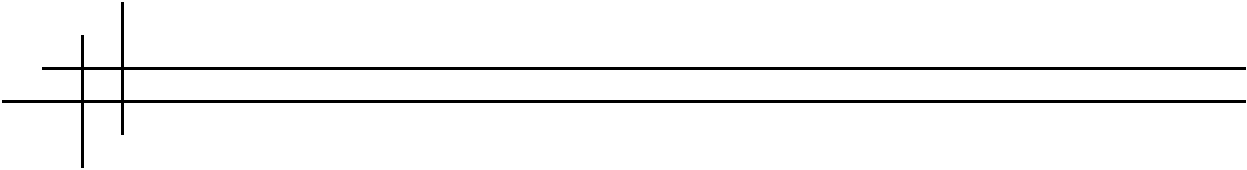


STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2009

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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PENASCO INDEPENDENT SCHOOLS
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STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Official Roster
June 30, 2009

BOARD OF EDUCATION

Benny Vigil	President
Michael Romero	Vice-President
Juliet Garcia-Gonzales	Secretary
Isabel Lopez-Duran	Member
Norman Esquibel	Member
Roland Rodriguez	Member
Mary T. Mascarenas	Member

SCHOOL OFFICIALS

Ernesto Valdez	Superintendent
Elizabeth Romero	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 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, 2009, which collectively comprise the District's 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, 2009, 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, 2009, 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, 2009, 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 November 6, 2009, 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

November 6, 2009

FINANCIAL SECTION

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 Government-Wide Statement of Net Assets
 June 30, 2009

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 3,605,066
Investments	200,000
Taxes Receivable	27,818
Due from Grantor	228,530
Inventory	<u>7,829</u>
Total Current Assets	<u>4,069,243</u>
Noncurrent Assets	
Capital Assets	20,155,042
Less: Accumulated Depreciation	<u>(9,111,128)</u>
Total Noncurrent Assets	<u>11,043,914</u>
Total Assets	<u>15,113,157</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	23,694
Accrued Interest	9,601
Deferred Revenue	833
Current Portion of Long-Term Debt	<u>140,000</u>
Total Current Liabilities	<u>174,128</u>
Noncurrent Liabilities	
Bonds and Notes	2,193,759
Compensated Absences	<u>36,530</u>
Total Noncurrent Liabilities	<u>2,230,289</u>
Total Liabilities	<u>2,404,417</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	8,710,155
Restricted for:	
Capital Projects	2,817,128
Debt Service	20,073
Unrestricted	<u>1,161,384</u>
Total Net Assets	<u>\$ 12,708,740</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
Governmental Activities					
Instruction	\$ 3,813,628	\$ 75,914	\$ 543,225	\$ 0	\$ (3,194,489)
Support Services-Students	753,444	0	69,884	0	(683,560)
Support Services-Instruction	83,562	0	11,370	0	(72,192)
General Administration	326,409	0	21,938	0	(304,471)
School Administration	406,731	0	0	0	(406,731)
Central Services	302,001	0	0	0	(302,001)
Operation of Plant	1,185,292	0	70,236	0	(1,115,056)
Student Transportation	375,609	0	337,708	0	(37,901)
Food Services	261,630	2,887	312,038	0	53,295
Community Service	74,757	0	19,656	0	(55,101)
Interest on Long-Term Obligations	28,644	0	0	0	(28,644)
Total Governmental Activities	\$ <u>7,611,707</u>	\$ <u>78,801</u>	\$ <u>1,386,055</u>	\$ <u>0</u>	<u>(6,146,851)</u>
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					7,735
Property Taxes, Levied for Capital Projects					85,177
Property Taxes, Levied for Debt Service					147,963
Federal and State aid not restricted to specific purpose					
General					5,550,948
Capital					238,627
Interest and investment earnings					17,152
Miscellaneous					93,437
Subtotal, General Revenues					<u>6,141,039</u>
Change in Net Assets					(5,812)
Net Assets - Beginning					<u>12,714,552</u>
Net Assets - ending					<u>\$ 12,708,740</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, 2009

