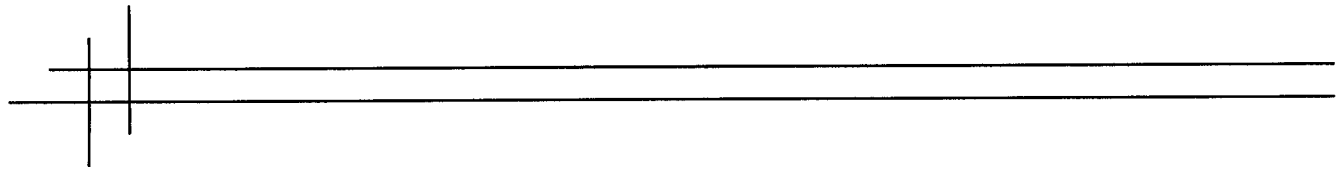




STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2007

De'Aun Willoughby CPA, PC
Certified Public Accountant
Melrose, New Mexico



STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
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PENASCO INDEPENDENT SCHOOLS
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STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Official Roster
June 30, 2007

BOARD OF EDUCATION

Michael Romero	President
Roland Rodriguez	Vice-President
Benny Vigil	Secretary
Audrey Medina-Dominguez	Member
Norman Esquibel	Member
Juliet Garcia-Gonzales	Member
Mary T. Mascarenas	Member

SCHOOL OFFICIALS

Dorothy Sanchez	Superintendent
Cecilia Romero-Torres	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(505) 253-4313

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Penasco Independent Schools

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of PENASCO INDEPENDENT SCHOOLS, (District), as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the District'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 with standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above, present fairly in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2007, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2007, and the respective changes in financial position, and the respective budgetary comparisons for the major capital project funds 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 October 17, 2008, on our consideration of the District'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 *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The District has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements and the combining and individual financial statements and budgetary comparisons presented as supplemental information.

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

De'Ann Willoughby CPA PC

October 17, 2008

FINANCIAL SECTION

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Statement of Net Assets
June 30, 2007

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,623,015
Taxes Receivable (net)	32,316
Due from Grantor	188,017
Inventory	8,743
Total Current Assets	<u>1,852,091</u>
Noncurrent Assets	
Capital Assets	19,074,715
Less: Accumulated Depreciation	<u>(8,352,141)</u>
Total Noncurrent Assets	<u>10,722,574</u>
Total Assets	<u>12,574,665</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	33,438
Accrued Interest	4,158
Deferred Revenue	7,874
Current Portion of Long-Term Debt	115,000
Total Current Liabilities	<u>160,470</u>
Noncurrent Liabilities	
Bonds and Notes	243,679
Compensated Absences	48,410
Total Noncurrent Liabilities	<u>292,089</u>
Total Liabilities	<u>452,559</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	10,363,895
Restricted for:	
Capital Projects	738,524
Debt Service	30,026
Unrestricted	989,661
Total Net Assets	<u>\$ 12,122,106</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Statement of Activities
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 3,562,731	\$ 100,297	\$ 476,800	\$ 0	\$ (2,985,634)
Support Services-Students	771,869	0	109,604	0	(662,265)
Support Services-Instruction	118,841	0	28,081	0	(90,760)
General Administration	358,303	0	31,539	0	(326,764)
School Administration	249,994	0	2,152	0	(247,842)
Central Services	262,741	0	2,310	0	(260,431)
Operation of Plant	1,059,042	0	37	0	(1,059,005)
Student Transportation	403,556	0	332,758	0	(70,798)
Food Services Operations	296,842	13,091	265,246	0	(18,505)
Community Service	18,864	0	7,715	0	(11,149)
Interest on Long-Term Obligations	31,741	0	0	0	(31,741)
Total Governmental Activities	\$ 7,134,524	\$ 113,388	\$ 1,256,242	\$ 0	\$ (5,764,894)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes				\$	6,572
Property Taxes, Levied for Capital Projects					81,563
Property Taxes, Levied for Debt Service					120,313
Federal and State aid not restricted to specific purpose					5,351,121
General					48,739
Interest and investment earnings					72,337
Miscellaneous					835,720
Bond Proceeds					<u>6,516,365</u>
Subtotal, General Revenues					
Change in Net Assets					<u>751,471</u>
Net Assets - Beginning					11,369,135
Restatement					1,500
Restated Beginning Net Assets					<u>11,370,635</u>
Net Assets - ending				\$	<u><u>12,122,106</u></u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2007

	General Fund		
	Operational 11000	Transportation 13000	Instructional Material 14000
ASSETS			
Cash and Cash Equivalents	\$ 527,053	\$ 919	\$ 40,041
Receivables			
Interfund Balances	188,017	0	0
Taxes	863	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	\$ 715,933	\$ 919	\$ 40,041
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 0	\$ 0	\$ 0
Accounts Payable	28,191	0	0
Deferred Revenue	619	0	0
Total Liabilities	28,810	0	0
Fund Balances			
Reserved for:			
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	687,123	919	40,041
Special Revenue Funds	0	0	0
Total Fund Balances	687,123	919	40,041
Total Liabilities and Fund Balances	\$ 715,933	\$ 919	\$ 40,041

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2007

	Title I IASA 24101	English Language Acquisition 24153	Bond Building 31100
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 471,715
Receivables			
Interfund Balances	0	0	0
Taxes	0	0	0
Due From Grantor	25,823	35,150	0
Inventory	0	0	0
Total Assets	\$ 25,823	\$ 35,150	\$ 471,715
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 25,823	\$ 35,150	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	25,823	35,150	0
Fund Balances			
Reserved for:			
Capital Improvements	0	0	471,715
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	0	0	0
Special Revenue Funds	0	0	0
Total Fund Balances	0	0	471,715
Total Liabilities and Fund Balances	\$ 25,823	\$ 35,150	\$ 471,715

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2007

	Special School Capital Outlay-State 31400	Capital Improvements SB-9 31700	Other Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 254,545	\$ 328,742
Receivables			
Interfund Balances	0	0	0
Taxes	0	8,557	22,896
Due From Grantor	33,643	0	93,401
Inventory	0	0	8,743
Total Assets	0 33,643 0	0 263,102 0	0 453,782
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balances	\$ 33,643	\$ 0	\$ 93,401
Accounts Payable	0	0	5,247
Deferred Revenue	0	4,696	26,694
Total Liabilities	33,643 0	4,696 0	125,342
Fund Balances			
Reserved for:			
Capital Improvements	0	258,406	8,403
Debt Service	0	0	30,026
Unreserved, Undesignated, reported in:			
General Fund	0	0	0
Special Revenue Funds	0	0	290,011
Total Fund Balances	0 0	0 258,406 0	0 328,440
Total Liabilities and Fund Balances	\$ 33,643 \$	\$ 263,102 \$	\$ 453,782

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2007

	Total Governmental Funds
	<u> </u>
ASSETS	
Cash and Cash Equivalents	\$ 1,623,015
Receivables	
Interfund Balances	188,017
Taxes	32,316
Due From Grantor	188,017
Inventory	8,743
Total Assets	\$ <u>2,040,108</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Interfund Balances	\$ 188,017
Accounts Payable	33,438
Deferred Revenue	32,009
Total Liabilities	<u>253,464</u>
Fund Balances	
Reserved for:	
Capital Improvements	738,524
Debt Service	30,026
Unreserved, Undesignated, reported in:	
General Fund	728,083
Special Revenue Funds	290,011
Total Fund Balances	<u>1,786,644</u>
Total Liabilities and Fund Balances	\$ <u>2,040,108</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2007

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

Total Fund Balance - Governmental Funds	\$	1,786,644
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$	19,074,715	
Accumulated depreciation is		<u>(8,352,141)</u>	10,722,574

Property taxes receivable will be collected after the period of availability, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.

24,135

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Bond payable	(380,000)	
Accrued interest on bonds	(4,158)	
Net Bond Issue Costs	21,321	
Compensated Absences	<u>(48,410)</u>	<u>(411,247)</u>

Total net assets - governmental activities	\$	<u><u>12,122,106</u></u>
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The notes to the financial statements are an integral part of this statement..

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2007

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
Revenues			
Property Taxes	\$ 6,461	\$ 0	\$ 0
Investment Income	45,473	0	0
Fees	1,431	0	0
Miscellaneous	111,592	0	0
Federal Grants	45,821	0	0
State & Local Grants	5,226,781	326,708	54,324
Total Revenues	5,437,559	326,708	54,324
Expenditures			
Current			
Instruction	2,661,444	0	61,309
Support Services-Students	675,272	0	0
Support Services-Instruction	70,067	0	0
Support Services-General Administration	306,451	0	0
Support Services-School Administration	247,842	0	0
Central Services	259,819	0	0
Operation & Maintenance of Plant	1,045,503	0	0
Student Transportation	11,325	385,961	0
Food Service	0	0	0
Community Services	0	0	0
Capital Outlay	71,056	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	5,348,779	385,961	61,309
Excess (Deficiency) of Revenues Over Expenditures	88,780	(59,253)	(6,985)
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Sources (Uses)	0	0	0
Net Change in Fund Balance	88,780	(59,253)	(6,985)
Fund Balances at Beginning of Year	598,343	60,172	47,026
Restatement	0	0	0
Restated Beginning Fund Balance	598,343	60,172	47,026
Fund Balance End of Year	\$ 687,123	\$ 919	\$ 40,041

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2007

	Title I IASA 24101	English language Acquisition 24153	Bond Building 31100
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	2,559
Fees	0	0	0
Miscellaneous	0	0	0
Federal Grants	203,850	24,041	0
State & Local Grants	0	0	0
Total Revenues	<u>203,850</u>	<u>24,041</u>	<u>2,559</u>
Expenditures			
Current			
Instruction	126,959	21,171	0
Support Services-Students	44,531	375	0
Support Services-Instruction	19,214	433	0
Support Services-General Administration	12,574	0	0
Support Services-School Administration	0	1,612	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Service	0	0	0
Community Services	572	450	0
Capital Outlay	0		739,223
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>203,850</u>	<u>24,041</u>	<u>739,223</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(736,664)</u>
Other Financing Sources (Uses)			
Bond Proceeds	<u>0</u>	<u>0</u>	<u>835,720</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>835,720</u>
Net Change in Fund Balance	<u>0</u>	<u>0</u>	<u>99,056</u>
Fund Balances at Beginning of Year	0	0	372,659
Restatement	0	0	0
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>372,659</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 471,715</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2007

	Special School Capital Outlay-State 31400	Capital Improvements SB-9 31700	Other Governmental Funds
Revenues			
Property Taxes	\$ 0	\$ 73,146	\$ 127,839
Investment Income	0	0	707
Fees	0	0	111,957
Miscellaneous	0	0	197
Federal Grants	0	0	550,536
State & Local Grants	39,067	0	96,783
Total Revenues	<u>39,067</u>	<u>73,146</u>	<u>888,019</u>
Expenditures			
Current			
Instruction	0	0	323,461
Support Services-Students	0	0	49,686
Support Services-Instruction	0	0	14,768
Support Services-General Administration	0	707	20,235
Support Services-School Administration	0	0	540
Central Services	0	0	2,310
Operation & Maintenance of Plant	0	0	37
Student Transportation	0	0	6,270
Food Service	0	0	290,958
Community Services	0	0	17,816
Capital Outlay	39,067	94,914	0
Debt Service			
Principal	0	0	105,000
Interest	0	0	26,012
Total Expenditures	<u>39,067</u>	<u>95,621</u>	<u>857,093</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(22,475)</u>	<u>30,926</u>
Other Financing Sources (Uses)			
Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>0</u>	<u>(22,475)</u>	<u>30,926</u>
Fund Balances at Beginning of Year	0	280,881	296,014
Restatement	0	0	1,500
Restated Beginning Fund Balance	<u>0</u>	<u>280,881</u>	<u>297,514</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 258,406</u>	<u>\$ 328,440</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2007

	Total Governmental Funds
Revenues	
Property Taxes	\$ 207,446
Investment Income	48,739
Fees	113,388
Miscellaneous	111,789
Federal Grants	824,248
State & Local Grants	5,743,663
Total Revenues	<u>7,049,273</u>
Expenditures	
Current	
Instruction	3,194,344
Support Services-Students	769,864
Support Services-Instruction	104,482
Support Services-General Administration	339,967
Support Services-School Administration	249,994
Central Services	262,129
Operation & Maintenance of Plant	1,045,540
Student Transportation	403,556
Food Service	290,958
Community Services	18,838
Capital Outlay	944,260
Debt Service	
Principal	105,000
Interest	26,012
Total Expenditures	<u>7,754,944</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(705,671)</u>
Other Financing Sources (Uses)	
Bond Proceeds	835,720
Total Other Sources (Uses)	<u>835,720</u>
Net Change in Fund Balance	<u>130,049</u>
Fund Balances at Beginning of Year	1,655,095
Restatement	1,500
Restated Beginning Fund Balance	<u>1,656,595</u>
Fund Balance End of Year	<u>\$ 1,786,644</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2007

Net Change in Fund Balance-Governmental Funds \$ 130,049

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities. 1,002

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 in the period.

Depreciation expense	\$	(405,831)	
Capital Outlays		<u>944,260</u>	538,429

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Principal paid for bonds	105,000
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Bond issue costs are amortized in the Statement of Activities but are netted with proceeds of bond issues in the year of issue on the Statement of Revenues, Expenditures and Changes in Fund Balances. This the amount of the amortized bond issue costs this year. (7,107)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,378

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (17,280)

Changes in Net Assets of Governmental Activities	<u>\$ 751,471</u>
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The notes to the financial statements are an integral part of this statement..

