Services, LLC.

Exit Conference

The contents of this report were discussed on November 13, 2008. The following individuals were in attendance.

Los Lunas Schools

Frank Otero, Board President

Walter Gibson, Superintendent

Mario Guggino, Assistant Superintendent of Finance & Operations

Claire Cieremans, Director of Finance

Philip Pacheco, Accounting Supervisor

Griego Professional Services, LLC

Monica Yaple, CPA

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STATISTICAL INFORMATION

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**LOS LUNAS SCHOOLS
FINANCIAL TREND DATA
INFORMATION ABOUT NET ASSETS - 6 YEARS**

Assets	June 30,2008	June 30,2007	June 30,2006	June 30,2005	June 30,2004	June 30,2003	June 30,2002	June 30,2001
Cash Assets	\$12,699,318	\$13,815,029	\$7,515,294	\$9,325,126	\$7,691,641	\$7,335,767	\$6,877,153	\$10,126,999
Other Current Assets	\$6,414,324	\$5,650,816	\$6,094,248	\$4,529,984	\$4,507,852	\$4,378,691	\$5,327,424	\$4,239,181
Bond Issuance Costs	\$129,510	\$53,480	\$65,252	\$91,098				
Capital Assets	\$59,278,223	\$132,677,795	\$120,165,623	\$112,792,057	\$105,038,399	\$99,556,733	\$88,963,260	\$78,093,630
Depreciation	\$44,292,884	(\$40,773,555)	(\$37,605,895)	(\$33,305,928)	(\$30,369,277)	(\$28,346,539)	(\$25,816,195)	(\$23,672,621)
Total Assets	\$122,814,259	\$111,423,565	\$96,234,522	\$93,432,337	\$86,868,615	\$82,924,652	\$75,351,642	\$68,787,189
Liabilities								
Accounts Payable	\$1,282,008	\$4,657,086	\$1,166,756	\$774,837	\$475,383	\$1,056,745	\$1,506,823	\$1,812,486
Other Current Liabilities	\$6,282,063	\$1,906,909	\$4,154,474	\$4,161,208	\$3,223,503	\$2,870,634	\$2,764,036	\$2,084,661
Current portion/long term Oblig.	\$3,360,000	\$6,260,000	\$3,391,080	\$5,462,080	\$2,471,995	\$4,167,709	\$2,102,304	\$1,876,258
Long Term Liabilities	\$32,571,576	\$28,264,315	\$26,161,898	\$25,137,457	\$25,732,908	\$24,246,034	\$23,308,738	\$23,235,497
Total Liabilities	\$43,495,647	\$41,088,310	\$34,874,208	\$35,535,582	\$31,903,789	\$32,341,122	\$29,681,901	\$29,008,902
Net Assets								
Invested in Capital Assets	\$67,748,131	\$57,494,240	\$53,673,220	\$49,588,306	\$45,680,267	\$43,242,935	\$38,095,545	\$24,725,915
Restricted	\$10,441,950	\$10,934,422	\$6,302,600	\$7,529,771	\$6,996,412	\$4,350,643	\$5,506,770	\$13,561,728
Unrestricted	\$1,128,531	\$1,906,593	\$1,384,494	\$778,678	\$2,288,147	\$2,989,952	\$2,067,426	\$1,490,644
Total Net Assets	\$79,318,612	\$70,335,255	\$61,360,314	\$57,896,755	\$54,964,826	\$50,583,530	\$45,669,741	\$39,778,287
Total increase (decrease) in Net Assets from prior year	\$8,983,357	\$8,974,941	\$3,463,559	\$2,931,929	\$4,381,296	\$4,913,789	\$5,891,454	

This comparison shows the increase in net assets for the past seven years and the current year. These increases are mostly due to new construction.

Los Lunas Schools implemented GASB 34 effective June 30, 2001, therefore only eight years of comparable data is available.

The majority of the restricted assets are reserved for Debt Service and supply inventories. See Stat-3 for more information.

**LOS LUNAS SCHOOLS
FINANCIAL TREND DATA
INFORMATION ABOUT CHANGES IN NET ASSETS - 6 YEARS**

FUNCTIONS/PROGRAMS	June 30,2008				June 30,2007			
	Charges for Expenses	Operating Services Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets	Charges for Expenses	Operating Services Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets
Governmental activities:								
Instruction:								
Direct Instruction	40,595,737	184,780	7,140,684	(33,270,273)	40,381,982	196,393	6,720,270	(33,465,319)
Support Services:								
Instructional Support	15,308,258		1,524,945	(13,783,313)	14,168,319		1,389,792	(12,778,527)
Administration	1,338,271			(1,338,271)	1,200,754			(1,200,754)
Business & Support Svcs	2,429,195		190,262	(2,238,933)	2,019,040		153,778	(1,865,262)
Operation/Maint of Plant	9,055,992			(9,055,992)	8,899,855			(8,899,855)
Athletics (in 06/07 this item was included in Instructional Support)	-			-	-			-
Non-Instructional Support (in 06/07 this item was included in Instructional Support)	-			-	-			-
Transportation Services	3,823,710		3,712,661	(111,049)	3,745,457		4,704,207	958,750
Health:								
Food Services	3,842,719	618,789	2,506,011	(717,919)	3,413,810	753,387	2,894,105	233,682
Community Services	-			-	-			-
Interest on Long Term Debt	1,371,810			(1,371,810)	1,297,440			(1,297,440)
Non-Operating Expenditures	-			-	-			-
Capital Outlay:								
Capital Expenditures	8,262,413		8,554,409	291,996	854,775		3,020,420	2,165,645
Depreciation - unallocated	0			0	0			0
General Revenues:	86,028,105	803,569	15,074,563	(61,595,564)	75,981,432	949,780	15,862,152	(56,149,080)
Property Taxes:								
Levied for general purposes				172,370				119,605
Levied for debt service				5,740,431				4,169,450
Levied for capital projects				3,511,548				2,558,431
State Aid not restricted (SEG)				61,295,704				57,252,545
Unrestricted investment earnings				600,494				738,508
Gain (loss) on Sale of Fixed Assets				9,855				35,167
Donated Fixed Assets								0
Transfer to Activity Funds								(37,686)
Miscellaneous				(98,320)				288,001
Total general revenues				71,232,082				65,124,021
Change in Net Assets				9,636,518				8,974,941
Net Assets - beginning				70,335,255				61,360,314
Net Assets - ending				79,971,773				70,335,255

NOTE: This presentation shows comparative data for the Statement of Activities for the past seven years and the current year. Los Lunas Schools implemented GASB 34 effective June 30, 2001, therefore only eight years of comparable data are available.