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
ASSETS			
Cash and Cash Equivalents	\$ 319,072	\$ 923	\$ 53,860
Investments	200,000	0	0
Receivables			
Taxes	855	0	0
Due From Grantor	0	0	0
Interfund Balances	227,058	0	0
Inventory	0	0	0
Total Assets	<u>\$ 746,985</u>	<u>\$ 923</u>	<u>\$ 53,860</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 22,590	\$ 0	\$ 0
Interfund Balances	0	0	0
Deferred Revenue	635	0	0
Total Liabilities	<u>23,225</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	723,760	923	53,860
Special Revenue Funds	0	0	0
Total Fund Balances	<u>723,760</u>	<u>923</u>	<u>53,860</u>
Total Liabilities and Fund Balances	<u>\$ 746,985</u>	<u>\$ 923</u>	<u>\$ 53,860</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, 2009

	Title I 24101	Entitlement IDEA-B 24106	21st Century 24119
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Investments	0	0	0
Receivables			
Taxes	0	0	0
Due From Grantor	65,446	35,203	30,051
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 65,446</u>	<u>\$ 35,203</u>	<u>\$ 30,051</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	65,446	35,203	30,051
Deferred Revenue	0	0	0
Total Liabilities	<u>65,446</u>	<u>35,203</u>	<u>30,051</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	0	0	0
Special Revenue Funds	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 65,446</u>	<u>\$ 35,203</u>	<u>\$ 30,051</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, 2009

	Bond Building 31100	Special School Capital Outlay-State 31400	Senate Bill Nine 31700
ASSETS			
Cash and Cash Equivalents	\$ 2,381,288	\$ 0	\$ 432,453
Investments	0	0	0
Receivables			
Taxes	0	0	7,030
Due From Grantor		35,209	0
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 2,381,288</u>	<u>\$ 35,209</u>	<u>\$ 439,483</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances		35,209	0
Deferred Revenue	0	0	4,813
Total Liabilities	<u>0</u>	<u>35,209</u>	<u>4,813</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Capital Improvements	2,381,288	0	434,670
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	0	0	0
Special Revenue Funds	0	0	0
Total Fund Balances	<u>2,381,288</u>	<u>0</u>	<u>434,670</u>
Total Liabilities and Fund Balances	<u>\$ 2,381,288</u>	<u>\$ 35,209</u>	<u>\$ 439,483</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, 2009

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and Cash Equivalents	\$ 417,470	\$ 3,605,066
Investments	0	200,000
Receivables		
Taxes	19,933	27,818
Due From Grantor	62,621	228,530
Interfund Balances	0	227,058
Inventory	7,829	7,829
Total Assets	<u>\$ 507,853</u>	<u>\$ 4,296,301</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	\$ 1,104	\$ 23,694
Interfund Balances	61,149	227,058
Deferred Revenue	16,900	22,348
Total Liabilities	<u>79,153</u>	<u>273,100</u>
 Fund Balances		
Reserved for:		
Inventory	7,829	7,829
Capital Improvements	1,170	2,817,128
Debt Service	20,073	20,073
Unreserved, Undesignated, reported in:		
General Fund	0	778,543
Special Revenue Funds	399,628	399,628
Total Fund Balances	<u>428,700</u>	<u>4,023,201</u>
Total Liabilities and Fund Balances	<u>\$ 507,853</u>	<u>\$ 4,296,301</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, 2009

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

Total Fund Balance - Governmental Funds	\$	4,023,201
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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	\$	20,155,042	
Accumulated depreciation is		<u>(9,111,128)</u>	11,043,914

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.