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
GENERAL FUND-11000

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Taxes	\$ 6,146	\$ 6,146	\$ 6,372	\$ 226
Investment Income	23,000	23,000	45,473	22,473
Fees	2,747	2,747	1,432	(1,315)
Other	8,300	8,300	73,850	65,550
Total Local Sources	<u>40,193</u>	<u>40,193</u>	<u>127,127</u>	<u>86,934</u>
Unrestricted-State Sources				
State Equalization Guarantee	5,215,889	5,215,889	5,226,781	10,892
Total Unrestricted-State Sources	<u>5,215,889</u>	<u>5,215,889</u>	<u>5,226,781</u>	<u>10,892</u>
Federal Sources				
Impact Aid	47,844	47,844	37,516	(10,328)
Forest Reserve	8,483	8,483	8,305	(178)
Federal Indirect	15,000	15,000	2,614	(12,386)
Access Board (erate)	0	0	36,837	36,837
Total Federal Sources	<u>71,327</u>	<u>71,327</u>	<u>85,272</u>	<u>13,945</u>
Total Revenues	<u>5,327,409</u>	<u>5,327,409</u>	<u>5,439,180</u>	<u>111,771</u>
Expenditures				
Instruction				
Personnel Services	2,083,839	2,095,517	1,960,852	134,665
Employee Benefits	606,328	607,328	596,974	10,354
Purchased Services	29,400	22,256	18,421	3,835
Supplies	127,739	121,899	83,574	38,325
Property	55,000	52,330	29,844	22,486
Total Instruction	<u>2,902,306</u>	<u>2,899,330</u>	<u>2,689,665</u>	<u>209,665</u>
Support Services-Students				
Personnel Services	311,123	316,380	314,275	2,105
Employee Benefits	82,083	79,226	79,221	5
Professional & Tech Services	239,040	269,253	269,253	0
Purchased Services	0	3,061	2,970	91
Supplies	37,845	23,526	9,552	13,974
Total Support Services-Students	<u>\$ 670,091</u>	<u>\$ 691,446</u>	<u>\$ 675,271</u>	<u>\$ 16,175</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
GENERAL FUND-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-Instruction				
Personnel Services	\$ 75,572	\$ 57,244	\$ 38,871	\$ 18,373
Employee Benefits	6,372	11,469	11,469	0
Purchased Property Services	7,000	21,909	19,075	2,834
Supplies	0	653	652	1
Total Support Services-Instruction	<u>88,944</u>	<u>91,275</u>	<u>70,067</u>	<u>21,208</u>
Support Services-General Administration				
Personnel Services	145,987	177,319	177,077	242
Employee Benefits	45,509	46,123	46,117	6
Professional & Tech Services	56,420	45,085	41,779	3,306
Purchased Property Services	3,000	3,000	2,000	1,000
Purchased Services	31,800	30,564	26,521	4,043
Supplies	30,346	9,731	7,841	1,890
Property	7,000	8,240	3,239	5,001
Total Support Services-General Administration	<u>320,062</u>	<u>320,062</u>	<u>304,574</u>	<u>15,488</u>
Support Services-School Administration				
Personnel Services	187,685	190,182	183,787	6,395
Employee Benefits	104,477	73,853	41,968	31,885
Professional & Tech Services	37,398	37,398	13,547	23,851
Purchased Property Services	20,000	0	0	0
Purchased Services	3,500	3,500	26	3,474
Supplies	34,000	24,070	8,558	15,512
Property	9,000	18,930	18,929	1
Total Support Services-School Administration	<u>396,060</u>	<u>347,933</u>	<u>266,815</u>	<u>81,118</u>
Central Services				
Personnel Services	203,302	188,727	181,903	6,824
Employee Benefits	38,825	52,464	52,464	0
Professional & Tech Services	10,000	15,936	15,936	0
Purchased Property Services	5,000	0	0	0
Purchased Services	2,000	1,313	1,114	199
Supplies	9,000	8,054	8,054	0
Property	5,000	6,633	6,633	0
Total Central Services	<u>\$ 273,127</u>	<u>\$ 273,127</u>	<u>\$ 266,104</u>	<u>\$ 7,023</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
GENERAL FUND-11000

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Operation & Maintenance of Plant				
Personnel Services	\$ 388,758	\$ 388,758	\$ 374,642	\$ 14,116
Employee Benefits	89,596	88,585	78,323	10,262
Professional & Tech Services	333,274	383,393	381,324	2,069
Purchased Property Services	134,216	139,371	139,370	1
Purchased Services	42,000	41,217	40,819	398
Supplies	20,000	17,624	17,624	0
Total Operation & Maintenance of Plant	<u>1,007,844</u>	<u>1,058,948</u>	<u>1,032,102</u>	<u>26,846</u>
Student Transportation				
Personnel Services	5,534	2,063	2,062	1
Employee Benefits	1,236	552	358	194
Purchased Property Services	5,000	7,440	7,190	250
Supplies	0	1,715	1,715	0
Total Student Transportation	<u>11,770</u>	<u>11,770</u>	<u>11,325</u>	<u>445</u>
Capital Outlay				
Building Improvements	129,288	129,288	15,649	113,639
Total Capital Outlay	<u>129,288</u>	<u>129,288</u>	<u>15,649</u>	<u>113,639</u>
Total Expenditures	<u>5,799,492</u>	<u>5,823,179</u>	<u>5,331,572</u>	<u>491,607</u>
Excess (Deficiency) of Revenues Over Expenditures	(472,083)	(495,770)	107,608	603,378
Cash Balance Beginning of Year	<u>607,462</u>	<u>607,462</u>	<u>607,462</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 135,379</u>	<u>\$ 111,692</u>	<u>\$ 715,070</u>	<u>\$ 603,378</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 107,608	
Net Change in Taxes Receivable			199	
Net Change in Accrued Interest			(1,710)	
Net Change in Accounts Payable			(18,255)	
Net Change in Accrued Payroll			1,049	
Net Change in Deferred Revenue			(111)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 88,780</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Restricted Grants-State Source				
Transportation Distribution	\$ 345,720	\$ 345,720	\$ 326,164	\$ (19,556)
Other	0	0	544	544
Total Restricted Grants-State Source	<u>345,720</u>	<u>345,720</u>	<u>326,708</u>	<u>(19,012)</u>
Total Revenues	<u>345,720</u>	<u>345,720</u>	<u>326,708</u>	<u>(19,012)</u>
Expenditures				
Student Transportation				
Personnel Services	87,411	90,051	90,051	0
Employee Benefits	68,323	58,450	58,448	2
Professional & Tech Services	15,646	0	0	0
Purchased Property Services	55,332	55,392	55,392	0
Other Purchased Services	111,004	109,836	109,836	0
Supplies	5,250	10,701	10,701	0
Property	2,754	61,830	61,533	297
Total Student Transportation	<u>345,720</u>	<u>386,260</u>	<u>385,961</u>	<u>299</u>
Total Expenditures	<u>345,720</u>	<u>386,260</u>	<u>385,961</u>	<u>299</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(40,540)	(59,253)	(18,713)
Cash Balance Beginning of Year	<u>60,172</u>	<u>60,172</u>	<u>60,172</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 60,172</u>	<u>\$ 19,632</u>	<u>\$ 919</u>	<u>\$ (18,713)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (59,253)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (59,253)</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Grant	\$ 51,056	\$ 51,056	\$ 54,324	\$ 3,268
Total Revenues	<u>51,056</u>	<u>51,056</u>	<u>54,324</u>	<u>3,268</u>
Expenditures				
Instruction				
Supplies	89,854	88,750	61,309	27,441
Total Instruction	<u>89,854</u>	<u>88,750</u>	<u>61,309</u>	<u>27,441</u>
Support Services-Instruction				
Supplies	8,026	8,026	0	8,026
Total Support Services-Instruction	<u>8,026</u>	<u>8,026</u>	<u>0</u>	<u>8,026</u>
Total Expenditures	<u>97,880</u>	<u>96,776</u>	<u>61,309</u>	<u>35,467</u>
Excess (Deficiency) of Revenues Over Expenditures	(46,824)	(45,720)	(6,985)	38,735
Cash Balance Beginning of Year	<u>47,026</u>	<u>47,026</u>	<u>47,026</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 202</u>	<u>\$ 1,306</u>	<u>\$ 40,041</u>	<u>\$ 38,735</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,985)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (6,985)</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 205,324	\$ 233,177	\$ 204,454	\$ (28,723)
Total Federal Sources	<u>205,324</u>	<u>233,177</u>	<u>204,454</u>	<u>(28,723)</u>
Total Revenues	<u>205,324</u>	<u>233,177</u>	<u>204,454</u>	<u>(28,723)</u>
Expenditures				
Instruction				
Personnel Services	94,100	99,798	95,323	4,475
Employee Benefits	31,173	32,712	30,647	2,065
Other Purchased Services	2,236	6,036	989	5,047
Supplies	0	1,224	0	1,224
Total Instruction	<u>127,509</u>	<u>139,770</u>	<u>126,959</u>	<u>12,811</u>
Support Services-Students				
Salaries	26,100	26,100	25,872	228
Employee Benefits	10,827	12,866	12,312	554
Purchased Services	6,000	8,325	5,320	3,005
Materials & Supplies	2,000	3,800	345	3,455
Travel & Training	0	1,000	681	319
Total Support Services-Students	<u>44,927</u>	<u>52,091</u>	<u>44,530</u>	<u>7,561</u>
Support Services-Instruction				
Personnel Services	0	14,988	14,987	1
Employee Benefits	0	4,732	4,727	5
Total Support Services-Instruction	<u>0</u>	<u>19,720</u>	<u>19,714</u>	<u>6</u>
Support Services-General Administration				
Professional & Tech Support	12,133	13,810	12,075	1,735
Total Support Services-General Administration	<u>12,133</u>	<u>13,810</u>	<u>12,075</u>	<u>1,735</u>
Support Services-School Administration				
Personnel Services	15,100	0	0	0
Employee Benefits	5,051	0	0	0
Total Support Services-School Administration	<u>\$ 20,151</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

Community Services				
Personnel Services	\$	0	\$	6,000
Employee Benefits		<u>0</u>		<u>1,182</u>
Total Community Services		<u>0</u>		<u>7,182</u>
Total Expenditures		<u>204,720</u>		<u>232,573</u>
Excess (Deficiency) of Revenues Over Expenditures		604		604
Cash Balance Beginning of Year		<u>(604)</u>		<u>(604)</u>
Cash Balance End of Year	\$	<u>0</u>	\$	<u>0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis	\$			604
Net Change in Due From Grantor				25,219
Net Change in Interfund Balances				<u>(25,823)</u>
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis	\$			<u>0</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-ENGLISH LANGUAGE ACQUISITION-24153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 28,101	\$ 44,522	\$ 0	\$ (44,522)
Total Federal Sources	<u>28,101</u>	<u>44,522</u>	<u>0</u>	<u>(44,522)</u>
Total Revenues	<u>28,101</u>	<u>44,522</u>	<u>0</u>	<u>(44,522)</u>
Expenditures				
Instruction				
Personnel Services	0	13,831	10,852	2,979
Employee Benefits	0	2,007	1,797	210
Other Purchased Services	6,000	4,901	3,975	926
Supplies	4,000	6,416	4,547	1,869
Total Instruction	<u>10,000</u>	<u>27,155</u>	<u>21,171</u>	<u>5,984</u>
Support Services-Students				
Professional Services	2,000	375	375	0
Total Support Services-Students	<u>2,000</u>	<u>375</u>	<u>375</u>	<u>0</u>
Support Services-General Administration				
Professional Services	320	172	0	172
Supplies	1,000	1,824	433	1,391
Total Support Services-General Administration	<u>1,320</u>	<u>1,996</u>	<u>433</u>	<u>1,563</u>
Support Services-School Administration				
Professional Services	0	2,000	500	1,500
Other Purchased Services	2,172	1,422	1,112	310
Supplies	1,500	0	0	0
Total Support Services-School Administration	<u>3,672</u>	<u>3,422</u>	<u>1,612</u>	<u>1,810</u>
Community Services				
Other Purchased Services	0	465	450	15
Total Community Services	<u>0</u>	<u>465</u>	<u>450</u>	<u>15</u>
Total Expenditures	<u>16,992</u>	<u>33,413</u>	<u>24,041</u>	<u>9,372</u>
Excess (Deficiency) of Revenues Over Expenditures	11,109	11,109	(24,041)	(35,150)
Cash Balance Beginning of Year	(11,109)	(11,109)	(11,109)	0
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (35,150)</u>	<u>\$ (35,150)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (24,041)	
Net Change in Due From Grantor			24,041	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Statement of Fiduciary Assets and Liabilities-Agency Funds
For the Year Ended June 30, 2007

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 128,364
Total Assets	<u>\$ 128,364</u>
Liabilities	
Deposits Held for Others	\$ 128,364
Total Liabilities	<u>\$ 128,364</u>

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

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the PENASCO INDEPENDENT SCHOOLS (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. Some of the significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD & A) providing an analysis of the District's overall financial position and results of operations.
- Financial Statements prepared using full-accrual accounting for all the District's activities.
- A change in fund financial statements to focus on major funds.

These and other changes are reflected in the accompanying financial statements (including the notes to the financial statements) as of June 30, 2007.

In addition, in June 2001, the GASB issued Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus - an amendment of GASB Statement No. 21 and No. 34 and Statement No. 38, Certain Financial Note Disclosures*. These two statements clarify, modify, establish and rescind certain disclosure requirements under GASB No. 34. Both statements are being implemented in conjunction with GASB Statement No. 34. These statements do not have an impact on the results of operations or the financial position of the District.

Financial Reporting Entity

The District has been in existence since the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education - superintendent form of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

GASB Statement No. 14 established criteria for determining the governmental 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.

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The District has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District 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.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

Governmental Funds

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

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

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

Debt Service Fund - The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Fiduciary Fund Type

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

Major Funds

The District reports the following major governmental funds:

GENERAL FUND (11000)(13000)(14000)

The General Fund consist of three sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

SPECIAL REVENUE FUNDS

Title I (24101)

To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

English Language Acquisition (24153)

To account for revenues and expenditures received from a federal grant provided to develop school-wide programs for limited English proficient students that reform, restructure, and upgrade all relevant programs. The fund was created by the Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A.

CAPITAL PROJECTS FUNDS

Bond Building (31100)

The revenues are derived from a School Building Bond Issue. The expenditures are restricted to major capital improvements.

Special Capital Outlay-State (31400)

To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading buildings.

Senate Bill Nine (31700)

The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

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

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants and contributions, and 3) program specific capital grants and contributions.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

Taxes Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

Grants Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Revenue Recognition for Grants

Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).

3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.

4. Contingencies. The providers offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Other receipts

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Basis of Budgeting

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on the non-GAAP budgetary basis.

The District follows the following procedures in establishing data reflected in the financial statements:

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.

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3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. 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 SBFAU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBFAU.
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 the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

Cash and Cash Equivalents

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.

The District is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the District may be invested in :

(a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or

(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported 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. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

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Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings & Improvements	20-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 Years

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

Short -Term Debt

Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans. The District does not have any activity in short-term debt.

Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets use 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.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Reserved fund balance indicates that portion of fund equity which has been segregated for specific purposes.

Unreserved fund balance indicates that portion of fund equity which is available for budgeting in future periods.

Interfund Transfers

In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Deferred Revenue

The District reports deferred revenues on its Statement of Net Assets and Fund Balance Sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

Compensated Absences

Twelve month employees accrue annual leave at the rate of 1.25 days per working month, cumulative to 40 days maximum. Requests for annual leave must be submitted to the Superintendent's office in advance of the intended date of leave. Leave should be arranged in a manner which will provide for the district's needs. Individuals employed in less than twelve month jobs, do not accrue annual leave.

The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both the following conditions are met:

- (a) The employees' right to receive compensation is attributable to services already rendered.
- (b) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The entire compensated absence liability is reported on the government-wide financial statements.