**LOS LUNAS SCHOOLS
FINANCIAL TREND DATA
INFORMATION ABOUT CHANGES IN NET ASSETS - 6 YEARS**

FUNCTIONS/PROGRAMS	June 30,2006					June 30,2005				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets
Governmental activities:										
Instruction:										
Direct Instruction	36,579,962	16,922	8,023,866		(28,539,174)	34,752,883	36,271	7,463,647		(27,252,965)
Support Services:										
Instructional Support	13,840,961			4,818,101	(9,022,860)	13,256,084		3,887,124		(9,368,960)
Administration	1,803,368				(1,803,368)	1,700,699				(1,700,699)
Business & Support Svcs	1,040,528				(1,040,528)	922,286				(922,286)
Operation/Maint of Plant	6,878,393				(6,878,393)	6,526,777				(6,526,777)
Athletics (in 06/07 this item was included in Instructional Support)	773,100	44,746			(728,354)	710,560	47,280			(663,280)
Non-Instructional Support (in 06/07 this item was included in Instructional Support)	53,212	93,895			40,683	149,864	106,055			(43,809)
Transportation Services	3,729,930		2,841,617	956,720	68,407	3,304,575		2,978,407	502,891	176,723
Health:										
Food Services	2,892,849	616,711	2,500,680		224,542	2,854,905	608,746	2,459,251		213,092
Community Services	757,585				(757,585)	822,183				(822,183)
Interest on Long Term Debt	1,189,248				(1,189,248)	1,364,990				(1,364,990)
Non-Operating Expenditures	62,099				(62,099)	62,028				(62,028)
Capital Outlay:										
Capital Expenditures	3,583,773				(3,583,773)	2,529,565				(2,529,565)
Depreciation - unallocated	3,074,222				(3,074,222)	2,359,479				(2,359,479)
General Revenues:	76,259,230	772,274	13,366,163	5,774,821	(56,345,972)	71,316,878	798,352	12,901,305	4,390,015	(53,227,206)
Property Taxes:										
Levied for general purposes					100,355					83,469
Levied for debt service					3,530,270					3,611,777
Levied for capital projects					2,151,313					2,251,763
State Aid not restricted (SEG)					53,552,571					49,944,116
Unrestricted investment earnings					425,425					225,225
Gain (loss) on Sale of Fixed Assets					(48,572)					(50,879)
Donated Fixed Assets					98,169					49,067
Transfer to Activity Funds					-					-
Miscellaneous					0					44,599
Total general revenues					59,809,531					56,159,137
Change in Net Assets					3,463,559					2,931,931
Net Assets - beginning					57,896,755					54,964,824
Net Assets - ending					61,360,314					57,896,755

**LOS LUNAS SCHOOLS
FINANCIAL TREND DATA
INFORMATION ABOUT CHANGES IN NET ASSETS - 6 YEARS**

FUNCTIONS/PROGRAMS	June 30, 2004					June 30, 2003				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets
Governmental activities:										
Instruction:										
Direct Instruction	32,410,610	67,266	7,531,539		(24,811,805)	29,648,782	51,509	5,447,111	1,056,094	(23,094,068)
Support Services:										
Instructional Support	13,103,152			4,013,356	(9,089,796)	13,339,038		4,571,953		(8,767,085)
Administration	1,509,963				(1,509,963)	1,720,042		273,834		(1,446,208)
Business & Support Svcs	1,020,615				(1,020,615)	1,071,624				(1,071,624)
Operation/Maint of Plant	5,890,187				(5,890,187)	6,040,950				(6,040,950)
Athletics (in 06/07 this item was included in Instructional Support)	377,691	37,658			(340,033)	698,758	49,045			(649,713)
Non-Instructional Support (in 06/07 this item was included in Instructional Support)	169,132	83,892			(85,240)	157,226	81,247			(75,979)
Transportation Services	2,927,201		2,807,531		(119,670)	3,139,961		2,354,016	58,990	(726,955)
Health:										
Food Services	2,794,797	726,835	2,336,863		268,901	2,807,558	654,443	2,237,031		83,916
Community Services	676,833				(676,833)	846,009		5,745		(840,264)
Interest on Long Term Debt	1,271,228				(1,271,228)	1,252,207				(1,252,207)
Non-Operating Expenditures	18,717				(18,717)					
Capital Outlay:										0
Capital Expenditures	2,865,073				(2,865,073)					
Depreciation - unallocated	2,148,012				(2,148,012)	2,049,687				(2,049,687)
General Revenues:	67,183,211	915,651	12,675,933	4,013,356	(49,578,271)	62,771,842	836,244	14,889,690	1,115,084	(45,930,824)
Property Taxes:										
Levied for general purposes					76,768					71,117
Levied for debt service					3,601,084					3,504,533
Levied for capital projects					2,216,703					1,848,279
State Aid not restricted (SEG)					47,956,166					45,321,650
Unrestricted investment earnings					84,803					91,922
Gain (loss) on Sale of Fixed Assets					9,407					-
Donated Fixed Assets					-					-
Transfer to Activity Funds					-					-
Miscellaneous					14,636					7,112
Total general revenues					53,959,567					50,844,613
Change in Net Assets					4,381,296					4,913,789
Net Assets - beginning					50,583,530					45,669,741
Net Assets - ending					54,964,826					50,583,530

**LOS LUNAS SCHOOLS
FINANCIAL TREND DATA
INFORMATION ABOUT CHANGES IN NET ASSETS - 6 YEARS**

FUNCTIONS/PROGRAMS	June 30,2002					June 30,2001				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets
Governmental activities:										
Instruction:										
Direct Instruction	30,468,832	4,075	4,512,733	1,069,175	(24,882,849)	27,377,825		2,720,361		(24,657,464)
Support Services:										
Instructional Support	12,390,049		3,730,331	56,272	(8,603,446)	11,884,674	2,822	2,093,621		(9,788,231)
Administration	1,488,478		573,897		(914,581)	1,451,785		324,724		(1,127,061)
Business & Support Svcs	1,015,231				(1,015,231)	836,164				(836,164)
Operation/Maint of Plant	6,028,542		956		(6,027,586)	6,075,723		1,123		(6,074,600)
Athletics (in 06/07 this item was included in Instructional Support)	653,393	48,255			(605,138)	518,483	43,990		20,500	(453,993)
Non-Instructional Support (in 06/07 this item was included in Instructional Support)	163,968	90,162			(73,806)	178,785	60,959			(117,826)
Transportation Services	3,105,415	3,708	95,650	0	(3,006,057)	2,574,198		31,714	160,000	(2,382,484)
Health:										
Food Services	2,657,200	668,021	1,919,974		(69,205)	2,743,272	638,930	1,934,290		(170,052)
Community Services	602,217	48,468	381,642		(172,107)	364,560	76,107	207,538		(80,915)
Interest on Long Term Debt	1,047,991				(1,047,991)	1,118,209				(1,118,209)
Non-Operating Expenditures										
Capital Outlay:					0					
Capital Expenditures										
Depreciation - unallocated	1,766,827				(1,766,827)	1,435,506				(1,435,506)
General Revenues:	61,388,143	862,689	11,215,183	1,125,447	(48,184,824)	56,559,184	822,808	7,313,371	180,500	(48,242,505)
Property Taxes:										
Levied for general purposes					50,111					60,907
Levied for debt service					2,493,332					2,995,332
Levied for capital projects					1,708,992					1,756,405
State Aid not restricted (SEG)					49,601,774					46,942,170
Unrestricted investment earnings					222,069					630,915
Gain (loss) on Sale of Fixed Assets					-					-
Donated Fixed Assets					-					-
Transfer to Activity Funds					-					-
Miscellaneous					-					-
Total general revenues					54,076,278					52,428,839
Change in Net Assets					5,891,454					4,186,334
Net Assets - beginning					39,778,287					35,591,953
Net Assets - ending					45,669,741					39,778,287