21,515

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	(2,370,000)	
Accrued interest on bonds	(9,601)	
Net Bond Issue Costs	36,241	
Compensated Absences	<u>(36,530)</u>	<u>(2,379,890)</u>

Total net assets - governmental activities	\$	<u><u>12,708,740</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, 2009

	General Fund		
	Operational	Transportation	Instructional
	11000	13000	Materials 14000
Revenues			
Property Taxes	\$ 7,727	\$ 0	\$ 0
Investment Income	15,130	0	0
Fees	233	0	0
State & Local Grants	5,465,005	333,437	51,252
Federal Grants	85,944	0	0
Miscellaneous	93,437	0	0
Total Revenues	<u>5,667,476</u>	<u>333,437</u>	<u>51,252</u>
Expenditures			
Current			
Instruction	2,870,652	0	37,165
Support Services-Students	699,413	0	0
Support Services-Instruction	68,180	0	1,404
Support Services-General Administration	283,815	0	0
Support Services-School Administration	338,650	0	0
Central Services	309,572	0	0
Operation & Maintenance of Plant	1,135,140	0	0
Student Transportation	31,993	333,433	0
Food Service	0	0	0
Community Services	4,015	0	0
Capital Outlay	17,042	0	0
Debt Service			
Bond Issue Costs	0	0	0
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>5,758,472</u>	<u>333,433</u>	<u>38,569</u>
Excess (Deficiency) of Revenues			
Over Expenditures	(90,996)	4	12,683
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(90,996)	4	12,683
Fund Balances at Beginning of Year	<u>814,756</u>	<u>919</u>	<u>41,177</u>
Fund Balance End of Year	<u>\$ 723,760</u>	<u>\$ 923</u>	<u>\$ 53,860</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, 2009

	Title I 24101	Entitlement IDEA-B 24106	21st Century 24119
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	182,071	106,917	94,219
Miscellaneous	0	0	0
Total Revenues	<u>182,071</u>	<u>106,917</u>	<u>94,219</u>
Expenditures			
Current			
Instruction	126,064	106,917	66,462
Support Services-Students	0	0	0
Support Services-Instruction	1,142	0	0
Support Services-General Administration	9,545	0	4,281
Support Services-School Administration	35,879	0	23,476
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Service	0	0	0
Community Services	9,441	0	0
Capital Outlay	0	0	0
Debt Service			
Bond Issue Costs	0	0	0
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>182,071</u>	<u>106,917</u>	<u>94,219</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balances at Beginning of Year	<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
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2009

	Bond Building 31100	Special School Capital Outlay-State 31400	Senate Bill Nine 31700
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 85,125
Investment Income	1,403	0	0
Fees	0	0	0
State & Local Grants	0	238,627	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>1,403</u>	<u>238,627</u>	<u>85,125</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	865
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	33,134
Student Transportation	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Capital Outlay	28,877	238,627	21,486
Debt Service			
Bond Issue Costs	29,256	0	0
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>58,133</u>	<u>238,627</u>	<u>55,485</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(56,730)</u>	<u>0</u>	<u>29,640</u>
Other Financing Sources (Uses)			
Bond Proceeds	<u>2,230,000</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>2,230,000</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	2,173,270	0	29,640
Fund Balances at Beginning of Year	<u>208,018</u>	<u>0</u>	<u>405,030</u>
Fund Balance End of Year	<u>\$ 2,381,288</u>	<u>\$ 0</u>	<u>\$ 434,670</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, 2009

	Other Governmental Funds	Total Governmental Funds
Revenues		
Property Taxes	\$ 145,295	\$ 238,147
Investment Income	619	17,152
Fees	121,708	121,941
State & Local Grants	88,680	6,177,001
Federal Grants	486,339	955,490
Miscellaneous	0	93,437
Total Revenues	<u>842,641</u>	<u>7,603,168</u>
Expenditures		
Current		
Instruction	254,124	3,461,384
Support Services-Students	52,015	751,428
Support Services-Instruction	12,668	83,394
Support Services-General Administration	8,133	306,639
Support Services-School Administration	10,175	408,180
Central Services	0	309,572
Operation & Maintenance of Plant	7,233	1,175,507
Student Transportation	10,183	375,609
Food Service	256,407	256,407
Community Services	61,275	74,731
Capital Outlay	0	306,032
Debt Service		
Bond Issue Costs	0	29,256
Principal	125,000	125,000
Interest	14,463	14,463
Total Expenditures	<u>811,676</u>	<u>7,677,602</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>30,965</u>	<u>(74,434)</u>
Other Financing Sources (Uses)		
Bond Proceeds	0	2,230,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>2,230,000</u>
Net Change in Fund Balance	30,965	2,155,566
Fund Balances at Beginning of Year	<u>397,735</u>	<u>1,867,635</u>
Fund Balance End of Year	<u>\$ 428,700</u>	<u>\$ 4,023,201</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, 2009