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For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B: CASH AND INVESTMENTS

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

<u>Name of Account</u>	Balance Per Bank 06-30-07	Reconciled Balance	Type
General Fund	\$ 316,768	\$ 149,312	Checking
Penasco Independent School	6,720	6,721	Savings
Hot Lunch Fund	(4,523)	(12,794)	Checking
Penasco Hot Lunch	84,837	84,837	Savings
Budgeted Account	5,365	3,012	Checking
Penasco HS Budgeted	27,700	27,700	Savings
Activity	13,735	12,237	Checking
Non Budgeted Account	62,252	62,252	Savings
Penasco Elementary	2,638	1,857	Checking
Penasco Elementary	31,789	31,789	Savings
Penasco Elementary-Budgeted	3,784	3,681	Checking
Federal Project	11,031	33,577	Checking
District Building	730,080	726,969	Checking
Payroll Clearing	228,478	20,229	Checking
TOTAL Deposited	<u>1,520,654</u>	<u>\$ 1,151,379</u>	
Less: FDIC Coverage	<u>(200,000)</u>		
Uninsured Amount	1,320,654		
50% collateral requirement	660,327		
Pledged securities	<u>989,834</u>		
Over (Under) requirement	<u>\$ 329,507</u>		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

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The following securities are pledged at **Centinel Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Market/ Par Value</u>	<u>Maturity Date</u>	<u>Location</u>
FNMA	31371GEK2	34,150	12-01-13	* TIB
Estancia School	297326DC1	60,274	10-01-09	* TIB
Texico, NM	883005BN9	100,037	08-01-07	* TIB
Texico, NM	883005BR0	111,307	08-01-10	* TIB
Mesa Vista School	590662BX9	181,559	09-01-12	* TIB
FHLB	3133M6TD0	401,376	12-22-08	* TIB
FHLB	3133M8AU8	101,131	03-30-09	* TIB
		<u>\$ 989,834</u>		

* Texas Independent Bank
Dallas, TX

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 200,000
Collateralized:	
Collateral held by the pledging bank in District's name	989,834
Uninsured and uncollateralized	330,820
Total Deposits	<u>\$ 1,520,654</u>

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. As of June 30, 2007 \$330,820 of the District's bank balance of \$1,520,654 was exposed to custodial credit risk.

New Mexico State Treasurer

<u>Name of Account</u>	<u>Balance 6-30-07</u>	<u>Reconciled Balance</u>	<u>Type</u>
Penasco Independent School	\$ 600,000	\$ 600,000	Investment
TOTAL Deposited	<u>\$ 600,000</u>	<u>\$ 600,000</u>	

The investments with the State Treasurer are valued at fair value based on quoted market prices as of valuation date.

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 1, 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 fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of 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;

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The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested; and

Participation in the local government investment pool is voluntary.

Interest Rate Risk

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 rates 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. The WAM for this investment is 24 days. The investment is rated AAAM and the rate is 4.7135%.

NOTE C: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following Interfund Balances and Activity were made during the year ended June 30, 2007.

Fund	Payable Funds		
	Major Funds	Non Major Funds	Total
General Fund	\$ 94,616	\$ 93,401	\$ 188,017
Totals	\$ 94,616	\$ 93,401	\$ 188,017

The above interfund balances resulted from reimbursement grants. The shortfalls were covered by the General Fund. All transactions will be repaid within one year.

There were no transfers was made during the year ended June 30, 2007.

NOTE D: TAXES RECEIVABLE

Following is a schedule of property taxes receivable as of June 30, 2007:

	General Fund 11000	Senate Bill Nine 31700	Debt Service 41000	Total
Property Taxes Receivable:				
Available	\$ 244	\$ 3,861	\$ 4,076	\$ 8,181
Unavailable	619	4,696	18,820	24,135
TOTAL Property Taxes Receivable	\$ 863	\$ 8,557	\$ 22,896	\$ 32,316

NOTE E: DUE FROM OTHER GOVERNMENT UNITS

Amounts due from other agencies and units of government were as follows as of June 30, 2007:

Federal Agencies	\$ 103,128
State Agencies	84,889
Total	\$ 188,017

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NOTE F: DEFERRED REVENUES

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. The following deferred revenues are measurable but do not represent available expendable resources for the Fund Financial Statements for the fiscal year ended June 30, 2007:

	General Fund 11000	Senate Bill Nine 31700	Debt Service 41000
Property Taxes	\$ 619	\$ 4,696	\$ 18,820
Federal Revenues	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL Deferred Revenues	<u>\$ 619</u>	<u>\$ 4,696</u>	<u>\$ 18,820</u>
		Other Governmental	Total
Property Taxes		\$ 0	\$ 24,135
Federal Revenues		<u>7,874</u>	<u>7,874</u>
TOTAL Deferred Revenues		<u>\$ 7,874</u>	<u>\$ 32,009</u>

NOTE G: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2007, is as follows:

	Balance 6/30/06	Additions	Deletions	Balance 6/30/07
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 1,531,311	\$ 0	\$ 0	\$ 1,531,311
Total Capital Assets not being Depreciated	<u>1,531,311</u>	<u>0</u>	<u>0</u>	<u>1,531,311</u>
Capital Assets, being Depreciated				
Buildings & Improvements	13,762,868	623,787	0	14,386,655
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>2,836,275</u>	<u>320,474</u>	<u>0</u>	<u>3,156,749</u>
Total Capital Assets, being Depreciated	<u>16,599,143</u>	<u>944,261</u>	<u>0</u>	<u>17,543,404</u>
Total Capital Assets	<u>18,130,454</u>	<u>944,261</u>	<u>0</u>	<u>19,074,715</u>

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Less Accumulated Depreciation

Buildings & Improvements	6,321,044	213,844	0	6,534,888
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	1,625,266	191,987	0	1,817,253
Total Accumulated Depreciation	<u>7,946,310</u>	<u>405,831</u>	<u>0</u>	<u>8,352,141</u>
Capital Assets, net	<u>\$ 10,184,144</u>	<u>\$ 538,430</u>	<u>\$ 0</u>	<u>\$ 10,722,574</u>

Depreciation expense was charged to governmental activities as follows:

Instructional Support	\$ 374,257
Support Service-Students	2,005
Support Services Instruction	4,168
Support Service-General	11,034
Operation & Maintenance of Plant	8,456
Food Service	5,885
Community Service	26
Total Depreciation Expenses	<u>\$ 405,831</u>

NOTE H: LONG TERM DEBT

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/06	Additions	Reductions	Balance 6/30/07	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 485,000	\$ 0	\$ 105,000	\$ 380,000	\$ 115,000
Total Bonds	<u>485,000</u>	<u>0</u>	<u>105,000</u>	<u>380,000</u>	<u>115,000</u>
Other Liabilities					
Compensated					
Absences	31,130	49,409	32,129	48,410	0
Total Other Liabilities	<u>31,130</u>	<u>49,409</u>	<u>32,129</u>	<u>48,410</u>	<u>0</u>
Long-Term	<u>\$ 516,130</u>	<u>\$ 49,409</u>	<u>\$ 137,129</u>	<u>\$ 428,410</u>	<u>\$ 115,000</u>

Payments on the general obligation bonds are made by the Debt Service Funds. The compensated absences liability will ultimately be liquidated by several of the District's governmental funds, with most being paid by the General Fund, Transportation Fund, Cafeteria Fund and Title I Fund.

The current portion of the compensated absences is estimated at zero since there are no anticipated retirements or terminations.

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General Obligation Bonds.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

<u>Series</u>	<u>Date of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance</u>
1995	04-01-95	1,110,000	5.25%-7.25%	\$ 280,000
1996	01-01-98	140,000	5.2%-7.25%	100,000
				<u>\$ 380,000</u>

The annual requirements to amortize the 1995 Series general obligation bonds as of June 30, 2007, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 115,000	\$ 14,700	\$ 129,700
2009	125,000	8,663	133,663
2010	40,000	2,100	42,100
	<u>\$ 280,000</u>	<u>\$ 25,463</u>	<u>\$ 305,463</u>

The annual requirements to amortize the 1996 Series general obligation bonds as of June 30, 2007, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	0	5,800	5,800
2009	0	5,800	5,800
2010	100,000	5,800	105,800
	<u>\$ 100,000</u>	<u>\$ 17,400</u>	<u>\$ 117,400</u>

Reconciliation of Long-Term Debt disclosed in Note H to the Long-Term Debt reported in the Statement of Net Assets.

Note H	\$ 380,000
Net Issue Costs/Premium/Discounts on Bond Issues	(95,552)
Accumulated Amortization	74,231
	<u>\$ 358,679</u>
Long-Term Per Government Wide Financial Statements	\$ 243,679
Current Portion	115,000
Statement of Net Assets	<u>\$ 358,679</u>

NOTE I: COMMITMENTS

The District had no construction commitments at the year end June 30, 2007.

NOTE J: PENSION PLAN

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

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, 2007, 2006, and 2005, were \$643,472, \$585,460 and \$552,645, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE K: RETIREE HEALTH CARE ACT CONTRIBUTIONS

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

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

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.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary.

Employers joining the program after 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, 2007, 2006 and 2005 were \$70,281, \$66,827 and \$64,974, respectively, which equal the required contributions for each year.

NOTE L: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between

A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues,

Reconciliations are located at the bottom of each budget actual.

NOTE M: INSURANCE COVERAGE

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Workers Compensation
- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime
- Commercial Blanket Bond

NOTE N: SURETY BOND

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

NOTE O: JOINT POWERS AGREEMENT

The Penasco Independent School is part of a joint powers agreement with the Northeast Regional Education Cooperative (NEREC). The NEREC operates as an agency for school districts including Las Vegas City Schools, West Las Vegas Schools, Mora Schools, Pecos Schools, Santa Rosa Schools, Wagon Mound Schools, Jemez Valley School, Riverside Charter Schools and provides cooperative services as its primary service.

The term of the agreement began on July 1, 1996 through June 30, 2007.

The REC passed-through \$149,029, to the District for salaries and fringe benefits. As required by SAO 2.2.2.12 C (3) (d), the REC revenues and expenditures were reported on the following Special Revenue Funds:

24106	IDEA, Part B Entitlement
24107	IDEA, Part B Discretionary

The audit report is available at the NEREC located in Las Vegas, New Mexico

NOTE P: RESTATEMENT

Net Assets and fund balance were restated for \$1,500, fund number 26147, Drawing from the Well. This fund was not included in the prior year audit report. Cash was also restated for the \$1,500.

The payroll clearing has a cash balance at the beginning and end of the year. It was appropriately moved to the activities fund to correctly reflect the cash balance.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 CAPITAL PROJECTS FUND-BOND BUILDING-31100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Investment Income	\$ 0	\$ 0	\$ 2,559	\$ 2,559
Total Local Sources	<u>0</u>	<u>0</u>	<u>2,559</u>	<u>2,559</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>2,559</u>	<u>2,559</u>
Expenditures				
Capital Outlay				
Building Improvements	319,622	602,472	546,961	55,511
Property	0	402,000	192,262	209,738
Total Capital Outlay	<u>319,622</u>	<u>1,004,472</u>	<u>739,223</u>	<u>265,249</u>
Total Expenditures	<u>319,622</u>	<u>1,004,472</u>	<u>739,223</u>	<u>265,249</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(319,622)</u>	<u>(1,004,472)</u>	<u>(736,664)</u>	<u>267,808</u>
Other Financing Sources (Uses)				
Bond Proceeds	0	835,720	835,720	0
Total Other Sources (Uses)	<u>0</u>	<u>835,720</u>	<u>835,720</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(319,622)</u>	<u>(168,752)</u>	<u>99,056</u>	<u>267,808</u>
Cash Balance Beginning of Year	<u>372,659</u>	<u>372,659</u>	<u>372,659</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 53,037</u>	<u>\$ 203,907</u>	<u>\$ 471,715</u>	<u>\$ 267,808</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 99,056</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 99,056</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 CAPITAL PROJECTS FUND-SPECIAL CAPITAL OUTLAY-STATE-31400
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
Special Capital Outlay	\$ 63,218	\$ 85,505	\$ 18,642	\$ (66,863)
Total State Sources	<u>63,218</u>	<u>85,505</u>	<u>18,642</u>	<u>(66,863)</u>
Total Revenues	<u>63,218</u>	<u>85,505</u>	<u>18,642</u>	<u>(66,863)</u>
Expenditures				
Capital Outlay				
Building Improvements	50,000	50,000	16,780	33,220
Property	0	22,287	22,287	0
Total Capital Outlay	<u>50,000</u>	<u>72,287</u>	<u>39,067</u>	<u>33,220</u>
Total Expenditures	<u>50,000</u>	<u>72,287</u>	<u>39,067</u>	<u>33,220</u>
Excess (Deficiency) of Revenues Over Expenditures	13,218	13,218	(20,425)	(33,643)
Cash Balance Beginning of Year	<u>(13,218)</u>	<u>(13,218)</u>	<u>(13,218)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(33,643)</u>	\$ <u>(33,643)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (20,425)	
Net Change in Due from Grantor			20,425	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 CAPITAL PROJECT FUND-SENATE BILL NINE-31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Taxes	\$ 71,829	\$ 71,829	\$ 70,660	\$ (1,169)
Total Local Sources	<u>71,829</u>	<u>71,829</u>	<u>70,660</u>	<u>(1,169)</u>
Total Revenues	<u>71,829</u>	<u>71,829</u>	<u>70,660</u>	<u>(1,169)</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>719</u>	<u>719</u>	<u>706</u>	<u>13</u>
Total Support Services-General Administration	<u>719</u>	<u>719</u>	<u>706</u>	<u>13</u>
Capital Outlay				
Purchased Property Services	300,962	235,962	44,397	191,565
Supplies	35,000	35,000	2,149	32,851
Property	<u>0</u>	<u>65,000</u>	<u>48,369</u>	<u>16,631</u>
Total Capital Outlay	<u>335,962</u>	<u>335,962</u>	<u>94,915</u>	<u>241,047</u>
Total Expenditures	<u>336,681</u>	<u>336,681</u>	<u>95,621</u>	<u>241,060</u>
Excess (Deficiency) of Revenues Over Expenditures	(264,852)	(264,852)	(24,961)	239,891
Cash Balance Beginning of Year	<u>279,506</u>	<u>279,506</u>	<u>279,506</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 14,654</u>	<u>\$ 14,654</u>	<u>\$ 254,545</u>	<u>\$ 239,891</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (24,961)	
Revenues Accruals			2,486	
Expenditures Accruals			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (22,475)</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR GOVERNMENT FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2007

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
ASSETS			
Cash and Cash Equivalents	\$ 294,389	\$ 8,403	\$ 25,950
Receivables			
Taxes	0	0	22,896
Due From Grantor	93,401	0	0
Inventory	8,743	0	0
Total Assets	<u>\$ 396,533</u>	<u>\$ 8,403</u>	<u>\$ 48,846</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 93,401	\$ 0	\$ 0
Accounts Payable	5,247	0	0
Deferred Revenue	7,874	0	18,820
Total Liabilities	<u>106,522</u>	<u>0</u>	<u>18,820</u>
Fund Balance			
Reserved for Capital Improvements	0	8,403	0
Reserved for Debt Service	0	0	30,026
Unreserved, Undesignated	290,011	0	0
Total Fund Balance	<u>290,011</u>	<u>8,403</u>	<u>30,026</u>
Total Liabilities and Fund Balance	<u>\$ 396,533</u>	<u>\$ 8,403</u>	<u>\$ 48,846</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 NONMAJOR GOVERNMENT FUNDS
 Combining Balance Sheet - By Fund Type
 June 30, 2007