**LOS LUNAS SCHOOLS
FINANCIAL TREND DATA
INFORMATION ABOUT FUND BALANCES - 10 YEARS**

	<u>June 30,2008</u>	<u>June 30,2007</u>	<u>June 30,2006</u>	<u>June 30,2005</u>	<u>June 30,2004</u>	<u>June 30,2003</u>	<u>June 30,2002</u>	<u>June 30,2001</u>	<u>June 30,2000</u>	<u>June 30,1999</u>
RESERVED FUND BALANCES										
GENERAL FUND	0	0							29,597	50,490
SPECIAL REVENUE FUNDS	0	0							270,584	259,767
CAFETERIA FUND	156,989	165,397	202,369	152,322	129,117	123,117	117,063	123,756	0	
TRANSPORTATION FUND	62,013	63,190	49,974	147,188	115,283	116,715	143,371			
INSTR. MAT'L'S FUND	0	0								
DEBT SERVICE	4,657,177	4,224,482	330,805	3,767,827	3,805,903	3,516,158	3,179,996	2,985,429	2,913,518	2,217,651
BOND BUILDING	2,697,193	5,303,386	0	575,892						
CAPITAL IMPROV. - HB33	1,446,862	794,861	843,427	220,102						
CAPITAL IMPROV. - SB9	21,130	154,630	320,979	241,157						
OTHER GOV'L FUNDS	7,751	(232,528)	(358,003)	(200,239)						
TOTAL RESERVED FUND BALANCES	9,049,115	10,473,418	1,389,551	4,904,249	4,050,303	3,755,990	3,440,430	3,109,185	3,213,699	2,527,908
UNRESERVED FUND BALANCES										
GENERAL FUND	157,606	834,801	965,266	453,554	1,181,914	821,163	1,755,944	1,033,018	99,982	718,043
SPECIAL REVENUE FUNDS	0	0							38,419	453,899
CAFETERIA FUND	570,452	1,065,376	748,164	599,213	347,860	198,774	75,639	(113,487)	0	
TRANSPORTATION FUND	38,871	414,083	35,251	(20,261)	21,369	106,262	103,865	(82,558)	0	
INSTR. MAT'L'S FUND	362,335	(150,565)	173,693	359,763	234,370	390,463	59,080	6,724	0	
DEBT SERVICE	0	0	3,610,932							
CAPITAL PROJECTS	0	0							4,645,941	(108,302)
BOND BUILDING	0	0	416,330	785,913	1,012,995	870,860	398,277	3,955,219	0	0
CAPITAL IMPROV. - HB33	0	0	318,784	1,011,810						
PUBLIC SCHOOLS CAP.OUT.	0	0	0	0	(138,332)			(63,566)	0	0
CAPITAL IMPROV. - SB9	0	0	0	0	150,346					
OTHER GOV'L FUNDS	1,120,673	753,095	511,357	177,664	803,947	927,252	979,077	681,389	0	0
TOTAL UNRESERVED FUND BALANCES	2,249,937	2,916,790	6,779,777	3,367,656	3,614,469	3,314,774	3,371,882	5,416,739	4,784,342	1,063,640
TOTAL RESERVED AND UNRESERVED FUND BALANCES	11,299,052	13,390,208	8,169,328	8,271,905	7,664,772	7,070,764	6,812,312	8,525,924	7,998,041	3,591,548

**LOS LUNAS SCHOOLS
FINANCIAL TREND DATA**

INFORMATION ABOUT CHANGES IN FUND BALANCE - 10 YEARS

All Governmental Funds	2008		2007		2006		2005		2004		2003	
	GAAP	% of Total	GAAP	% of Total	GAAP	% of Total	GAAP	% of Total	GAAP	% of Total	GAAP	% of Total
REVENUES:												
Local and county sources	7,824,809		8,235,813		7,306,868		6,897,515		6,706,404		6,767,409	
State sources	75,637,635		67,036,358		63,522,071		58,960,944		56,716,287		55,899,920	
Federal sources	9,105,057		8,961,994		9,184,164		8,286,659		7,929,168		6,947,474	
U.S.D.A. commodities	0		0									
Miscellaneous	912,854		0									
Interest	600,494		738,508		425,425		225,225		84,803		90,794	
Total Revenues	94,080,849		84,972,673		80,438,528		74,370,343		71,436,662		69,705,597	
EXPENDITURES:												
Instruction	42,104,923	53.8%	40,237,696	54.1%	36,378,308	53.3%	34,404,870	53.1%	32,636,712	53.0%	29,400,569	50.4%
Instructional support	15,186,909	19.4%	15,264,032	20.5%	13,763,667	20.2%	13,182,461	20.4%	13,072,164	21.2%	13,170,074	22.6%
Administration	1,294,114	1.7%	2,141,108	2.9%	1,754,132	2.6%	1,685,429	2.6%	1,444,716	2.3%	1,649,163	2.8%
Pupil transportation services	4,175,384	5.3%	4,461,796	6.0%	1,024,664	1.5%	3,557,745	5.5%	2,933,233	4.8%	2,733,278	4.7%
Operation and maintenance of plant	9,078,766	11.6%	8,815,625	11.9%	6,829,958	10.0%	6,434,999	9.9%	6,001,082	9.7%	5,948,520	10.2%
Non-instructional support	2,683,723	3.4%	0	0.0%	2,943,467	4.3%	161,719	0.2%	184,663	0.3%	124,836	0.2%
Community services	0	0.0%	0	0.0%	725,580	1.1%	822,183	1.3%	676,833	1.1%	846,009	1.4%
Business/support services	0	0.0%	0	0.0%	188,794	0.3%	908,743	1.4%	1,005,088	1.6%	1,057,273	1.8%
Food services	3,762,481	4.8%	3,402,703	4.6%	757,585	1.1%	2,873,990	4.4%	2,908,769	4.7%	2,762,389	4.7%
Athletics	0	0.0%	0	0.0%	3,915,484	5.7%	738,410	1.1%	715,359	1.2%	682,699	1.2%
Sub-Total Expenditures	78,286,300	100.0%	74,322,960	100.0%	68,281,639	100.0%	64,770,549	100.0%	61,578,619	100.0%	58,374,810	100.0%
Debt service-Principal	6,260,000		2,705,000		5,011,315		10,651,727		4,025,000		3,850,000	
- Interest	1,295,279		1,205,912		1,328,239		1,267,238		1,242,635		1,208,255	
- Bond Issuance (was added to interest in past)	100,031		0		0		0		0		0	
Capital outlay	17,941,653		9,880,235		9,919,912		9,966,006		7,981,139		12,914,083	
Non Operating	0		0		0		62,527		15,261		0	
Total Expenditures	103,883,263		88,114,107		84,541,105		86,718,047		74,842,654		76,347,148	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,802,414)		(3,141,434)		(4,102,577)		(12,347,704)		(3,405,992)		(6,641,551)	
OTHER FINANCING SOURCES (USES)												
Operating transfers in	0		0		0		0		0		0	
Operating transfers out	0		(37,686)		0		0		0		0	
Proceeds from Bon/Bond Anticipation Notes	7,711,258		3,100,000		0		4,700,000		0		3,900,000	
Proceeds from G.O.B. issuance	0		5,300,000		4,000,000		2,804,839		4,000,000		3,000,000	
Refunding of general obligation bonds	0		0		0		5,450,000		0		0	
TOTAL OTHER FINANCING SOURCES (USES)	7,711,258		8,362,314		4,000,000		12,954,839		4,000,000		6,900,000	
TOTAL CHANGE IN FUND BALANCE: EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(2,091,156)		5,220,880		(102,577)		607,135		594,008		258,449	
FUND BALANCE AT YEAR BEGIN	13,390,208		8,169,328		8,271,905		7,664,770		7,070,764		6,812,315	
Prior period adjustment	0		0		0		0		0		0	
FUND BALANCE YEAR END	11,299,052		13,390,208		8,169,328		8,271,905		7,664,772		7,070,764	