Net Change in Fund Balance \$ 2,155,566

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. 2,728

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	\$ (380,191)	
Capital Outlays	<u>306,032</u>	(74,159)

The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net assets. (2,230,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 125,000

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.

Current year Bond Issue Costs	29,256	
Amortization of Bond Issue Costs	<u>(7,230)</u>	22,026

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (6,952)

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. (21)

Changes in Net Assets of Governmental Activities \$ (5,812)

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 7,150	\$ 7,150	\$ 7,826	\$ 676
Investment Income	40,000	4,000	15,130	11,130
Fees	2,000	2,000	233	(1,767)
State & Local Grants	5,485,029	5,464,554	5,465,005	451
Federal Grants	42,543	42,543	85,944	43,401
Miscellaneous	45,253	45,253	93,437	48,184
Total Revenues	<u>5,621,975</u>	<u>5,565,500</u>	<u>5,667,575</u>	<u>102,075</u>
Expenditures				
Instruction				
Personnel Services	2,173,113	2,158,022	2,094,011	64,011
Employee Benefits	672,861	672,244	601,743	70,501
Professional & Tech Services	10,000	17,143	6,434	10,709
Other Purchased Services	28,300	29,488	12,983	16,505
Supplies	151,300	159,290	125,797	33,493
Fixed Assets	30,000	30,000	0	30,000
Supply Assets	55,000	55,000	29,454	25,546
Total Instruction	<u>3,120,574</u>	<u>3,121,187</u>	<u>2,870,422</u>	<u>250,765</u>
Support Services-Students				
Personnel Services	228,846	289,750	289,741	9
Employee Benefits	62,785	76,884	76,738	146
Professional & Tech Services	290,150	309,826	309,826	0
Other Purchased Services	250	305	305	0
Supplies	38,900	38,400	22,802	15,598
Supply Assets	8,000	0	0	0
Total Support Services-Students	<u>628,931</u>	<u>715,165</u>	<u>699,412</u>	<u>15,753</u>
Support Services-Instruction				
Personnel Services	41,336	41,523	41,523	0
Employee Benefits	15,893	16,917	16,295	622
Supplies	11,200	9,989	8,231	1,758
Supply Assets	5,000	5,000	1,089	3,911
Total Support Services-Instruction	<u>\$ 73,429</u>	<u>\$ 73,429</u>	<u>\$ 67,138</u>	<u>\$ 6,291</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Support Services-General Administration				
Personnel Services	\$ 179,175	123,620	\$ 123,591	\$ 29
Employee Benefits	50,404	32,719	30,046	2,673
Professional & Tech Services	68,435	88,123	81,918	6,205
Purchased Property Services	2,000	2,000	2,000	0
Other Purchased Services	33,150	36,591	32,049	4,542
Supplies	12,900	7,689	7,582	107
Fixed Assets	10,000	4,260	0	4,260
Supply Assets	5,000	1,342	0	1,342
Total Support Services-General Administration	<u>361,064</u>	<u>296,344</u>	<u>277,186</u>	<u>19,158</u>
Support Services-School Administration				
Personnel Services	233,675	252,478	250,397	2,081
Employee Benefits	71,706	69,794	69,155	639
Professional & Tech Services	16,600	56,678	4,765	51,913
Other Purchased Services	1,500	1,550	426	1,124
Supplies	15,000	13,808	13,808	0
Fixed Assets	10,000	10,000	0	10,000
Supply Assets	5,000	2,476	100	2,376