	<u>Total</u>
ASSETS	
Cash and Cash Equivalents	\$ 328,742
Receivables	
Taxes	22,896
Due From Grantor	93,401
Inventory	8,743
Total Assets	<u>\$ 453,782</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Interfund Balance	\$ 93,401
Accounts Payable	5,247
Deferred Revenue	26,694
Total Liabilities	<u>125,342</u>
Fund Balance	
Reserved for Capital Improvements	8,403
Reserved for Debt Service	30,026
Unreserved, Undesignated	290,011
Total Fund Balance	<u>328,440</u>
Total Liabilities and Fund Balance	<u>\$ 453,782</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - By Fund Type
For the Year Ended June 30, 2007

	Special Revenue	Capital Projects	Debt Service
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 127,839
Investment Income	707	0	0
Fees	111,957	0	0
Miscellaneous	197	0	0
Federal Grants	550,536	0	0
State & Local Grants	96,783	0	0
Total Revenues	<u>760,180</u>	<u>0</u>	<u>127,839</u>
Expenditures			
Current			
Instruction	323,461	0	0
Support Services-Students	49,686	0	0
Support Services-Instruction	14,768	0	0
Support Services-General Administration	18,965	0	1,270
Support Services-School Administration	540	0	0
Central Services	2,310	0	0
Operation & Maintenance of Plant	37	0	0
Student Transportation	6,270	0	0
Food Service	290,958	0	0
Community Services	17,816	0	0
Debt Service			
Principal	0	0	105,000
Interest	0	0	26,012
Total Expenditures	<u>724,811</u>	<u>0</u>	<u>132,282</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>35,369</u>	<u>0</u>	<u>(4,443)</u>
Fund Balances at Beginning of Year	253,142	8,403	34,469
Restatement	<u>1,500</u>	<u>0</u>	<u>0</u>
Restated Beginning Fund Balance	<u>254,642</u>	<u>8,403</u>	<u>34,469</u>
Fund Balance End of Year	<u>\$ 290,011</u>	<u>\$ 8,403</u>	<u>\$ 30,026</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - By Fund Type
For the Year Ended June 30, 2007

	<u>Total</u>
Revenues	
Property Taxes	\$ 127,839
Investment Income	707
Fees	111,957
Miscellaneous	197
Federal Grants	550,536
State & Local Grants	96,783
Total Revenues	<u>888,019</u>
Expenditures	
Current	
Instruction	323,461
Support Services-Students	49,686
Support Services-Instruction	14,768
Support Services-General Administration	20,235
Support Services-School Administration	540
Central Services	2,310
Operation & Maintenance of Plant	37
Student Transportation	6,270
Food Service	290,958
Community Services	17,816
Debt Service	
Principal	105,000
Interest	26,012
Total Expenditures	<u>857,093</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>30,926</u>
Fund Balances at Beginning of Year	296,014
Restatement	1,500
Restated Beginning Fund Balance	<u>297,514</u>
Fund Balance End of Year	<u>\$ 328,440</u>

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

NONMAJOR SPECIAL REVENUE FUNDS

Food Services (21000). To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Athletics (22000). To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

IDEA Part B, Entitlement (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 the Individuals with Disabilities Education Act, Part B, Sections 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. The fund was created by the authority of federal grant provisions.

IDEA Part B, Discretionary (24107). 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 the Individuals with Disabilities Education Act, Part B, Sections 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. The fund was created by the authority of federal grant provisions.

IDEA Part B, Competitive (24108). To provide grants to States to assist them in providing a free appropriate public education to all children with disabilities. Individuals with Disabilities Education Act (IDEA), Part B, Section 611-617, and part D, Section 674 as amended, 20 U. S. C. 1411-1417 and 1420. The fund was created by the authority of federal grant provisions.

IDEA Preschool (24109). To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

Learn & Serve (24126). To account for revenues and expenditures received from a federal grant to be used to encourage elementary and secondary schools and community-based agencies to create, develop, and offer service learning opportunities for school-age youth. The fund was created by the authority of the National and Community Service Act of 1990, as amended.

Enhancing Education Through Technology (24133). To account for a Federal grant designed to strengthen teacher learning in the field of technology. The fund was created by the authority of federal grant provisions. (PL 103-382).

Reading Excellence (24147). To account for revenues and expenditures provided by a federal flow-through grant whose objective is to improve reading instruction and provide support for children with critical learning needs particularly in high poverty schools. The fund was created by federal grant provisions. The program is authorized by the Reading Excellence Act (REA), Part C, Title II of the Elementary and Secondary Education Act of 1965 (ESEA), as amended.

Title V (24150). To account for monies received to improve elementary and secondary education for children attending both public and private schools. The fund was created by grant provisions. (PL 103-382).

NONMAJOR SPECIAL REVENUE FUNDS

Title II-A (24154). To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

Title IV-A (24157). To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 USC 7111-7118.

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

Carl D Perkins JAG Carryover (24172) To implement the Jobs for America's Graduates Curriculum. To be used for the salary and benefits of the JAG Specialist, instate travel to support the work/community based activities and the per diem and incidentals related to the Nation JAG conference held July 2005, in Alexandria, VA.

Impact Aid - Special and Indian Education (24245 and 24247). 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 assistances 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.

Medicaid (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. The fund was created by the authority of federal grant provisions. (Title XIX Social Security Act).

Title IX Indian Formula (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 relates 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.

NONMAJOR SPECIAL REVENUE FUNDS

LANL Foundation (26113). Educational enrichment grant in support of The Renaissance Program at Las Lunas Middle School. The grant was created by state grant provisions.

LANL Foundation Tutoring (26116). To account for a grant from the Los Alamos National Laboratory foundation for the explicit purpose of implementing an enrichment tutoring program and Saturday school to address literacy, science, and math achievement and positive life skills. The grant was created by state grant provisions.

PNM Foundation (26123). To account for a grant from PNM for the purpose of sponsorship for the Extended Day Discovery Class.

Drawing From The Well (26147) To account funds received from a State Grant to hire consultants, to purchase the updated and revised curriculum guides, and instructional material for the Drawing from the Well curriculum.

Technology For Education PED (27117) To account for funds received from the Technology for Education Grant created by the 1994 State Legislation to establish funding of any costs associated with educational technology. Funding provided by the State of New Mexico. (NMSA 22-15A-1-10).

Incentives For School Improvement Act PED (27138) To account for revenues and expenditures from a state grant as part of the Incentives for School Improvement Act: awarded based on the improvement in CTBS 5/Terra Nova or New Mexico High School Competency Examination scores. The fund was created by state grant provisions. (NMSA 22-13 A-1).

TANF-Full-Day Kindergarten (27142). To account for funds received to provide the opportunity for the district to address early literacy. The full-day kindergarten program is the first step in the implementation of a sequential early literacy approach to teaching reading. The fund was created by state grant provisions.

Library GO Bonds (27145).To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

Beginning Teacher Mentoring (27154). To account for revenues and expenditures from a state grant provided for beginning teacher mentoring programs. The fund was created by state grant provisions.

Kinder Plus (27189) To account from funds received from the Public Educational Department to implement the Kindergarten Plus Pilot Project. This pilot project affords an opportunity to demonstrate the extent to which increased time in kindergarten can narrow the achievement for economically disadvantaged students.

LaPlaza Grant (29000). To account for revenue and expenditures from a non-profit organization for the purpose of bringing technology and technology education. The fund was created by grant provisions.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2007

	<u>Food Service 21000</u>	<u>Athletics 22000</u>	<u>IDEA-B Entitlement 24106</u>
ASSETS			
Cash and Cash Equivalents	\$ 72,043	\$ 34,393	\$ 0
Receivables	0	0	0
Due From Grantor	0	0	4,428
Inventory	8,743	0	0
Total Assets	<u>\$ 80,786</u>	<u>\$ 34,393</u>	<u>\$ 4,428</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 4,428
Accounts Payable	5,247	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>5,247</u>	<u>0</u>	<u>4,428</u>
Fund Balance			
Unreserved, Undesignated	<u>75,539</u>	<u>34,393</u>	<u>0</u>
Total Fund Balance	<u>75,539</u>	<u>34,393</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 80,786</u>	<u>\$ 34,393</u>	<u>\$ 4,428</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2007

	IDEA-B Discretionary 24107	IDEA-B Competitive 24108	IDEA Preschool 24109
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 321	\$ 0
Receivables	0	0	0
Due From Grantor	5,021	0	375
Inventory	0	0	0
Total Assets	<u>\$ 5,021</u>	<u>\$ 321</u>	<u>\$ 375</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 5,021	\$ 0	\$ 375
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	321	0
Total Liabilities	<u>5,021</u>	<u>321</u>	<u>375</u>
Fund Balance			
Unreserved, Undesignated	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
 Total Liabilities and Fund Balance	 <u>\$ 5,021</u>	 <u>\$ 321</u>	 <u>\$ 375</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2007

	Learn & Serve 24126	Enhancing Education Through Technology 24133	Reading Excellence 24147
ASSETS			
Cash and Cash Equivalents	\$ 3,130	\$ 0	\$ 0
Receivables	0	0	0
Due From Grantor	0	1,979	1,294
Inventory	0	0	0
Total Assets	<u>\$ 3,130</u>	<u>\$ 1,979</u>	<u>\$ 1,294</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 1,979	\$ 1,294
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	3,130	0	0
Total Liabilities	<u>3,130</u>	<u>1,979</u>	<u>1,294</u>
Fund Balance			
Unreserved, Undesignated	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 3,130</u>	<u>\$ 1,979</u>	<u>\$ 1,294</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2007

	Title V 24150	Teacher & Principal Training 24154	Safe & Drug Free Schools 24157
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables	0	0	0
Due From Grantor	4,431	21,668	2,959
Inventory	0	0	0
Total Assets	<u>\$ 4,431</u>	<u>\$ 21,668</u>	<u>\$ 2,959</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 4,431	\$ 21,668	\$ 2,959
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>4,431</u>	<u>21,668</u>	<u>2,959</u>
Fund Balance			
Unreserved, Undesignated	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 4,431</u>	<u>\$ 21,668</u>	<u>\$ 2,959</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2007

	Rural & Low Income Schools <u>24160</u>	Carl D Perkins JAG Carryover <u>24172</u>	Impact Aid Special Education <u>25145</u>
ASSETS			
Cash and Cash Equivalents	\$ 14	\$ 0	\$ 5,238
Receivables	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 14</u>	<u>\$ 0</u>	<u>\$ 5,238</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	14	0	0
Total Liabilities	<u>14</u>	<u>0</u>	<u>0</u>
Fund Balance			
Unreserved, Undesignated	<u>0</u>	<u>0</u>	<u>5,238</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>5,238</u>
Total Liabilities and Fund Balance	<u>\$ 14</u>	<u>\$ 0</u>	<u>\$ 5,238</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2007

	Impact Aid Indian Education <u>25147</u>	Title XIX Medicaid 3/21 Years <u>25153</u>	Title IX Indian Formula <u>25184</u>
ASSETS			
Cash and Cash Equivalents	\$ 27,985	\$ 68,048	\$ 4,409
Receivables	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 27,985</u>	<u>\$ 68,048</u>	<u>\$ 4,409</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	0	4,409
Total Liabilities	<u>0</u>	<u>0</u>	<u>4,409</u>
Fund Balance			
Unreserved, Undesignated	<u>27,985</u>	<u>68,048</u>	<u>0</u>
Total Fund Balance	<u>27,985</u>	<u>68,048</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 27,985</u>	<u>\$ 68,048</u>	<u>\$ 4,409</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2007

	LANL Foundation 26113	LANL Foundation Tutoring 26116	PNM Foundation 26123
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 66,853	\$ 2,700
Receivables	0	0	0
Due From Grantor	9,769	0	0
Inventory	0	0	0
Total Assets	<u>\$ 9,769</u>	<u>\$ 66,853</u>	<u>\$ 2,700</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 9,769	\$ 0	\$ 0
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>9,769</u>	<u>0</u>	<u>0</u>
Fund Balance			
Unreserved, Undesignated	<u>0</u>	<u>66,853</u>	<u>2,700</u>
Total Fund Balance	<u>0</u>	<u>66,853</u>	<u>2,700</u>
Total Liabilities and Fund Balance	<u>\$ 9,769</u>	<u>\$ 66,853</u>	<u>\$ 2,700</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2007

	Drawing From The Well 26147	Technology For Education 27117	Incentives For School Improvement Act PED 27138
ASSETS			
Cash and Cash Equivalents	\$ 1,500	\$ 0	\$ 7,494
Receivables	0	0	0
Due From Grantor	0	20,207	0
Inventory	0	0	0
Total Assets	<u>\$ 1,500</u>	<u>\$ 20,207</u>	<u>\$ 7,494</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 20,207	\$ 0
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>20,207</u>	<u>0</u>
Fund Balance			
Unreserved, Undesignated	<u>1,500</u>	<u>0</u>	<u>7,494</u>
Total Fund Balance	<u>1,500</u>	<u>0</u>	<u>7,494</u>
Total Liabilities and Fund Balance	<u>\$ 1,500</u>	<u>\$ 20,207</u>	<u>\$ 7,494</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2007

	TANF Full Day Kindergarten <u>27142</u>	Libraries GO Bonds <u>27145</u>	Beginning Teacher Mentoring <u>27154</u>
ASSETS			
Cash and Cash Equivalents	\$ 261	0	\$ 0
Receivables	0	0	0
Due From Grantor	0	771	1,472
Inventory	0	0	0
Total Assets	<u>\$ 261</u>	<u>771</u>	<u>\$ 1,472</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	771	\$ 1,472
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>771</u>	<u>1,472</u>
Fund Balance			
Unreserved, Undesignated	<u>261</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>261</u>	<u>0</u>	<u>0</u>
 Total Liabilities and Fund Balance	 <u>\$ 261</u>	 <u>771</u>	 <u>\$ 1,472</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2007

	Kinder Plus <u>27189</u>	La Plaza Grant <u>29000</u>	Total
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 294,389
Receivables	0	0	
Due From Grantor	18,269	758	93,401
Inventory	0	0	8,743
Total Assets	<u>\$ 18,269</u>	<u>\$ 758</u>	<u>\$ 396,533</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 18,269	\$ 758	\$ 93,401
Accounts Payable	0	0	5,247
Accrued Payroll	0	0	0
Deferred Revenue	0	0	7,874
Total Liabilities	<u>18,269</u>	<u>758</u>	<u>106,522</u>
Fund Balance			
Unreserved, Undesignated	<u>0</u>	<u>0</u>	<u>290,011</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>290,011</u>
 Total Liabilities and Fund Balance	 <u>\$ 18,269</u>	 <u>\$ 758</u>	 <u>\$ 396,533</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2007