LOS LUNAS SCHOOLS
FINANCIAL TREND DATA
INFORMATION ABOUT CHANGES IN FUND BALANCE - 10 YEARS

All Governmental Funds	2002	% of	2001	% of	2000	% of	1999	% of	1998	% of
	GAAP	Total	GAAP	Total	GAAP	Total	GAAP	Total	GAAP	Total
REVENUES:										
Local and county sources	5,980,067		6,240,365		6,042,477		4,892,319		4,734,067	
State sources	56,103,587		49,386,812		43,780,587		42,257,283		35,949,753	
Federal sources	5,758,668		4,884,435		4,551,182		3,687,851		3,361,355	
U.S.D.A. commodities			161,874		117,928		117,539		122,339	
Miscellaneous										
Interest	222,069									
Total Revenues	68,064,391		60,673,486		54,492,174		50,954,992		44,167,514	
EXPENDITURES:										
Instruction	29,557,241	52.3%	26,180,601	50.3%	24,908,526	50.8%	23,389,585	51.1%	20,457,661	53.8%
Instructional support	12,101,443	21.4%	11,485,578	22.1%	10,545,615	21.5%	9,602,351	21.0%	7,181,736	18.9%
Administration	1,407,499	2.5%	1,342,034	2.6%	1,400,061	2.9%	1,340,503	2.9%	1,114,702	2.9%
Pupil transportation services	2,702,346	4.8%	3,008,865	5.8%	2,502,603	5.1%	2,635,170	5.8%	2,108,352	5.5%
Operation and maintenance of plant	5,863,775	10.4%	5,423,413	10.4%	4,788,964	9.8%	4,693,004	10.3%	3,541,971	9.3%
Non-instructional support	132,907	0.2%	164,448	0.3%	107,882	0.2%	94,286	0.2%	106,080	0.3%
Community services	588,369	1.0%	366,491	0.7%	792,623	1.6%	252,762	0.6%	287,921	0.8%
Business/support services	957,859	1.7%	870,896	1.7%	1,040,860	2.1%	820,209	1.8%	734,543	1.9%
Food services	2,608,305	4.6%	2,683,153	5.2%	2,598,089	5.3%	2,583,530	5.6%	2,143,231	5.6%
Athletics	641,653	1.1%	502,634	1.0%	394,992	0.8%	361,344	0.8%	319,396	0.8%
Sub-Total Expenditures	56,561,397	100.0%	52,028,113	100.0%	49,080,215	100.0%	45,772,744	100.0%	37,995,593	100.0%
Debt service-Principal	1,750,000		1,885,000		1,375,000		1,265,000		1,065,000	
- Interest	1,137,339		1,237,695		1,047,888		1,126,980		1,051,529	
- Bond Issuance (was addede to interest in past)										
Capital outlay	12,579,267		10,576,977		4,582,578		5,705,305		9,106,649	
Non Operating										
Total Expenditures	72,028,003		65,727,785		56,085,681		53,870,029		49,218,771	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,963,612)		(5,054,299)		(1,593,507)		(2,915,037)		(5,051,257)	
OTHER FINANCING SOURCES (USES)										
Operating transfers in					5,672		21,975			
Operating transfers out					(5,672)		(21,975)			
Proceeds from Bon/Bond Anticipation Notes					6,000,000		1,750,000		1,315,000	
Proceeds from G.O.B. issuance	2,250,000		5,700,000				(1,778,906)		4,250,000	
Refunding of general obligation bonds										
TOTAL OTHER FINANCING SOURCES (USES)	2,250,000		5,700,000		6,000,000		(28,906)		5,565,000	
TOTAL CHANGE IN FUND BALANCE: EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,713,612)		645,701		4,406,493		(2,943,943)		513,743	
FUND BALANCE AT YEAR BEGIN	8,525,924		7,998,041		3,591,548		6,535,491		6,021,748	
Prior period adjustment			(117,818)							
FUND BALANCE YEAR END	6,812,312		8,525,924		7,998,041		3,591,548		6,535,491	

**LOS LUNAS SCHOOLS
FINANCIAL TREND DATA**

INFORMATION ABOUT CHANGES IN FUND BALANCE - GENERAL FUND ONLY - 10 YEARS

General Fund Only	2008	% of	2007	% of	2006	% of	2005	% of	2004	% of
	GAAP	Total	GAAP	Total	GAAP	Total	GAAP	Total	GAAP	Total
REVENUES:										
Local and county sources	\$ 139,990		\$ 409,634		190,013		118,960		154,726	
State sources	61,295,875		57,256,169		53,613,350		49,944,342		47,956,580	
Federal sources	196,269		261,419		269,914		302,289		320,231	
Miscellaneous	194,781									
Interest	199,727		288,822		181,286		64,945		23,356	
Total Revenues	62,026,642		58,216,044		54,254,563		50,430,536		48,454,893	
EXPENDITURES:										
Instruction	36,685,109	58.5%	34,342,180	58.9%	31,909,199	59.4%	30,404,078	59.5%	28,126,543	58.5%
Instructional support	13,285,294	21.2%	13,082,820	22.4%	11,885,467	22.1%	11,229,068	22.0%	10,930,034	22.7%
Administration	997,568	1.6%	2,046,030	3.5%	1,279,907	2.4%	1,276,352	2.5%	1,090,593	2.3%
Pupil transportation	26,968	0.0%	0	0.0%	(2,182)	0.0%	2,182	0.0%	0	0.0%
Oper. & maint. of plant	9,050,000	14.4%	8,796,710	15.1%	6,829,958	12.7%	6,434,999	12.6%	6,001,082	12.5%
Non-instru. support	-	0.0%	-	0.0%	101,494	0.2%	65,277	0.1%	68,159	0.1%
Community services (in 06/07 this item was included in Instructional Support)	-	0.0%	-	0.0%	27,010	0.1%	91,298	0.2%	157,049	0.3%
Business/Central svcs	2,603,594	4.2%		0.0%	1,024,664	1.9%	908,743	1.8%	1,005,088	2.1%
Food services	19,495	0.0%	13,936	0.0%	0	0.0%	0	0.0%	0	0.0%
Athletics (in 06/07 this item was included in Instructional Support)	-	0.0%	-	0.0%	687,334	1.3%	687,165	1.3%	683,032	1.4%
Sub-Total Expenditures	62,668,028	100.0%	58,281,676	100.0%	53,742,851	100.0%	51,099,162	100.0%	48,061,580	100.0%
Debt service										
Capital outlay	35,969		27,105		0		0		0	
Non Operating	-		-		0		59,527		15,261	
Total Expenditures	62,703,997		58,308,781		53,742,851		51,158,689		48,076,841	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(677,355)		(92,737)		511,712		(728,153)		378,052	
OTHER FINANCING SOURCES (USES)										
Operating transfers in	160		-							
Operating transfers out	-		(37,728)		0		(205)		(17,301)	
TOTAL OTHER FINANCING SOURCES (USES)	160		(37,728)		0		(205)		(17,301)	
CHANGE IN FUND BALANCE:										
(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(677,195)		(130,465)		511,712		(728,358)		360,751	
FUND BALANCE AT BEGINNING OF YEAR	834,801		965,266		453,554		1,181,912		821,163	
Prior period adjustment										
FUND BALANCE END OF YEAR	\$ 157,606		\$ 834,801		965,266		453,554		1,181,914	

**LOS LUNAS SCHOOLS
FINANCIAL TREND DATA**

INFORMATION ABOUT CHANGES IN FUND BALANCE - GENERAL FUND ONLY - 10 YEARS

General Fund Only	2003	% of	2002	% of	2001	% of	2000	% of	1999	% of
	GAAP	Total	GAAP	Total	GAAP	Total	GAAP	Total	GAAP	Total
REVENUES:										
Local and county sources	139,273		159,003		328,067		395,019		397,021	
State sources	45,896,762		46,251,597		41,604,364		38,054,716		36,228,857	
Federal sources	311,507		365,367		163,465		198,732		165,320	
Miscellaneous										
Interest	51,377		50,607							
Total Revenues	46,398,919		46,826,574		42,095,896		38,648,467		36,791,198	
EXPENDITURES:										
Instruction	26,555,869	56.2%	26,215,745	57.0%	23,485,380	57.1%	22,648,944	57.9%	21,369,804	57.7%
Instructional support	11,349,737	24.0%	10,654,240	23.1%	9,529,397	23.2%	8,755,110	22.4%	8,550,905	23.1%
Administration	1,465,019	3.1%	1,268,606	2.8%	1,103,452	2.7%	1,211,178	3.1%	1,081,134	2.9%
Pupil transportation		0.0%		0.0%		0.0%		0.0%		0.0%
Oper. & maint. of plant	5,948,520	12.6%	5,863,775	12.7%	5,422,290	13.2%	4,784,716	12.2%	4,677,973	12.6%
Non-instru. support	62,527	0.1%	68,597	0.1%	64,710	0.2%	71,277	0.2%	65,533	0.2%
Community services (in 06/07 this item was included in Instructional Support)	220,055	0.5%	211,803	0.5%	156,413	0.4%	225,040	0.6%	126,916	0.3%
Business/Central svcs	1,057,273	2.2%	957,859	2.1%	870,896	2.1%	1,040,860	2.7%	820,209	2.2%
Food services	0	0.0%	202,645	0.4%		0.0%		0.0%		0.0%
Athletics (in 06/07 this item was included in Instructional Support)	622,455	1.3%	586,769	1.3%	466,360	1.1%	356,130	0.9%	327,527	0.9%
Sub-Total Expenditures	47,281,455	100.0%	46,030,039	100.0%	41,098,898	100.0%	39,093,255	100.0%	37,020,001	100.0%
Debt service										
Capital outlay	52,245		73,609		93,559		192,168		511,939	
Non Operating										
Total Expenditures	47,333,700		46,103,648		41,192,457		39,285,423		37,531,940	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(934,781)		722,926		903,439		(636,956)		(740,742)	
OTHER FINANCING SOURCES (USES)										
Operating transfers in							1,837		11,338	
Operating transfers out							(3,835)		(10,637)	
TOTAL OTHER FINANCING SOURCES (USES)	0		0		0		(1,998)		701	
CHANGE IN FUND BALANCE: EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(934,781)		722,926		903,439		(638,954)		(740,041)	
FUND BALANCE AT BEGINNING OF YEAR	1,755,944		1,033,018		129,579		768,533		1,645,897	
Prior period adjustment									(137,323)	
FUND BALANCE END OF YEAR	821,163		1,755,944		1,033,018		129,579		768,533	

**LOS LUNAS SCHOOLS
 INFORMATION ON REVENUE CAPACITY
 INFORMATION ABOUT REVENUE BASE - 10 YEARS**

Analysis of Assessed Valuation

Los Lunas School

	2007	2006 ¹	2005	2004	2003	2002	2001	2000	1999	1998	1997
Assessments											
Value of Land	\$ 229,240,485	\$ -	\$ 197,157,438	\$ 180,877,831	\$ 192,707,019	\$ 161,720,419	\$ 160,275,165	\$ 155,933,680	\$ 152,080,095	\$ 116,786,081	\$ 115,140,334
Improvements	384,421,289	-	292,352,438	268,503,603	260,847,233	233,199,246	223,686,786	197,485,420	184,731,502	160,197,706	147,798,762
Personal Property	11,232,291	-	10,093,509	11,961,485	9,319,618	8,003,408	6,688,998	7,852,743	6,047,214	3,344,469	2,969,039
Mobile Homes	10,288,096	-	11,065,724	11,418,669	14,395,972	15,195,877	15,469,783	18,242,320	18,763,429	18,344,948	17,436,805
Livestock	2,115,011	-	1,550,089	1,356,544	1,446,589	1,445,634	1,450,171	999,378	1,154,154	1,155,989	1,062,335
Assessor's Total Taxable Value	\$ 637,297,172	\$ -	\$ 512,219,198	\$ 474,118,132	\$ 478,716,431	\$ 419,564,584	\$ 407,570,903	\$ 380,513,541	\$ 362,776,394	\$ 299,829,193	\$ 284,407,275
Less Exemptions											
Head of Family	\$ 10,760,967	\$ -	\$ 10,581,387	\$ 10,471,189	\$ 10,514,295	\$ 10,205,683	\$ 10,040,374	\$ 9,846,387	\$ 9,266,592	\$ 8,804,964	\$ 8,237,944
Veterans	7,352,183	-	6,174,239	4,737,701	4,111,697	3,351,308	3,352,300	3,367,140	3,289,192	3,203,456	3,097,897
Exemption Waiver	7,283,720	-	-	-	-	-	-	-	-	-	-
Other	38,892,204	-	33,572,545	31,954,065	29,819,870	17,679,470	18,490,669	12,471,417	11,251,470	10,899,318	10,283,862
Total	\$ 64,289,074	\$ -	\$ 50,328,171	\$ 47,162,955	\$ 44,445,862	\$ 31,236,461	\$ 31,883,343	\$ 25,684,944	\$ 23,807,254	\$ 22,907,738	\$ 21,619,703
Assessors Net Taxable Value	\$ 573,008,098	\$ -	\$ 456,923,173	\$ 426,955,177	\$ 434,270,569	\$ 388,328,123	\$ 375,687,560	\$ 354,828,597	\$ 338,969,140	\$ 276,931,455	\$ 262,787,572
Centrally Assessed	29,722,655	-	22,958,103	20,915,893	23,357,706	24,620,197	24,345,550	23,197,254	21,290,428	18,590,624	18,297,320
Total Assessed Valuation	\$ 602,730,753	\$ -	\$ 479,881,276	\$ 447,871,070	\$ 457,628,275	\$ 412,948,320	\$ 400,033,110	\$ 378,025,851	\$ 360,259,568	\$ 295,522,079	\$ 281,084,892
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Residential	\$ 448,866,988	\$ 386,880,216	\$ 351,977,955	\$ 329,663,802	\$ 327,796,100	\$ 302,170,337	\$ 294,719,437	\$ 276,135,282	\$ 263,042,317	\$ 210,206,875	\$ 195,024,159
Non-Residential	153,863,765	137,699,300	127,903,321	118,207,268	128,353,385	110,777,983	105,311,673	101,890,569	97,217,251	85,305,204	86,061,233
Total	\$ 602,730,753	\$ 524,579,516	\$ 479,881,276	\$ 447,871,070	\$ 456,149,485	\$ 412,948,320	\$ 400,031,110	\$ 378,025,851	\$ 360,259,568	\$ 295,512,079	\$ 281,085,392

Note: ¹ This information was not available for this fiscal year.

**LOS LUNAS SCHOOLS
INFORMATION ON REVENUE CAPACITY
INFORMATION ABOUT ASSESSED VALUATION 10 YEARS**

HISTORY OF ASSESSED VALUATION BY ENTITY

The following is a ten-year history of assessed valuation for the District compared with the Village of Los Lunas, Village of Bosque Farms and Valencia County.