	Food Service 21000	Athletics 22000	IDEA-B Entitlement 24106
Revenues			
Investment Income	\$ 707	\$ 0	\$ 0
Fees	13,091	98,866	0
Miscellaneous	197	0	0
Federal Grants	265,246	0	106,123
State & Local Grants	0	0	0
Total Revenues	<u>279,241</u>	<u>98,866</u>	<u>106,123</u>
Expenditures			
Current			
Instruction	0	93,227	80,001
Support Services-Students	0	0	26,122
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Service	290,958	0	0
Community Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>290,958</u>	<u>93,227</u>	<u>106,123</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(11,717)</u>	<u>5,639</u>	<u>0</u>
Fund Balances at Beginning of Year	87,256	28,754	0
Restatement	<u>0</u>	<u>0</u>	<u>0</u>
Restated Beginning Fund Balance	<u>87,256</u>	<u>28,754</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 75,539</u>	<u>\$ 34,393</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2007

	IDEA-B Discretionary 24107	IDEA-B Competitive 24108	IDEA Preschool 24109
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Miscellaneous	0	0	0
Federal Grants	42,906	0	0
State & Local Grants	0	0	0
Total Revenues	<u>42,906</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	36,897	0	0
Support Services-Students	119	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	5,890	0	0
Food Service	0	0	0
Community Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>42,906</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	<u>0</u>	<u>0</u>	<u>0</u>
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2007

	Learn & Serve 24126	Enhancing Education Through Technology 24133	Reading Excellence 24147
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Miscellaneous	0	0	0
Federal Grants	0	0	0
State & Local Grants	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	<u>0</u>	<u>0</u>	<u>0</u>
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2007

	Title V 24150	Title II-A 24154	Safe and Drug Free 24157
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Miscellaneous	0	0	0
Federal Grants	7,923	63,972	3,957
State & Local Grants	0	0	0
Total Revenues	<u>7,923</u>	<u>63,972</u>	<u>3,957</u>
Expenditures			
Current			
Instruction	2,572	58,006	1,708
Support Services-Students	3,429	0	595
Support Services-Instruction	1,002	0	1,580
Support Services-General Administration	380	3,656	74
Support Services-School Administration	540	0	0
Central Services	0	2,310	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>7,923</u>	<u>63,972</u>	<u>3,957</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	<u>0</u>	<u>0</u>	<u>0</u>
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2007

	Rural and Low Income Schools 24160	Carl D Perkins JAG Carryover 24172	Impact Aid Special Education 24245
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Miscellaneous	0	0	0
Federal Grants	0	0	963
State & Local Grants	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>963</u>
Expenditures			
Current			
Instruction	0	0	2,717
Support Services-Students	0	0	0
Support Services-Instruction	0	0	7,297
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>10,014</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(9,051)</u>
Fund Balances at Beginning of Year	0	0	14,289
Restatement	0	0	0
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>14,289</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,238</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2007

	Impact Aid Indian Education <u>25147</u>	Title XIX Medicaid 3/21 Years <u>25153</u>	Title IX Indian Ed <u>25184</u>
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Miscellaneous	0	0	0
Federal Grants	7,324	45,955	6,167
State & Local Grants	0	0	0
Total Revenues	<u>7,324</u>	<u>45,955</u>	<u>6,167</u>
Expenditures			
Current			
Instruction	273	902	2,839
Support Services-Students	0	15,149	2,800
Support Services-Instruction	0	0	368
Support Services-General Administration	0	14,855	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	37	0
Student Transportation	0	0	160
Food Service	0	0	0
Community Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>273</u>	<u>30,943</u>	<u>6,167</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>7,051</u>	<u>15,012</u>	<u>0</u>
Fund Balances at Beginning of Year	20,934	53,036	0
Restatement	0	0	0
Restated Beginning Fund Balance	<u>20,934</u>	<u>53,036</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 27,985</u>	<u>\$ 68,048</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2007

	LANL Foundation 26113	LANL Foundation Tutoring 26116	PNM Foundation 26123
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Miscellaneous	0	0	0
Federal Grants	0	0	0
State & Local Grants	9,770	40,249	0
Total Revenues	<u>9,770</u>	<u>40,249</u>	<u>0</u>
Expenditures			
Current			
Instruction	16,993	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	220	0	0
Food Service	0	0	0
Community Services	11,123	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>28,336</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(18,566)</u>	<u>40,249</u>	<u>0</u>
Fund Balances at Beginning of Year	18,566	26,604	2,700
Restatement	0	0	0
Restated Beginning Fund Balance	<u>18,566</u>	<u>26,604</u>	<u>2,700</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 66,853</u>	<u>\$ 2,700</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2007

	Drawing From The Well 26147	Technology For Education 27117	Incentives For School Improvement 27138
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Miscellaneous	0	0	0
Federal Grants	0	0	0
State & Local Grants	0	3,100	7,494
Total Revenues	<u>0</u>	<u>3,100</u>	<u>7,494</u>
Expenditures			
Current			
Instruction	0	3,100	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>3,100</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>7,494</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	<u>1,500</u>	<u>0</u>	<u>0</u>
Restated Beginning Fund Balance	<u>1,500</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 1,500</u>	<u>\$ 0</u>	<u>\$ 7,494</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2007

	TANF Full Day Kindergarten 27142	Libraries GO Bonds 27145	Beginning Teacher Mentoring 27154
Revenues			
Investment Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Miscellaneous	0	0	0
Federal Grants	0	0	0
State & Local Grants	0	771	1,472
Total Revenues	0	771	1,472
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	0	1,472
Support Services-Instruction	0	771	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	0	771	1,472
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	261	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	261	0	0
Fund Balance End of Year	\$ 261	\$ 0	\$ 0

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2007

	Kinder Plus 27189	La Plaza Grant 29000	Total
Revenues			
Investment Income	\$ 0	\$ 0	\$ 707
Fees	0	0	111,957
Miscellaneous	0	0	197
Federal Grants	0	0	550,536
State & Local Grants	33,169	758	96,783
Total Revenues	<u>33,169</u>	<u>758</u>	<u>760,180</u>
Expenditures			
Current			
Instruction	22,726	1,500	323,461
Support Services-Students	0	0	49,686
Support Services-Instruction	3,750	0	14,768
Support Services-General Administration	0	0	18,965
Support Services-School Administration	0	0	540
Central Services	0	0	2,310
Operation & Maintenance of Plant	0	0	37
Student Transportation	0	0	6,270
Food Service	0	0	290,958
Community Services	6,693	0	17,816
Capital Outlay	0	0	0
Total Expenditures	<u>33,169</u>	<u>1,500</u>	<u>724,811</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(742)</u>	<u>35,369</u>
Fund Balances at Beginning of Year	0	742	253,142
Restatement	0	0	1,500
Restated Beginning Fund Balance	<u>0</u>	<u>742</u>	<u>254,642</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 290,011</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-FOOD SERVICE-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Investment Income	\$ 600	\$ 600	\$ 707	\$ 107
Fees	16,342	16,342	13,091	(3,251)
Other	0	0	197	197
Total Local Sources	<u>16,942</u>	<u>16,942</u>	<u>13,995</u>	<u>(2,947)</u>
Federal Sources				
National School Lunch Program	265,195	265,195	255,241	(9,954)
Total Federal Sources	<u>265,195</u>	<u>265,195</u>	<u>255,241</u>	<u>(9,954)</u>
Total Revenues	<u>282,137</u>	<u>282,137</u>	<u>269,236</u>	<u>(12,901)</u>
Expenditures				
Food Services Operations				
Personnel Services	147,747	158,787	137,731	21,056
Employee Benefits	55,488	57,763	43,355	14,408
Professional & Tech Services	500	500	171	329
Purchased Property Services	1,600	4,450	4,251	199
Other Purchased Services	400	866	852	14
Supplies	93,500	97,800	97,763	37
Property	61,859	40,928	1,288	39,640
Total Food Services Operations	<u>361,094</u>	<u>361,094</u>	<u>285,411</u>	<u>75,683</u>
Total Expenditures	<u>361,094</u>	<u>361,094</u>	<u>285,411</u>	<u>75,683</u>
Excess (Deficiency) of Revenues Over Expenditures	(78,957)	(78,957)	(16,175)	62,782
Cash Balance Beginning of Year	<u>88,218</u>	<u>88,218</u>	<u>88,218</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 9,261</u>	<u>\$ 9,261</u>	<u>\$ 72,043</u>	<u>\$ 62,782</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (16,175)	
Net Change in Inventory			(429)	
Net Change in Accounts Payable			8	
Net Change in Accrued Payroll			4,879	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (11,717)</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-ATHLETICS-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Fees	\$ 93,105	\$ 93,105	\$ 98,866	\$ 5,761
Total Local Sources	<u>93,105</u>	<u>93,105</u>	<u>98,866</u>	<u>5,761</u>
Total Revenues	<u>93,105</u>	<u>93,105</u>	<u>98,866</u>	<u>5,761</u>
Expenditures				
Instruction				
Professional & Tech Services	103,809	43,809	26,877	16,932
Purchased Services	15,350	75,350	66,312	9,038
Supplies	<u>2,700</u>	<u>2,700</u>	<u>38</u>	<u>2,662</u>
Total Instruction	<u>121,859</u>	<u>121,859</u>	<u>93,227</u>	<u>28,632</u>
Total Expenditures	<u>121,859</u>	<u>121,859</u>	<u>93,227</u>	<u>28,632</u>
Excess (Deficiency) of Revenues Over Expenditures	(28,754)	(28,754)	5,639	34,393
Cash Balance Beginning of Year	<u>28,754</u>	<u>28,754</u>	<u>28,754</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 34,393</u>	<u>\$ 34,393</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 5,639</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 5,639</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-IDEA-B ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 121,823	\$ 135,827	\$ 92,938	\$ (42,889)
Total Federal Sources	<u>121,823</u>	<u>135,827</u>	<u>92,938</u>	<u>(42,889)</u>
Total Revenues	<u>121,823</u>	<u>135,827</u>	<u>92,938</u>	<u>(42,889)</u>
Expenditures				
Instruction				
Personnel Services	54,000	62,481	62,119	362
Employee Benefits	19,554	21,207	17,883	3,324
Other Purchased Services	30,311	16,477	0	16,477
Supplies	272	14,276	0	14,276
Total Instruction	<u>104,137</u>	<u>114,441</u>	<u>80,002</u>	<u>34,439</u>
Support Services-Students				
Personnel Services	15,886	15,886	15,790	96
Employee Benefits	10,558	11,058	10,332	726
Other Purchased Services	0	1,200	0	1,200
Total Support Services-Students	<u>26,444</u>	<u>28,144</u>	<u>26,122</u>	<u>2,022</u>
Support Services-School Administration				
Professional & Tech Services	<u>0</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Total Support Services-School Administration	<u>0</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Total Expenditures	<u>130,581</u>	<u>144,585</u>	<u>106,124</u>	<u>38,461</u>
Excess (Deficiency) of Revenues Over Expenditures				
	(8,758)	(8,758)	(13,186)	(4,428)
Cash Balance Beginning of Year				
	<u>8,758</u>	<u>8,758</u>	<u>8,758</u>	<u>0</u>
Cash Balance End of Year				
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (4,428)</u>	<u>\$ (4,428)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (13,186)	
Net Change in Due from Grantor			4,428	
Net Change in Deferred Revenue			8,758	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-IDEA-B DISCRETIONARY-24107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 77,962	\$ 77,962	\$ 43,916	\$ (34,046)
Total Federal Sources	<u>77,962</u>	<u>77,962</u>	<u>43,916</u>	<u>(34,046)</u>
Total Revenues	<u>77,962</u>	<u>77,962</u>	<u>43,916</u>	<u>(34,046)</u>
Expenditures				
Instruction				
Personnel Services	13,898	25,113	25,096	17
Employee Benefits	7,368	11,872	11,800	72
Other Purchased Services	16,908	19,304	0	19,304
Property	0	1,442	0	1,442
Total Instruction	<u>38,174</u>	<u>57,731</u>	<u>36,896</u>	<u>20,835</u>
Support Services-Students				
Personnel Services	0	100	100	0
Employee Benefits	0	22	19	3
Professional & Tech Services	0	700	0	700
Other Purchased Services	32,757	378	0	378
Supplies	0	2,000	0	2,000
Total Support Services-Students	<u>32,757</u>	<u>3,200</u>	<u>119</u>	<u>3,081</u>
Operation & Maintenance of Plant				
Purchased Property Services	1,000	1,000	0	1,000
Total Operation & Maintenance of Plant	<u>1,000</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Student Transportation				
Personnel Services	0	7,809	4,634	3,175
Employee Benefits	0	2,191	1,257	934
Total Student Transportation	<u>0</u>	<u>10,000</u>	<u>5,891</u>	<u>4,109</u>
Total Expenditures	<u>71,931</u>	<u>71,931</u>	<u>42,906</u>	<u>29,025</u>
Excess (Deficiency) of Revenues Over Expenditures	6,031	6,031	1,010	(5,021)
Cash Balance Beginning of Year	<u>(6,031)</u>	<u>(6,031)</u>	<u>(6,031)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,021)</u>	<u>\$ (5,021)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,010	
Net Change in Due From Grantor			<u>(1,010)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-IDEA-B COMPETITIVE-24108
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Support Services-Students				
Supplies	0	0	0	0
Total Support Services-Students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Support Services-School Administration				
Employee Benefits	0	0	0	0
Total Support Services-School Administration	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>321</u>	<u>321</u>	<u>321</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>321</u></u>	\$ <u><u>321</u></u>	\$ <u><u>321</u></u>	\$ <u><u>0</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>0</u></u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-IDEA PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 5,426	\$ 8,381	\$ 0	\$ (8,381)
Total Federal Sources	<u>5,426</u>	<u>8,381</u>	<u>0</u>	<u>(8,381)</u>
Total Revenues	<u>5,426</u>	<u>8,381</u>	<u>0</u>	<u>(8,381)</u>
Expenditures				
Instruction				
Other Purchased Services	1,000	1,000	0	1,000
Supplies	1,000	1,000	0	1,000
Total Instruction	<u>2,000</u>	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Support Services-Students				
Supplies	0	2,955	0	2,955
Total Support Services-Students	<u>0</u>	<u>2,955</u>	<u>0</u>	<u>2,955</u>
Community Services				
Other Purchased Services	3,051	3,051	0	3,051
Total Community Services	<u>3,051</u>	<u>3,051</u>	<u>0</u>	<u>3,051</u>
Total Expenditures	<u>5,051</u>	<u>8,006</u>	<u>0</u>	<u>8,006</u>
Excess (Deficiency) of Revenues Over Expenditures	375	375	0	(16,387)
Cash Balance Beginning of Year	<u>(375)</u>	<u>(375)</u>	<u>(375)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (375)</u>	<u>\$ (16,387)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-LEARN & SERVE-24126
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>3,130</u>	<u>3,130</u>	<u>3,130</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,130</u>	<u>\$ 3,130</u>	<u>\$ 3,130</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-ENHANCING EDUCATION THROUGH TECHNOLOGY-24133
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 1,979	\$ 4,081	\$ 0	\$ (4,081)
Total Federal Sources	<u>1,979</u>	<u>4,081</u>	<u>0</u>	<u>(4,081)</u>
Total Revenues	<u>1,979</u>	<u>4,081</u>	<u>0</u>	<u>(4,081)</u>
Expenditures				
Instruction				
Other Purchased Services	0	530	0	530
Supplies	0	1,572	0	1,572
Total Instruction	<u>0</u>	<u>2,102</u>	<u>0</u>	<u>2,102</u>
Total Expenditures	<u>0</u>	<u>2,102</u>	<u>0</u>	<u>2,102</u>
Excess (Deficiency) of Revenues Over Expenditures	1,979	1,979	0	(1,979)
Cash Balance Beginning of Year	<u>(1,979)</u>	<u>(1,979)</u>	<u>(1,979)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,979)</u>	<u>\$ (1,979)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-READING EXCELLENCE-24147
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 1,294	\$ 1,294	\$ 0	\$ (1,294)
Total Federal Sources	<u>1,294</u>	<u>1,294</u>	<u>0</u>	<u>(1,294)</u>
Total Revenues	<u>1,294</u>	<u>1,294</u>	<u>0</u>	<u>(1,294)</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,294	1,294	0	(1,294)
Cash Balance Beginning of Year	<u>(1,294)</u>	<u>(1,294)</u>	<u>(1,294)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,294)</u>	<u>\$ (1,294)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-TITLE V-24150
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 4,403	\$ 8,906	\$ 3,492	\$ (5,414)
Total Federal Sources	<u>4,403</u>	<u>8,906</u>	<u>3,492</u>	<u>(5,414)</u>
Total Revenues	<u>4,403</u>	<u>8,906</u>	<u>3,492</u>	<u>(5,414)</u>
Expenditures				
Instruction				
Personnel Services	0	2,180	2,160	20
Employee Benefits	0	420	412	8
Other Purchased Services	<u>1,250</u>	<u>250</u>	<u>0</u>	<u>250</u>
Total Instruction	<u>1,250</u>	<u>2,850</u>	<u>2,572</u>	<u>278</u>
Support Services-Students				
Professional & Tech Services	2,250	3,392	3,250	142
Other Purchased Services	642	442	179	263
Supplies	<u>0</u>	<u>93</u>	<u>0</u>	<u>93</u>
Total Support Services-Students	<u>2,892</u>	<u>3,927</u>	<u>3,429</u>	<u>498</u>
Support Services-Instruction				
Supplies	<u>0</u>	<u>1,002</u>	<u>1,002</u>	<u>0</u>
Total Support Services-Instruction	<u>0</u>	<u>1,002</u>	<u>1,002</u>	<u>0</u>
Support Services-General Administration				
Professional & Tech Services	<u>261</u>	<u>527</u>	<u>380</u>	<u>147</u>
Total Support Services-General Administration	<u>261</u>	<u>527</u>	<u>380</u>	<u>147</u>
Support Services-School Administration				
Professional & Tech Services	<u>0</u>	<u>600</u>	<u>540</u>	<u>60</u>
Total Support Services-School Administration	<u>0</u>	<u>600</u>	<u>540</u>	<u>60</u>
Total Expenditures	<u>4,403</u>	<u>8,906</u>	<u>7,923</u>	<u>983</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(4,431)	(4,431)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (4,431)</u>	<u>\$ (4,431)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,431)	
Net Change in Due from Grantor			<u>4,431</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-TEACHER/PRINCIPAL TRAINING & REC-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 60,031	\$ 74,830	\$ 41,954	\$ (32,876)
Total Federal Sources	<u>60,031</u>	<u>74,830</u>	<u>41,954</u>	<u>(32,876)</u>
Total Revenues	<u>60,031</u>	<u>74,830</u>	<u>41,954</u>	<u>(32,876)</u>
Expenditures				
Instruction				
Personnel Services	40,625	42,309	41,779	530
Employee Benefits	15,585	15,978	15,142	836
Other Purchased Services	592	6,341	1,085	5,256
Total Instruction	<u>56,802</u>	<u>64,628</u>	<u>58,006</u>	<u>6,622</u>
Support Services-Students				
Professional & Tech Services	0	3,078	0	3,078
Other Purchased Services	0	500	0	500
Total Support Services-Students	<u>0</u>	<u>3,578</u>	<u>0</u>	<u>3,578</u>
Support Services-General Administration				
Professional & Tech Services	3,579	4,474	3,656	818
Total Support Services-General Administration	<u>3,579</u>	<u>4,474</u>	<u>3,656</u>	<u>818</u>
Central Services				
Supplies	0	2,500	2,310	190
Total Central Services	<u>0</u>	<u>2,500</u>	<u>2,310</u>	<u>190</u>
Total Expenditures	<u>60,381</u>	<u>75,180</u>	<u>63,972</u>	<u>11,208</u>
Excess (Deficiency) of Revenues Over Expenditures	(350)	(350)	(22,018)	(21,668)
Cash Balance Beginning of Year	<u>350</u>	<u>350</u>	<u>350</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (21,668)</u>	<u>\$ (21,668)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (22,018)	
Net Change in Due from Grantor			21,668	
Net Change in Deferred Revenue			350	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-Safe & Drug Free Schools-24157
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 2,835	\$ 4,257	\$ 0	\$ (4,257)
Total Federal Sources	<u>2,835</u>	<u>4,257</u>	<u>0</u>	<u>(4,257)</u>
Total Revenues	<u>2,835</u>	<u>4,257</u>	<u>0</u>	<u>(4,257)</u>
Expenditures				
Instruction				
Professional & Tech Services	2,250	0	0	0
Other Purchased Services	1,356	1,356	360	996
Supplies	0	1,366	1,348	18
Total Instruction	<u>3,606</u>	<u>2,722</u>	<u>1,708</u>	<u>1,014</u>
Support Services-Students				
Personnel Services	0	525	500	25
Employee Benefits	0	117	95	22
Total Support Services-Students	<u>0</u>	<u>642</u>	<u>595</u>	<u>47</u>
Support Services-Instruction				
Supplies	0	1,580	1,580	0
Total Support Services-Instruction	<u>0</u>	<u>1,580</u>	<u>1,580</u>	<u>0</u>
Support Services-General Administration				
Professional & Tech Services	227	311	74	237
Total Support Services-General Administration	<u>227</u>	<u>311</u>	<u>74</u>	<u>237</u>
Total Expenditures	<u>3,833</u>	<u>5,255</u>	<u>3,957</u>	<u>1,298</u>
Excess (Deficiency) of Revenues Over Expenditures	(998)	(998)	(3,957)	(2,959)
Cash Balance Beginning of Year	<u>998</u>	<u>998</u>	<u>998</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,959)</u>	<u>\$ (2,959)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,957)	
Net Change in Due from Grantor			2,959	
Net Change in Deferred Revenue			998	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-RURAL & LOW INCOME SCHOOLS-24160
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>14</u>	<u>14</u>	<u>14</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-IDEA-CARL PERKINS-24172
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 12,109	\$ 12,109	\$ 12,109	\$ 0
Total Federal Sources	<u>12,109</u>	<u>12,109</u>	<u>12,109</u>	<u>0</u>
Total Revenues	<u>12,109</u>	<u>12,109</u>	<u>12,109</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	0	0	0	0
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Support Services-General Administration				
Supplies	0	0	0	0
Total Support Services- General Administration	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	12,109	12,109	12,109	0
Cash Balance Beginning of Year	<u>(12,109)</u>	<u>(12,109)</u>	<u>(12,109)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 12,109	
Net Change in Due from Grantor			<u>(12,109)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-IMPACT AID-SPECIAL EDUCATION-25145
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 0	\$ 0	\$ 963	\$ 963
Total Federal Sources	<u>0</u>	<u>0</u>	<u>963</u>	<u>963</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>963</u>	<u>963</u>
Expenditures				
Instruction				
Other Purchased Services	0	1,262	0	1,262
Supplies	0	257	257	0
Property	0	2,500	2,460	40
Total Instruction	<u>0</u>	<u>4,019</u>	<u>2,717</u>	<u>1,302</u>
Support Services-Instruction				
Supplies	0	8,070	7,297	773
Total Support Services-Instruction	<u>0</u>	<u>8,070</u>	<u>7,297</u>	<u>773</u>
Support Services-General Administration				
Supplies	0	2,200	0	2,200
Total Support Services-General Administration	<u>0</u>	<u>2,200</u>	<u>0</u>	<u>2,200</u>
Total Expenditures	<u>0</u>	<u>14,289</u>	<u>10,014</u>	<u>4,275</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(14,289)	(9,051)	5,238
Cash Balance Beginning of Year	<u>14,289</u>	<u>14,289</u>	<u>14,289</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 14,289</u>	<u>\$ 0</u>	<u>\$ 5,238</u>	<u>\$ 5,238</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (9,051)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (9,051)</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-IMPACT AID-INDIAN EDUCATION-25147
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 0	\$ 0	\$ 7,323	\$ 7,323
Total Federal Sources	<u>0</u>	<u>0</u>	<u>7,323</u>	<u>7,323</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>7,323</u>	<u>7,323</u>
Expenditures				
Instruction				
Other Purchased Services	0	1,000	69	931
Supplies	0	2,828	205	2,623
Property	0	6,500	0	6,500
Total Instruction	<u>0</u>	<u>10,328</u>	<u>274</u>	<u>10,054</u>
Support Services-Students				
Professional & Tech Services	0	10,000	0	10,000
Total Support Services-Students	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Student Transportation				
Personnel Services	0	500	0	500
Employee Benefits	0	106	0	106
Total Student Transportation	<u>0</u>	<u>606</u>	<u>0</u>	<u>606</u>
Total Expenditures	<u>0</u>	<u>10,328</u>	<u>274</u>	<u>10,054</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(10,328)	7,049	17,377
Cash Balance Beginning of Year	<u>20,936</u>	<u>20,936</u>	<u>20,936</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 20,936</u>	<u>\$ 10,608</u>	<u>\$ 27,985</u>	<u>\$ 17,377</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 7,049</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 7,049</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-MEDICAID-25153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 45,000	\$ 45,000	\$ 45,955	\$ 955
Total Federal Sources	<u>45,000</u>	<u>45,000</u>	<u>45,955</u>	<u>955</u>
Total Revenues	<u>45,000</u>	<u>45,000</u>	<u>45,955</u>	<u>955</u>
Expenditures				
Instruction				
Other Purchased Services	1,200	1,200	506	694
Supplies	1,000	1,000	397	603
Total Instruction	<u>2,200</u>	<u>2,200</u>	<u>903</u>	<u>1,297</u>
Support Services-Students				
Personnel Services	10,700	10,700	9,983	717
Employee Benefits	4,945	4,945	4,209	736
Other Purchased Services	3,000	3,000	958	2,042
Property	1,000	1,000	0	1,000
Total Support Services-Students	<u>19,645</u>	<u>19,645</u>	<u>15,150</u>	<u>4,495</u>
Support Services-General Administration				
Professional & Tech Services	23,005	23,005	14,854	8,151
Total Support Services-General Administration	<u>23,005</u>	<u>23,005</u>	<u>14,854</u>	<u>8,151</u>
Operation & Maintenance of Plant				
Other Purchased Services	150	150	36	114
Total Operation & Maintenance of Plant	<u>150</u>	<u>150</u>	<u>36</u>	<u>114</u>
Total Expenditures	<u>45,000</u>	<u>45,000</u>	<u>30,943</u>	<u>14,057</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	15,012	15,012
Cash Balance Beginning of Year	<u>53,036</u>	<u>53,036</u>	<u>53,036</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 53,036</u>	<u>\$ 53,036</u>	<u>\$ 68,048</u>	<u>\$ 15,012</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 15,012	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 15,012</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-TITLE IX INDIAN FORMULA-25184
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Programs	\$ 6,971	\$ 7,471	\$ 11,847	\$ 4,376
Total Federal Sources	<u>6,971</u>	<u>7,471</u>	<u>11,847</u>	<u>4,376</u>
Total Revenues	<u>6,971</u>	<u>7,471</u>	<u>11,847</u>	<u>4,376</u>
Expenditures				
Instruction				
Personnel Services	2,400	0	0	0
Employee Benefits	465	0	0	0
Supplies	0	2,862	2,839	23
Total Instruction	<u>2,865</u>	<u>2,862</u>	<u>2,839</u>	<u>23</u>
Support Services-Students				
Professional & Tech Services	2,835	2,808	2,800	8
Total Support Services-Students	<u>2,835</u>	<u>2,808</u>	<u>2,800</u>	<u>8</u>
Support Services-General Administration				
Professional & Tech Services	0	368	368	0
Total Support Services-General Administration	<u>0</u>	<u>368</u>	<u>368</u>	<u>0</u>
Student Transportation				
Personnel Services	0	149	149	0
Employee Benefits	0	13	11	2
Total Student Transportation	<u>0</u>	<u>162</u>	<u>160</u>	<u>2</u>
Total Expenditures	<u>5,700</u>	<u>6,200</u>	<u>6,167</u>	<u>33</u>
Excess (Deficiency) of Revenues Over Expenditures	1,271	1,271	5,680	4,409
Cash Balance Beginning of Year	<u>(1,271)</u>	<u>(1,271)</u>	<u>(1,271)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,409</u>	<u>\$ 4,409</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,680	
Net Change in Due from Grantor			(1,271)	
Net Change in Deferred Revenue			(4,409)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-LANL FOUNDATION-26113
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 31,433	\$ 66,852	\$ 0	\$ (66,852)
Total State Sources	<u>31,433</u>	<u>66,852</u>	<u>0</u>	<u>(66,852)</u>
Total Revenues	<u>31,433</u>	<u>66,852</u>	<u>0</u>	<u>(66,852)</u>
Expenditures				
Instruction				
Personnel Services	14,500	14,051	12,975	1,076
Employee Benefits	2,749	3,776	2,478	1,298
Other Purchased Services	100	6,157	1,540	4,617
Supplies	0	774	0	774
Property	4,829	0	0	0
Total Instruction	<u>22,178</u>	<u>24,758</u>	<u>16,993</u>	<u>7,765</u>
Support Services-Students				
Professional & Tech Services	<u>2,454</u>	<u>4,454</u>	<u>0</u>	<u>4,454</u>
Total Support Services-Students	<u>2,454</u>	<u>4,454</u>	<u>0</u>	<u>4,454</u>
Support Services-Instruction				
Supplies	<u>18,567</u>	<u>18,567</u>	<u>0</u>	<u>18,567</u>
Total Support Services-Instruction	<u>18,567</u>	<u>18,567</u>	<u>0</u>	<u>18,567</u>
Operation & Maintenance of Plant				
Personnel Services	5,600	0	0	0
Employee Benefits	<u>1,051</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operation & Maintenance of Plant	<u>6,651</u>	<u>0</u>	<u>0</u>	<u>0</u>
Student Transportation				
Personnel Services	120	240	198	42
Employee Benefits	<u>30</u>	<u>60</u>	<u>22</u>	<u>38</u>
Total Student Transportation	<u>150</u>	<u>300</u>	<u>220</u>	<u>80</u>
Community Services				
Personnel Services	0	29,693	9,440	20,253
Employee Benefits	<u>0</u>	<u>7,647</u>	<u>1,683</u>	<u>5,964</u>
Total Community Services	<u>0</u>	<u>37,340</u>	<u>11,123</u>	<u>26,217</u>
Total Expenditures	\$ <u>50,000</u>	\$ <u>85,419</u>	\$ <u>28,336</u>	\$ <u>57,083</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-LANL FOUNDATION-26113
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