Tax Year	Los Lunas Schools	Village of Los Lunas	Village of Bosque Farms	Valencia County
2007	\$ 602,730,753	\$ 245,760,241	\$ 68,397,678	\$ 978,386,196
2006	524,579,516	201,369,809	59,215,364	875,594,467
2005	479,069,182	171,978,871	56,072,358	820,258,813
2004	447,871,070	152,426,740	52,674,105	771,579,462
2003	456,149,485	133,396,497	50,734,673	704,372,495
2002	412,948,320	125,196,387	49,795,929	687,197,444
2001	400,031,110	119,751,965	48,873,409	678,216,414
2000	378,025,851	93,410,207	49,671,506	601,120,398
1999	360,259,568	92,096,253	39,926,755	568,808,478
1998	295,512,079	83,585,165	38,825,771	539,539,467

**LOS LUNAS SCHOOLS
 INFORMATION ON REVENUE CAPACITY
 INFORMATION ABOUT REVENUE RATES - 10 YEARS**

Article IX, Section 11 of the New Mexico Constitution limits the powers of a District to incur general obligation debt extending beyond the fiscal year. The District can incur such debt for “the purpose of erecting, remodeling, making additions to and furnishing school buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public school classrooms or any combination of these purposes” but only after the proposition to create any such debt has been submitted to a vote of the qualified electors of the District, and a majority of those voting on the question vote in favor of creating the debt. The total indebtedness of the District may not exceed six percent of the assessed valuation of the taxable property within the District as shown by the last preceding general assessment. The District also may create a debt by entering into a lease-purchase arrangement to acquire education technology equipment without submitting the proposition to a vote of the qualified electors of the District, but any such debt is subject to the 6% debt limitation. An issuance of refunding bonds does not have to be submitted to a vote of the qualified electors of the District.

	TY 2007	TY 2006	TY 2005	TY 2004	TY 2003	TY 2002	TY 2001	TY 2000	TY 1999	TY 1998
State of New Mexico	1.221	1.291	1.234	1.028	1.520	1.123	1.765	1.529	1.482	1.438
Valencia County	7.583	7.786	6.991	7.037	5.849	6.032	5.953	5.868	5.856	6.180
Village of Los Lunas	7.023	7.313	7.239	7.420	7.206	6.805	6.724	6.583	6.738	6.026
Los Lunas Schools	13.355	13.333	13.293	13.319	13.314	13.337	12.975	13.012	13.013	13.206
Valencia Branch CC	2.764	1.290	2.124	2.134	2.102	2.132	2.121	2.107	2.105	2.146
VC County Hospital	2.750	0.000	0.000	0.000	0.000	N/A	N/A	N/A	N/A	N/A

The following table shows the historical school tax levies on residential property within the District for the past ten years. The Two Mill Levy is renewed every six years, most recently in February 2003. The HB33 levy is renewed every 5 years, most recently in February 2002.

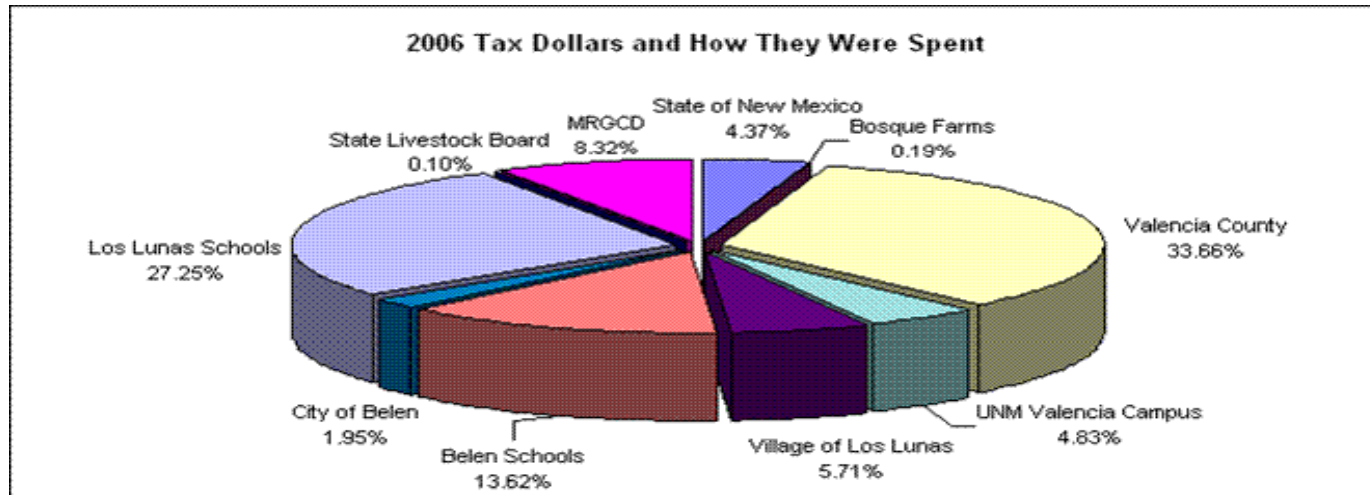
LOS LUNAS SCHOOLS	Operational Residential	SB9 Residential	HB33 Residential	Debt Service	Total Residential
TY 2007	0.184	2.000	3.000	8.171	13.355
TY 2006	0.175	2.000	3.000	8.158	13.333
TY 2005	0.171	1.982	2.974	8.166	13.293
TY 2004	0.173	2.000	3.000	8.146	13.319
TY 2003	0.167	2.000	3.000	8.147	13.314
TY 2002	0.165	2.000	3.000	8.172	13.337
TY 2001	0.162	1.985	2.650	8.178	12.975
TY 2000	0.163	1.996	2.664	8.189	13.012
TY 1999	0.163	2.000	2.670	8.180	13.013
TY 1998	0.183	1.832	3.000	8.191	13.206
TY 1997	0.184	1.840	3.000	8.246	13.270
TY 1996	0.200	2.000	0.000	8.219	10.419

LOS LUNAS SCHOOLS
INFORMATION ON REVENUE CAPACITY
INFORMATION ABOUT PRINCIPAL REVENUE PAYERS

The following is a list of the ten largest taxpayers in the District in 2007 and in 1995, along with the Assessed Valuation for each. Property taxes are current for these taxpayers. This table is useful in assessing the concentration risk of the tax base. In 2005, the largest taxpayers' assessed valuation is 5.54% of the total assessed valuation.

Taxpayer	Business	2007 Valuation	% of Valuation
Public Service Co. of New Mexico	Electric Utility	8,158,722	1.25%
BNSF Railroad	Railroad	8,252,063	1.27%
QWEST	Telecommunications	4,273,406	0.66%
Wal-Mart Stores East	Retail	3,152,430	0.48%
CHEP USA	Real Estate	3,139,352	0.48%
Sam's East	Retail	2,004,946	0.31%
Public Service Co. of New Mexico	Gas Utility	1,701,299	0.26%
Transwestern	Pipeline	1,745,320	0.27%
Home Depot	Retail	1,594,103	0.24%
El Paso Natural Gas	Gas Utility	1,674,652	0.32%
Total		35,696,293	5.54%

Taxpayer	Business	1995 Valuation	1995 % of Valuation
Public Service Co. of New Mexico	Electric Utility	\$ 4,461,637	1.99%
US West Communications	Telephone Utility	4,031,593	1.80%
AT & SF Railway	Railroad	3,911,604	1.75%
AT & T Communications	Telephone Utility	1,477,719	0.66%
Gas Company of New Mexico	Gas Utility	1,117,614	0.50%
El Paso Natural Gas	Gas Utility	1,039,014	0.46%
Albertsons	Grocery Store	853,659	0.38%
Gary Hawkins	Shopping Mall/Restau	813,700	0.36%
Smiths	Grocery Store	732,888	0.33%
Transwestern Pipeline	Pipeline	407,735	0.18%
Total		\$ 18,847,163	8.41%



Source: Valencia County Treasurer's Office - 2007 information not available at the time of publication of this report (December 19,2008).