Excess (Deficiency) of Revenues Over Expenditures	\$	(18,567)	\$	(18,567)	\$	(28,336)	\$	(9,769)
Cash Balance Beginning of Year		<u>18,567</u>		<u>18,567</u>		<u>18,567</u>		<u>0</u>
Cash Balance End of Year	\$	<u>0</u>	\$	<u>0</u>	\$	<u>(9,769)</u>	\$	<u>(9,769)</u>

Reconciliation of Budgetary Basis to GAAP Basis

Excess (Deficiency) of Revenues Over Expenditures-Cash Basis	\$	(28,336)
Net Change in Due from Grantor		<u>9,770</u>
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis	\$	<u>(18,566)</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-LANL FOUNDATION TUTORING-26116
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 0	\$ 0	\$ 40,249	\$ 40,249
Total State Sources	<u>0</u>	<u>0</u>	<u>40,249</u>	<u>40,249</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>40,249</u>	<u>40,249</u>
Expenditures				
Support Services-Students				
Professional & Tech Services	26,604	26,604	0	26,604
Total Support Services-Students	<u>26,604</u>	<u>26,604</u>	<u>0</u>	<u>26,604</u>
Total Expenditures	<u>26,604</u>	<u>26,604</u>	<u>0</u>	<u>26,604</u>
Excess (Deficiency) of Revenues Over Expenditures	(26,604)	(26,604)	40,249	66,853
Cash Balance Beginning of Year	<u>26,604</u>	<u>26,604</u>	<u>26,604</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 66,853</u>	<u>\$ 66,853</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 40,249</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 40,249</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-PNM FOUNDATION-26123
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total State Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	196	0	0	0
Supplies	598	474	0	474
Property	1,906	2,226	0	2,226
Total Instruction	<u>2,700</u>	<u>2,700</u>	<u>0</u>	<u>2,700</u>
Total Expenditures	<u>2,700</u>	<u>2,700</u>	<u>0</u>	<u>2,700</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,700)	(2,700)	0	2,700
Cash Balance Beginning of Year	<u>2,700</u>	<u>2,700</u>	<u>2,700</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,700</u>	<u>\$ 2,700</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-DRAWING FROM THE WELL-26147
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total State Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Support Services-Students				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services-Students	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Support Services-Instruction				
Supplies	<u>1,500</u>	<u>1,500</u>	<u>0</u>	<u>1,500</u>
Total Support Services-Instruction	<u>1,500</u>	<u>1,500</u>	<u>0</u>	<u>1,500</u>
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>0</u>	<u>1,500</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,500)	(1,500)	0	1,500
Cash Balance Beginning of Year	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-TECHNOLOGY FOR EDUCATION-27117
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 17,108	\$ 40,706	\$ 0	\$ (40,706)
Total State Sources	<u>17,108</u>	<u>40,706</u>	<u>0</u>	<u>(40,706)</u>
Total Revenues	<u>17,108</u>	<u>40,706</u>	<u>0</u>	<u>(40,706)</u>
Expenditures				
Instruction				
Other Purchased Services	0	3,000	0	3,000
Supplies	0	5,000	0	5,000
Property	0	15,598	3,100	12,498
Total Instruction	<u>0</u>	<u>23,598</u>	<u>3,100</u>	<u>20,498</u>
Total Expenditures	<u>0</u>	<u>23,598</u>	<u>3,100</u>	<u>20,498</u>
Excess (Deficiency) of Revenues Over Expenditures	17,108	17,108	(3,100)	(20,208)
Cash Balance Beginning of Year	<u>(17,107)</u>	<u>(17,107)</u>	<u>(17,107)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>1</u>	\$ <u>1</u>	\$ <u>(20,207)</u>	\$ <u>(20,208)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,100)	
Net Change in Due from Grantor			<u>3,100</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENT-27138
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 19,587	\$ 19,587	\$ 22,870	\$ 3,283
Total State Sources	<u>19,587</u>	<u>19,587</u>	<u>22,870</u>	<u>3,283</u>
Total Revenues	<u>19,587</u>	<u>19,587</u>	<u>22,870</u>	<u>3,283</u>
Expenditures				
Instruction				
Supplies	4,211	4,211	0	4,211
Total Instruction	<u>4,211</u>	<u>4,211</u>	<u>0</u>	<u>4,211</u>
Total Expenditures	<u>4,211</u>	<u>4,211</u>	<u>0</u>	<u>4,211</u>
Excess (Deficiency) of Revenues Over Expenditures	15,376	15,376	22,870	7,494
Cash Balance Beginning of Year	<u>(15,376)</u>	<u>(15,376)</u>	<u>(15,376)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,494</u>	<u>\$ 7,494</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 22,870	
Net Change in Due from Grantor			<u>(15,376)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 7,494</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-FULL DAY KINDERGARTEN-27142
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total State Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>261</u>	<u>261</u>	<u>261</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 261</u>	<u>\$ 261</u>	<u>\$ 261</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-LIBRARY GO BONDS-27145
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 3,020	\$ 3,020	\$ 2,249	\$ (771)
Total State Sources	<u>3,020</u>	<u>3,020</u>	<u>2,249</u>	<u>(771)</u>
Total Revenues	<u>3,020</u>	<u>3,020</u>	<u>2,249</u>	<u>(771)</u>
Expenditures				
Support Services-Students				
Supplies	151	0	0	0
Total Support Services-Students	<u>151</u>	<u>0</u>	<u>0</u>	<u>0</u>
Support Services-Instruction				
Supplies	620	771	771	0
Total Support Services-Instruction	<u>620</u>	<u>771</u>	<u>771</u>	<u>0</u>
Total Expenditures	<u>771</u>	<u>771</u>	<u>771</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	2,249	2,249	1,478	(771)
Cash Balance Beginning of Year	<u>(2,249)</u>	<u>(2,249)</u>	<u>(2,249)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (771)</u>	<u>\$ (771)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,478	
Net Change in Due from Grantor			<u>(1,478)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-BEGINNING TEACHER MENTORING-27154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 1,460	\$ 2,932	\$ 1,460	\$ (1,472)
Total State Sources	<u>1,460</u>	<u>2,932</u>	<u>1,460</u>	<u>(1,472)</u>
Total Revenues	<u>1,460</u>	<u>2,932</u>	<u>1,460</u>	<u>(1,472)</u>
Expenditures				
Support Services-Students				
Supplies	0	1,472	1,472	0
Total Support Services-Students	<u>0</u>	<u>1,472</u>	<u>1,472</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,472</u>	<u>1,472</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,460	1,460	(12)	(1,472)
Cash Balance Beginning of Year	<u>(1,460)</u>	<u>(1,460)</u>	<u>(1,460)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,472)</u>	<u>\$ (1,472)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (12)	
Net Change in Due from Grantor			<u>12</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-KINDER PLUS - 27189
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 0	\$ 46,600	\$ 14,900	\$ (31,700)
Total State Sources	0	46,600	14,900	(31,700)
Total Revenues	0	46,600	14,900	(31,700)
Expenditures				
Instruction				
Personnel Services	0	23,360	15,495	7,865
Employee Benefits	0	5,314	3,711	1,603
Supplies	0	3,630	3,520	110
Total Instruction	0	32,304	22,726	9,578
Support Services-Students				
Professional & Tech Services	0	100	0	100
Total Support Services-Students	0	100	0	100
Support Services-Instruction				
Supplies	0	7,500	3,750	3,750
Total Support Services-Instruction	0	7,500	3,750	3,750
Community Services				
Personnel Services	0	5,620	5,620	0
Employee Benefits	0	1,076	1,073	3
Total Community Services	0	6,696	6,693	3
Total Expenditures	0	46,600	33,169	13,431
Excess (Deficiency) of Revenues Over Expenditures	0	0	(18,269)	(18,269)
Cash Balance Beginning of Year	0	0	0	0
Cash Balance End of Year	\$ 0	\$ 0	\$ (18,269)	\$ (18,269)
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (18,269)	
Net Change in Due from Grantor			18,269	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-LA PLAZA GRANT-29000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Sources				
State Grant	\$ 758	\$ 758	\$ 0	\$ (758)
Total State Sources	<u>758</u>	<u>758</u>	<u>0</u>	<u>(758)</u>
Total Revenues	<u>758</u>	<u>758</u>	<u>0</u>	<u>(758)</u>
Expenditures				
Instruction				
Supplies	1,500	1,500	1,500	0
Total Instruction	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(742)	(742)	(1,500)	(758)
Cash Balance Beginning of Year	<u>742</u>	<u>742</u>	<u>742</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>(758)</u></u>	\$ <u><u>(758)</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,500)	
Net Change in Due from Grantor			758	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>(742)</u></u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
June 30, 2007

NONMAJOR CAPITAL PROJECTS FUNDS

Public School Capital Outlay-20% (32100)

The revenues are derived from 20% of the District Tax Levy set aside for capital improvements.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 CAPITAL PROJECTS FUND-PUBLIC SCHOOL CAPITAL OUTLAY-20%-32100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Total Local Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Capital Outlay				
Purchased Property Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>8,403</u>	<u>8,403</u>	<u>8,403</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,403</u>	<u>\$ 8,403</u>	<u>\$ 8,403</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>8,403</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>8,403</u>	

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

NONMAJOR DEBT SERVICE

Debt Service (41000)

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
DEBT SERVICE-41000

Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources				
Taxes	\$ 131,013	\$ 131,013	\$ 126,964	\$ (4,049)
Total Local Sources	<u>131,013</u>	<u>131,013</u>	<u>126,964</u>	<u>(4,049)</u>
Total Revenues	<u>131,013</u>	<u>131,013</u>	<u>126,964</u>	<u>(4,049)</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	1,310	3,310	1,270	2,040
Total Administration	<u>1,310</u>	<u>3,310</u>	<u>1,270</u>	<u>2,040</u>
Debt Service				
Debt Service				
Debt Service Reserve	20,026	18,026	0	18,026
Principal	105,000	105,000	105,000	0
Interest	26,013	26,013	26,012	1
Total Debt Service	<u>151,039</u>	<u>149,039</u>	<u>131,012</u>	<u>18,027</u>
Total Expenditures	<u>152,349</u>	<u>152,349</u>	<u>132,282</u>	<u>20,067</u>
Excess (Deficiency) of Revenues Over Expenditures	(21,336)	(21,336)	(5,318)	16,018
Cash Balance Beginning of Year	<u>31,268</u>	<u>31,268</u>	<u>31,268</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 9,932</u>	<u>\$ 9,932</u>	<u>\$ 25,950</u>	<u>\$ 16,018</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,318)	
Net Change in Taxes			<u>875</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (4,443)</u>	

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

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

To account for funds of various student groups that are custodial in nature.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 AGENCY FUNDS
 Statement of Fiduciary Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2007

	<u>Balance</u> <u>06/30/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/07</u>
ASSETS				
Cash in Bank	\$ 92,011	\$ 4,995,590	\$ 4,959,237	\$ 128,364
Total Assets	<u>\$ 92,011</u>	<u>\$ 4,995,590</u>	<u>\$ 4,959,237</u>	<u>\$ 128,364</u>
LIABILITIES				
Deposits Held for Others	\$ 92,011	\$ 4,995,590	\$ 4,959,237	\$ 128,364
Total Liabilities	<u>\$ 92,011</u>	<u>\$ 4,995,590</u>	<u>\$ 4,959,237</u>	<u>\$ 128,364</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Fiduciary Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2007

	Balance 06/30/06	Additions	Deletions	Balance 06/30/07
ASSETS				
Elementary School				
Activity Fund	\$ 13,334	\$ 33,729	\$ 25,134	\$ 21,929
Cheerleader Fund	164	0	0	164
Chess Club Fund	643	4	0	647
Interest Fund	0	223	89	134
Library Fund	952	3,445	3,413	984
Lost Book Fund	688	271	0	959
School Paper Fund	0	32	0	32
Spelling Bee Fund	22	0	0	22
Incentive Fund	307	7,716	375	7,648
Spanish Spelling Fund	63	0	0	63
Yearbook Fund	16	1,860	1,470	406
Elementary Band Fund	363	84	101	346
Parent Advisory	0	312	0	312
Total Elementary	<u>16,552</u>	<u>47,676</u>	<u>30,582</u>	<u>33,646</u>
Jr. High & High School				
Activity	7,826	430	34	8,222
T.S.A.	3,837	12,062	10,759	5,140
Art	1,492	930	1,340	1,082
Band Fund	1,302	0	665	637
BPA	126	19,511	17,278	2,359
Varsity Cheerleaders	646	2,342	1,514	1,474
Jr. High Mesa	807	860	850	817
Band Instruments	872	1,740	2,243	369
Drama Club	876	1,489	822	1,543
FHA	161	0	0	161
Class of 2010	2,229	1,370	20	3,579
Jr. High Cheerleaders	80	0	0	80
Library	373	92	90	375
Locker Fund	1,165	951	4	2,112
Math Olympics	99	0	0	99
National Honor Society	294	5,692	4,526	1,460
Pen & Pencil	590	0	0	590
Presidential Schools	961	0	0	961
Spelling Bee	951	215	0	1,166
Student Council	283	0	0	283
Year Book	1,660	4,314	800	5,174
Science Club	636	646	204	1,078
Mesa	998	854	1,017	835
Cross Country	511	135	135	511
Track & Field	2,259	266	155	2,370
Citizens Bee	128	0	0	128
Peer Educators	1,727	20	0	1,747
Class of 2008	4,582	7,862	9,812	2,632
Computer Fund	\$ 31	\$ 0	\$ 0	\$ 31

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Fiduciary Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2007

	Balance 06/30/06	Additions	Deletions	Balance 06/30/07
Boys State	\$ 24	\$ 0	\$ 0	\$ 24
Class of 2009	3,901	2,165	0	6,066
Spanish Club	2,099	1,125	1,314	1,910
Woods	1,529	481	0	2,010
Penasco Pen	83	20	0	103
Mariachi-Stange B	2,927	3,601	5,044	1,484
Girls State	63	0	0	63
Lost Books	459	320	779	0
Marshall Vigil	1,343	80	80	1,343
Stage Band	731	0	397	334
JH Band	1,236	0	1,235	1
Chess Club	526	618	814	330
Jr. High Science Club	940	613	196	1,357
FFA	780	0	0	780
Class of 2007	16	1,064	673	407
Drill Team	576	0	0	576
Auto Club	260	0	0	260
JH Incentive Fund	558	0	0	558
HS Incentive Fund	232	0	0	232
Community Involvement	83	0	0	83
Penasco Publishers	9	0	0	9
Spanish Spelling Bee	1,250	897	1,143	1,004
Keys	0	20	0	20
Interest	0	761	761	0
Class of 2011	2,280	3,772	2,332	3,720
Class of 2012	0	2,329	1,059	1,270
Laptop	0	3,569	39	3,530
Total Jr. High & High School	<u>59,407</u>	<u>83,216</u>	<u>68,134</u>	<u>74,489</u>
Payroll Clearing Account	<u>16,052</u>	<u>4,864,698</u>	<u>4,860,521</u>	<u>20,229</u>
Total Assets	<u>\$ 92,011</u>	<u>\$ 4,995,590</u>	<u>\$ 4,959,237</u>	<u>\$ 128,364</u>
LIABILITIES				
Deposits Held for Others	<u>\$ 92,011</u>	<u>\$ 4,995,590</u>	<u>\$ 4,959,237</u>	<u>\$ 128,364</u>
Total Liabilities	<u>\$ 92,011</u>	<u>\$ 4,995,590</u>	<u>\$ 4,959,237</u>	<u>\$ 128,364</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Cash Reconciliations - All Funds
For the Year Ended June 30, 2007

	Operational 11000	Transportation 13000	Instructional Materials 14000
Net Cash in Bank 6/30/06			
Cash in Bank	\$ 607,463	\$ 60,172	\$ 47,026
Restatements	0	0	0
Balance 6/30/06	<u>607,463</u>	<u>60,172</u>	<u>47,026</u>
Add: 2006-07			
Revenues	5,439,179	326,708	54,324
TOTAL Cash Available	<u>6,046,642</u>	<u>386,880</u>	<u>101,350</u>
Less: 2006-07			
Expenditures	5,331,572	385,961	61,309
	<u>5,331,572</u>	<u>385,961</u>	<u>61,309</u>
TOTAL Cash 6/30/07	<u>\$ 715,070</u>	<u>\$ 919</u>	<u>\$ 40,041</u>
Balance Per Bank 6/30/07	\$ 882,528	\$ 919	\$ 40,041
Add: Deposits in Transit	1,319	0	0
Less: Outstanding Checks	160,473	0	0
Pending Adjustment	<u>(8,304)</u>	<u>0</u>	<u>0</u>
Cash in Bank 6/30/07	723,374	919	40,041
Cash on Hand	0	0	0
TOTAL Cash 6/30/07	<u>\$ 715,070</u>	<u>\$ 919</u>	<u>\$ 40,041</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Cash Reconciliations - All Funds
For the Year Ended June 30, 2007

	Food Service 21000	Athletics 22000	Activities 23000
Net Cash in Bank 6/30/06			
Cash in Bank	\$ 88,217	\$ 28,754	\$ 77,931
Restatements	0	0	14,080
Balance 6/30/06	<u>88,217</u>	<u>28,754</u>	<u>92,011</u>
Add: 2006-07			
Revenues	269,237	98,866	4,995,590
TOTAL Cash Available	<u>357,454</u>	<u>127,620</u>	<u>5,087,601</u>
Less: 2006-07			
Expenditures	285,411	93,227	4,959,237
	<u>285,411</u>	<u>93,227</u>	<u>4,959,237</u>
 TOTAL Cash 6/30/07	 <u>\$ 72,043</u>	 <u>\$ 34,393</u>	 <u>\$ 128,364</u>
 Balance Per Bank 6/30/07	 \$ 80,314	 \$ 36,850	 \$ 338,892
Add: Deposits in Transit	7	0	0
Less: Outstanding Checks	8,278	2,457	210,540
Pending Adjustment	0	0	12
Cash in Bank 6/30/07	72,043	34,393	128,364
Cash on Hand	0	0	0
TOTAL Cash 6/30/07	<u>\$ 72,043</u>	<u>\$ 34,393</u>	<u>\$ 128,364</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Cash Reconciliations - All Funds
For the Year Ended June 30, 2007

	Federal Projects 24000	Federal Direct 25000	Local Grants 26000
Net Cash in Bank 6/30/06			
Cash in Bank	\$ (19,933)	\$ 86,990	\$ 47,871
Restatements	0	0	1,500
Balance 6/30/06	<u>(19,933)</u>	<u>86,990</u>	<u>49,371</u>
Add: 2006-07			
Revenues	<u>373,043</u>	<u>66,092</u>	<u>40,248</u>
TOTAL Cash Available	<u>353,110</u>	<u>153,082</u>	<u>89,619</u>
Less: 2006-07			
Expenditures	<u>452,773</u>	<u>47,400</u>	<u>28,336</u>
	<u>452,773</u>	<u>47,400</u>	<u>28,336</u>
 TOTAL Cash 6/30/07	 <u>\$ (99,663)</u>	 <u>\$ 105,682</u>	 <u>\$ 61,283</u>
 Balance Per Bank 6/30/07	 \$ (122,210)	 \$ 105,680	 \$ 61,283
Add: Deposits in Transit	65,448	0	0
Less: Outstanding Checks	38,056	0	0
Pending Adjustment	<u>(4,845)</u>	<u>0</u>	<u>0</u>
Cash in Bank 6/30/07	(99,663)	105,680	61,283
Cash on Hand	0	0	0
TOTAL Cash 6/30/07	<u>\$ (99,663)</u>	<u>\$ 105,682</u>	<u>\$ 61,283</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Cash Reconciliations - All Funds
For the Year Ended June 30, 2007

	State Flow through 27000	Other Grants 29000	Bond Building 31100
Net Cash in Bank 6/30/06			
Cash in Bank	\$ (35,932)	\$ 742	\$ 372,659
Restatements	0	0	0
Balance 6/30/06	<u>(35,932)</u>	<u>742</u>	<u>372,659</u>
Add: 2006-07			
Revenues	41,479	0	838,279
TOTAL Cash Available	<u>5,547</u>	<u>742</u>	<u>1,210,938</u>
Less: 2006-07			
Expenditures	38,512	1,500	739,223
	<u>38,512</u>	<u>1,500</u>	<u>739,223</u>
TOTAL Cash 6/30/07	\$ <u>(32,965)</u>	\$ <u>(758)</u>	\$ <u>471,715</u>
Balance Per Bank 6/30/07	\$ (32,965)	\$ (758)	\$ 506,848
Add: Deposits in Transit	0	0	0
Less: Outstanding Checks	0	0	35,133
Pending Adjustment	0	0	0
Cash in Bank 6/30/07	(32,965)	(758)	471,715
Cash on Hand	0	0	0
TOTAL Cash 6/30/07	<u>\$ (32,965)</u>	<u>\$ (758)</u>	<u>\$ 471,715</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Cash Reconciliations - All Funds
For the Year Ended June 30, 2007

	Special Capital Outlay-State 31400	Senate Bill Nine 31700	Public School Capital Outlay-20% 32100
Net Cash in Bank 6/30/06			
Cash in Bank	\$ (13,218)	\$ 279,506	\$ 8,403
Restatements	0	0	0
Balance 6/30/06	<u>(13,218)</u>	<u>279,506</u>	<u>8,403</u>
Add: 2006-07			
Revenues	18,642	70,660	0
TOTAL Cash Available	<u>5,424</u>	<u>350,166</u>	<u>8,403</u>
Less: 2006-07			
Expenditures	39,067	95,621	0
	<u>39,067</u>	<u>95,621</u>	<u>0</u>
TOTAL Cash 6/30/07	<u>\$ (33,643)</u>	<u>\$ 254,545</u>	<u>\$ 8,403</u>
Balance Per Bank 6/30/07	\$ (65,666)	\$ 254,545	\$ 8,403
Add: Deposits in Transit	32,023	0	0
Less: Outstanding Checks	0	0	0
Pending Adjustment	0	0	0
Cash in Bank 6/30/07	(33,643)	254,545	8,403
Cash on Hand	0	0	0
TOTAL Cash 6/30/07	<u>\$ (33,643)</u>	<u>\$ 254,545</u>	<u>\$ 8,403</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Cash Reconciliations - All Funds
For the Year Ended June 30, 2007

	Debt Service 41000	Payroll Clearing	Totals
Net Cash in Bank 6/30/06			
Cash in Bank	\$ 31,268	\$ 16,052	\$ 1,683,971
Restatements	0	(16,052)	(472)
Balance 6/30/06	<u>31,268</u>	<u>0</u>	<u>1,683,499</u>
Add: 2006-07			
Revenues	126,964	126,964	12,759,311
TOTAL Cash Available	<u>158,232</u>	<u>126,964</u>	<u>14,442,810</u>
Less: 2006-07			
Expenditures	132,282	132,282	12,691,431
	<u>132,282</u>	<u>132,282</u>	<u>12,691,431</u>
 TOTAL Cash 6/30/07	 <u>\$ 25,950</u>	 <u>\$ (5,318)</u>	 <u>\$ 1,751,379</u>
 Balance Per Bank 6/30/07	 \$ 25,950	 \$ 25,950	 \$ 2,120,654
Add: Deposits in Transit	0	0	98,797
Less: Outstanding Checks	0	0	454,937
Pending Adjustment	0	0	(13,137)
	<u>0</u>	<u>0</u>	<u>(13,137)</u>
Cash in Bank 6/30/07	25,950	25,950	1,759,681
Cash on Hand	0	0	0
TOTAL Cash 6/30/07	<u>\$ 25,950</u>	<u>\$ (5,318)</u>	<u>\$ 1,751,379</u>

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

FEDERAL COMPLIANCE

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2007

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through State Department of Education			
USDA National School Lunch Program	10.555	21000	\$ 255,241
Total Child Nutrition Cluster			<u>255,241</u>
Pass-through State Department of Human Services			
USDA Commodities Program	10.550	21000	(1) <u>10,006</u>
Direct Program			
Forest Reserve	10.670	11000	<u>8,305</u>
Total U. S. Department of Agriculture			<u>273,552</u>
<u>U. S. Department of Education</u>			
Pass-through State Department of Education:			
Special Education Cluster			
IDEA-B Entitlement	84.027	24106	106,123
IDEA-B Discretionary	84.027	24107	42,906
Total Special Education Cluster			<u>149,029</u>
Title I	84.010	24101	203,850
Title V-A	84.332	24150	7,923
Title III Bilingual	84.340	24153	24,042
Title II-A	84.281	24154	63,972
Title IV-A	84.186	24157	3,957
Direct Program:			
Impact Aid	84.041	25145	47,805
Title IX Indian Formula	84.060	25184	<u>6,168</u>
Total U. S. Department of Education			<u>506,746</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2007

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>Department of Health & Human Services</u>			
Medicaid	93.778	25153	<u>30,943</u>
Total Department of Health & Human Services			<u>30,943</u>
Total Federal Assistance		\$	<u><u>811,241</u></u>

(1) Non-cash assistance

See accompanying notes to the Schedule of Expenditures of Federal Awards

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2007

Note 1: Significant Accounting Policies used in preparing the Schedule of Expenditure of Federal Awards

The modified accrual basis of accounting was used to prepare the Schedule of Expenditures of Federal Awards

Note 2: Insurance Requirements

There are no insurance requirements on the federal awards disclosed on the Schedule of Expenditures of Federal Awards

Note 3: Loans or Loan Guarantees

There were no loans or loan guarantees outstanding at year end.

Note 4: Reconciliation of the SEFA to expenditures reported of the schedule of Revenues,

Expenditures reported on the SEFA	\$	<u>811,241</u>
Federal Grants reported on Statement for Revenues, Expenditures and Changes in Fund Balances		824,248
Difference in Impact Aid Revenues and Expenditures		2,005
Difference in Medicaid Revenues and Expenditures		<u>(15,012)</u>
		<u>811,241</u>

De'Aun Willoughby CPA, PC

Certified Public Accountant

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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*

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Penasco Independent Schools

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds and the combining and individual funds presented as supplemental information of PENASCO INDEPENDENT SCHOOLS, (District), as of and for the year ended June 30, 2007, and have issued our report thereon dated October 17, 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 the District's internal control over financial reporting as a basis for designing the auditing procedures for the purpose of expressing 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.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District'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 District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiency, 07-01, described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting.

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 District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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*.

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

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

De'Ann Willoughby, CPA PC

October 17, 2008

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(505) 253-4313

Report on Compliance With Requirements
Applicable to Each Major Program and Internal Control
Over Compliance in Accordance with OMB Circular A-133

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Penasco Independent Schools

Mr. Balderas and Members of the Board

Compliance

We have audited the compliance of PENASCO INDEPENDENT SCHOOLS (District), and 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, 2007. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District'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-Profits 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 the District'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 of the District's compliance with those requirements.

In our opinion, the District 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, 2007. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 07-02.

Internal Control Over Compliance

The management of the District, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the 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.

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

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

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature, 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.

De'Ann Willoughby CPA PC

October 17, 2008

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2007

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting

- * Material Weakness(es) identified? yes no
- * Reportable condition(s) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- * Material Weakness(es) identified? yes no
- * Reportable condition(s) identified that are not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
84.010	Title I Basic Education Grant

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

Auditee qualified as low risk auditee yes no

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007

Prior Year Audit Findings

There were no prior year audit findings.

Current Year Audit Findings

07-1 Late Audit Report - Compliance

Condition

The audit report was filed after the due date. The report was submitted on 11/17/08 to the State Auditor's Office.

Criteria

According to the State Auditor Rule 2.2.2.9 (d), the audit report due date for the District is November 15.

Cause

The District did not contract with the auditor until after the due date of the audit report.

Effect

The users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, etc., do not have timely audit reports and financial statements for their review. Late audit report could have an effect on state and federal funding.

Recommendation

The District should make every effort to hire an auditor and complete their audit timely.

Response

We will make an effort to solicit an auditor and complete our audit timely.

07-2 Late Filed Data Collection Form and Reporting Package to the Federal Clearinghouse

Condition

The audit report was filed after the due date. The State Auditors Office received the audit report on 11/17/08.

Criteria

As required by OMB Circular A-133.320, the reporting package is due nine months after the fiscal year end.

Cause

The District did not contract with the auditor until after the due date of the audit report.

Effect

Late report filing is an instance of noncompliance in the District's internal controls over financial

Recommendation

We will all be more diligent to file the data collection form timely in the future.

Financial Statement Preparation

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

Exit Conference

An exit conference was held October 17, 2008 in attendance were Dorothy Sanchez-Superintendent, Juliet Garcia-Gonzales-President, Cecilia Romero-Torres-Business Manager and De' Aun Willoughby, CPA.