DISTRIBUTION		
State of New Mexico	\$1,084,632.00	4.37%
Bosque Farms	\$46,772.72	0.19%
Valencia County	\$8,346,606.18	33.66%
UNM Valencia Campus	\$1,197,324.86	4.83%
Village of Los Lunas	\$1,415,376.57	5.71%
Belen Schools	\$3,377,724.32	13.62%
City of Belen	\$483,744.50	1.95%
Los Lunas Schools	\$6,758,143.64	27.25%
State Livestock Board	\$24,326.79	0.10%
MRGCD	\$2,061,731.74	8.32%
Total Taxes	\$24,796,383.32	100.00%
TOTAL DISTRIBUTION	\$25,141,349.07	
LESS		
STATE COST	(\$105,700.00)	
STATE P&I	(\$239,265.75)	
TAXES DISTRIBUTED	\$24,796,383.32	

LOS LUNAS SCHOOLS
INFORMATION ON REVENUE CAPACITY
INFORMATION ABOUT TAX LEVIES AND COLLECTIONS - 10 YEARS

Property Tax Collections for Valencia County

Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections ⁽¹⁾	Current Collections as a % of Net Levied	Current/Delinquent Tax Collections ⁽²⁾	Current/Delinquent Collections as a % of Net Levied
2007	2007/08	\$ 31,891,815	\$ 28,089,176	88.08%	\$ 28,089,176	88.08%
2006	06/07	25,232,648	21,918,098	86.86%	21,918,098	86.86%
2005	05/06	\$24,089,625	\$21,061,712	87.43%	\$21,061,712	87.43%
2004	04/05	\$22,776,294	20,716,718	90.96%	21,523,422	94.50%
2003	03/04	21,866,810	19,545,851	89.39%	21,004,663	96.06%
2002	02/03	20,131,884	17,161,969	85.25%	19,566,172	97.19%
2001	01/02	19,723,466	16,663,383	84.49%	19,280,774	97.76%
2000	00/01	18,774,797	16,480,964	87.78%	18,118,390	96.50%
1999	99/00	18,639,245	15,712,816	84.30%	17,472,712	93.74%

(1) Current collections through June 30 of each tax year

(2) As of June 2008

Source: Valencia County Treasurer's Office

Property Tax Collections for Los Lunas Schools

Tax Year	Oper.	SB9	HB33	Debt Service	Total
2007	\$ 118,762	\$ 1,017,482	\$ 1,525,688	\$ 4,152,134	\$ 6,814,066
2006	112,171	961,715	1,440,711	3,941,936	6,456,533
2005	84,088	901,904	1,348,598	3,670,520	6,005,110
2004	74,739	869,702	1,291,810	3,554,439	5,790,690
2003	72,086	826,932	1,227,188	3,375,778	5,501,984
2002	65,394	763,767	1,034,264	3,148,747	5,012,172
2001	61,404	721,311	990,026	2,962,813	4,735,554
2000	59,263	689,830	947,342	2,839,311	4,535,746
1999	64,022	532,361	817,470	2,318,508	3,732,361

Source: Final Reports to New Mexico Public Education Department

**LOS LUNAS SCHOOLS
DEBT INFORMATION**

Official Statement Dated	Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
August 26, 2008	5.89%	\$ 958.75
October 19, 2007	5.36%	\$ 808.18
August 10, 2006	5.88%	\$ 771.55
October 3, 2005	5.90%	\$ 706.99
November 2, 2004	5.92%	\$ 662.71
September 24, 2003	5.85%	\$ 666.70
December 15, 2002	6.00%	\$ 620.23
October 15, 2001	5.95%	\$ 595.75
April 15, 2001	5.99%	\$ 566.07
September 15, 2000	5.63%	\$ 607.74
October 12, 1999	5.72%	\$ 561.32
Source: Official Statements		

BANK DEPOSIT BALANCES FOR LAST 10 YEARS		
June 30 2008	\$	10,366,642
June 30 2007	\$	9,601,434
June 30, 2006	\$	10,210,362
June 30, 2005	\$	9,847,125
June 30, 2004	\$	7,993,973
June 30, 2003	\$	8,690,162
June 30, 2002	\$	7,569,048
June 30, 2001	\$	8,939,542
June 30, 2000	\$	8,471,123
June 30, 1999	\$	4,087,408
June 30, 1998	\$	6,888,025
Source: Schedule of Cash Accounts, previous audited Financial Statements		

Fiscal Year Ending	Debt Service Expenditures	Total General Expenditures	Ratio
June 30, 2008	\$ 7,603,846	\$ 103,883,263	7.32%
June 30, 2007 ¹	\$ 3,952,320	\$ 93,995,800	4.20%
June 30, 2006	\$ 6,200,614	\$ 84,558,018	7.33%
**June 30, 2005	\$ 11,779,332	\$ 86,718,047	13.58%
June 30, 2004	\$ 5,232,166	\$ 74,842,654	6.99%
June 30, 2003	\$ 5,058,255	\$ 76,347,148	6.63%
June 30, 2002	\$ 2,887,339	\$ 72,028,003	4.01%
June 30, 2001	\$ 3,122,695	\$ 65,727,785	4.75%
June 30, 2000	\$ 2,422,888	\$ 56,085,681	4.32%
June 30, 1999	\$ 2,391,980	\$ 53,870,029	4.44%
June 30, 1998	\$ 2,116,529	\$ 49,218,771	4.30%
Source: Audited Financial Statements (GAAP) **Debt Service Expenditures include Refunding in 2005			

¹ Corrected - June 30, 2006 Annual Financial Report

LOS LUNAS SCHOOLS DEBT INFORMATION

Debt and Other Financial Obligations

Article IX, Section 11 of the New Mexico Constitution limits the powers of a District to incur general obligation debt extending beyond the fiscal year. The District can incur such debt for “the purpose of erecting, remodeling, making additions to and furnishing school buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public school classrooms or any combination of these purposes” but only after the proposition to create any such debt has been submitted to a vote of the qualified electors of the District, and a majority of those voting on the question vote in favor of creating the debt. The total indebtedness of the District may not exceed six percent of the assessed valuation of the taxable property within the District as shown by the last preceding general assessment. The District also may create a debt by entering into a lease-purchase arrangement to acquire education technology equipment without submitting the proposition to a vote of the qualified electors of the District, but any such debt is subject to the 6% debt limitation. An issuance of refunding bonds does not have to be submitted to a vote of the qualified electors of the District.

The preliminary valuation of taxable property within the District is \$651,366,022 for tax year 2008. Therefore, the maximum general obligation debt may not exceed \$38,990,000.

After all Bonds are issued, the ratio of total outstanding general obligation debt of the District to the 2006 Preliminary Assessed Valuation will be no greater than 6.0% as summarized:

2008 Preliminary Assessed Valuation	\$	651,366,022
2008 Estimated Actual Valuation (1)	\$	2,146,965,288
Bonded Debt (Including October 19, 2007 Issue)	\$	35,931,576
Less Debt Service Fund Balance (06/30/07) (2)	\$	3,916,686
NET DEBT	\$	32,014,890
Ratio of Estimated Net Debt to 2008 Preliminary Assessed Valuation:		5.52%
Ratio of Estimated Net Debt to 2008 Estimated Actual Valuation:		1.49%
Per Capita Net Bonded Debt:	\$	958.75
Estimated Population:		42,000

(1) Actual valuation is computed by adding the 2007 exemptions to the 2008 assessed valuation and multiplying the result by three.

(2) The cash balance as of June 30, 2008 was \$4,657,177. The amount properly attributable to principal reduction is 84.1%.

**LOS LUNAS SCHOOLS
DEBT INFORMATION**

Statement of Estimated Direct and Overlapping Debt

The following is a calculation which is useful to investors in assessing the debt load and per capita debt of the District payable from property taxes. In addition to the outstanding debt of the District, the calculation takes into account debt attributable to other taxing entities that are the responsibility of taxpayers within the boundaries of the District. Revenue bonded debt of these entities are included in the notes to this table. Revenue bonds are not payable from property taxes.

Taxing Entity	2008 Assessed Valuation	G/O Debt Outstanding	Percent Applicable	Amount
State of New Mexico	\$ 47,301,760,060	\$ 309,865,000	1.38%	\$ 4,266,977
Valencia County	978,386,196		66.58%	-
Village of Los Lunas	245,760,241		100.00%	-
Village of Bosque Farms	68,397,678		100.00%	-
Valencia Branch C.C.	1,010,480,259	7,465,000	64.46%	4,812,016
Los Lunas Schools	651,366,022	38,990,000	100.00%	38,990,000
Total Direct & Overlapping Debt				\$ 48,068,993

Ratio of Estimated Direct & Overlapping Debt to 2006 Preliminary Assessed Valuation: 7.38%
Ratio of Estimated Direct & Overlapping Debt to 2006 Actual Valuation: 2.24%
Per Capita Direct & Overlapping Debt: \$ 1,201.72

Source: OfficialStatements

LOS LUNAS SCHOOLS DEMOGRAPHIC INFORMATION

Population

Based on information obtained from the Bureau of Business & Economic Research, the following table shows the population data for the Village of Los Lunas, Village of Bosque Farms, Valencia County and the State of New Mexico.

YEAR	VILLAGE OF LOS LUNAS	VILLAGE OF BOSQUE FARMS	COUNTY OF VALENCIA	STATE OF NEW MEXICO
***1970	973	1,699	40,576	1,017,055
***1980 (1)	4,097	3,353	30,769	1,303,143
***1990	6,013	3,821	45,235	1,515,069
***2000	10,074	3,945	66,699	1,826,280
*2001	10,459	3,914	66,817	1,829,110
*2002	10,883	3,920	67,578	1,855,059
*2003	11,265	3,898	67,839	1,874,614
** 2004	11,748	3,887	68,698	1,903,289
***2005	11,338	3,969	76,512	1,970,982
**** 2007	N/A	N/A	71,540	1,969,915
2010 (2)	N/A	N/A	86,708	2,112,986

* Official Statement Dated November 1, 2004

** Official Statement Dated October 3, 2005

*** Official Statement Dated August 10, 2006

(1) Cibola County was organized from part of Valencia County.

(2) Projected

**** UNM Bureau of Business and Economic Research

The following table sets forth a comparative age distribution profile for Valencia County, New Mexico and the United States as of January 1, 2005

Percent of Population - January 1, 2008

Age	Valencia County	New Mexico	United States
0-17	26.2%	25.7%	24.4%
18-24	10.0%	10.1%	9.8%
25-34	13.1%	13.1%	13.4%
35-49	21.4%	20.2%	21.7%
50 and Older	29.3%	30.9%	30.7%

Source: Sales & Marketing Management, "Survey of Buying Power", August 2008

**LOS LUNAS SCHOOLS
DEMOGRAPHIC INFORMATION**

Income

The following two tables reflect median household Effective Buying Income ("EBI") and the percent of households by EBI groups as reported in Sales and Marketing Management's annual surveys of buying power. EBI, a classification developed by Sales and Marketing Management Magazine, is personal income less personal tax and non tax payments. Personal income includes wages and salaries, other labor income, proprietors' income, rental income, dividends, personal interest income and transfer payments. Deductions are made for federal, state and local taxes, non-tax payments such as fines and penalties, and personal contributions for social security insurance. During the period shown in the following chart, the median household EBI level for the County compares favorably with the State but has consistently been lower than the national level.

Median Household Effective Buying Income

Year	Valencia County	New Mexico	United States
2008	\$38,053	N/A¹	\$41,792
2004	\$33,535	\$34,203	\$39,324
2003	\$32,638	\$32,737	\$38,201
2002	32,217	32,291	38,035
2001	32,330	32,083	38,365
2000	31,436	30,322	39,129
1999	30,857	29,992	37,233
1998	29,548	28,795	35,377
1997	28,702	27,744	34,618
1996	27,774	27,503	33,482
1995	26,483	26,499	32,238

Percent of Household by Effective Buying Groups - January 1, 2008

Effective Buying Income Group	Valencia County	New Mexico	United States
Under - 19,999	24.4%	26.0%	21.5%
\$20,000 - \$34,999	28.2%	25.2%	22.5%
\$35,000 - \$49,999	21.7%	19.8%	19.3%
\$50,000 and Over	25.7%	29.0%	36.7%

¹ Not Available

Source for both Charts: Sales & Marketing Management, "Survey of Buying Power", August 2008

**LOS LUNAS SCHOOLS
DEMOGRAPHIC INFORMATION**

Income - Continued

The following table sets forth annual per capita personal income levels for the County, the State and the United States. The County's and the State's per capita income level over this period consistently has been lower than the national average.

Year	Valencia County	New Mexico	United States
2007	N/A	\$30,604	\$38,564
2006	N/A	\$29,725	\$38,629
2005	N/A	\$27,644	\$34,586
2004	\$22,968	\$26,191	\$32,937
2003	\$21,756	\$25,541	\$31,632
2002	\$20,598	\$23,941	\$30,941
2001	\$20,123	\$23,155	\$30,472
2000	\$19,476	\$21,837	\$29,770
1999	\$18,172	\$20,891	\$27,880
1998	\$17,999	\$20,551	\$26,893
1997	\$17,207	\$19,641	\$25,412
1996	\$16,334	\$18,964	\$24,270
1995	\$15,881	\$18,435	\$23,255

Source: Bureau of Economic Analysis, U.S. Department of Commerce

Major employers in Valencia County include:

EMPLOYERS	Business	# of Employees	% of Labor Force
Isleta Casino	Resort	1,200	8.57%
Los Lunas Schools	Education	1,359	9.72%
Belen Public Schools	Education	740	5.28%
Wal-mart Distribution Center	Grocery Distribution	650	4.64%
Wal-mart	Retail	450	3.21%
State Correction Institution	Prison	425	3.03%
Home Depot	Retail	225	1.61%
Valencia County	Government	190	1.36%
Village Of Los Lunas	Government	172	1.23%
UNM- Valencia Campus	Education	100	0.71%
Total		5,511	39.36%

Source: Los Lunas Chamber of Commerce and individual employers

**LOS LUNAS SCHOOLS
DEMOGRAPHIC INFORMATION
ENROLLMENT INFORMATION**

ENROLLMENT

The district's 40 day membership history for the last 10 years is presented below:

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99
E.C.E.	777	888	769	759	746	755	741	741	752	752
Grade 1	667	666	660	640	656	633	619	593	688	688
Grade 2	652	683	649	646	637	612	606	667	695	695
Grade 3	669	676	656	663	605	596	678	665	693	693
Grade 4	658	677	650	633	616	668	682	706	739	739
Grade 5	683	674	632	627	680	678	726	733	679	679
Grade 6	661	668	627	688	685	719	734	707	699	699
Grade 7	682	657	706	737	748	720	729	711	712	712
Grade 8	651	689	733	721	733	703	682	686	670	670
Grade 9	731	740	843	829	837	781	664	696	927	927
Grade 10	724	660	778	702	685	658	679	638	683	683
Grade 11	647	503	556	547	528	523	536	592	459	459
Grade 12	446	406	421	421	434	375	452	435	290	290
Total	8,648	8,587	8,680	8,613	8,590	8,421	8,528	8,570	8,686	8,686

Note: 1999-2000 school year was the first year for the new prior year funding formula.

AVERAGE TEACHER SALARIES

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99
DISTRICT	\$ 44,108	\$ 41,707	\$ 39,701	\$ 38,014	\$ 36,946	\$ 35,544	\$ 35,323	\$ 32,462	\$ 31,281	\$ 30,139