Total Support Services-School Administration	<u>353,481</u>	<u>406,784</u>	<u>338,651</u>	<u>68,133</u>
Central Services				
Personnel Services	205,859	187,159	186,533	626
Employee Benefits	62,430	53,859	51,798	2,061
Professional & Tech Services	7,000	7,700	7,155	545
Purchased Property Services	6,000	0	0	0
Other Purchased Services	2,000	47,725	45,172	2,553
Supplies	10,000	5,700	4,254	1,446
Fixed Assets	10,000	10,000	0	10,000
Supply Assets	5,000	5,000	468	4,532
Total Central Services	<u>308,289</u>	<u>317,143</u>	<u>295,380</u>	<u>21,763</u>
Operation & Maintenance of Plant				
Personnel Services	364,544	342,817	342,551	266
Employee Benefits	119,205	97,921	97,369	552
Professional & Tech Services	1,000	590	580	10
Purchased Property Services	454,100	506,210	506,210	0
Other Purchased Services	112,502	146,298	146,298	0
Supplies	43,334	48,878	47,371	1,507
Fixed Assets	20,000	487	486	1
Supply Assets	10,000	1,471	1,206	265
Total Operation & Maintenance of Plant	<u>\$ 1,124,685</u>	<u>\$ 1,144,672</u>	<u>\$ 1,142,071</u>	<u>\$ 2,601</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Student Transportation				
Personnel Services	\$ 8,151	\$ 11,120	\$ 11,120	\$ 0
Employee Benefits	1,681	1,504	912	592
Professional & Tech Services	0	140	140	0
Purchased Property Services	8,000	16,417	16,417	0
Other Purchased Services	800	496	495	1
Supplies	3,000	3,000	2,986	14
Supply Assets	5,000	0	0	0
Total Student Transportation	<u>26,632</u>	<u>32,677</u>	<u>32,070</u>	<u>607</u>
Food Service				
Supplies	25,000	25,000	0	25,000
Total Food Service	<u>25,000</u>	<u>25,000</u>	<u>0</u>	<u>25,000</u>
Community Service				
Personnel Services	37,000	37,000	3,299	33,701
Employee Benefits	7,890	7,890	716	7,174
Total Community Service	<u>44,890</u>	<u>44,890</u>	<u>4,015</u>	<u>40,875</u>
Capital Outlay				
Purchased Property Services	105,000	85,693	2,923	82,770
Land Improvements	124,458	110,339	0	110,339
Fixed Assets	0	14,119	14,119	0
Total Capital Outlay	<u>229,458</u>	<u>210,151</u>	<u>17,042</u>	<u>193,109</u>
Total Expenditures	<u>6,296,433</u>	<u>6,387,442</u>	<u>5,743,387</u>	<u>644,055</u>
Excess (Deficiency) of Revenues Over Expenditures	(674,458)	(821,942)	(75,812)	746,130
Cash Balance Beginning of Year	<u>821,942</u>	<u>821,942</u>	<u>821,942</u>	<u>0</u>
Cash Balance End of Year	\$ <u>147,484</u>	\$ <u>0</u>	\$ <u>746,130</u>	\$ <u>746,130</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (75,812)	
Net Change in Taxes Receivable			(91)	
Net Change in Accounts Payable			(15,085)	
Net Change in Deferred Revenue			(8)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (90,996)</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 368,824	\$ 333,437	\$ 333,437	\$ 0
Total Revenues	<u>368,824</u>	<u>333,437</u>	<u>333,437</u>	<u>0</u>
Expenditures				
Student Transportation				
Personnel Services	99,940	87,500	87,182	318
Employee Benefits	59,432	56,165	56,161	4
Professional & Tech Services	150	975	975	0
Purchased Property Services	42,762	46,120	46,120	0
Other Purchased Services	152,722	119,677	119,677	0
Supplies	11,218	11,018	10,417	601
Fixed Assets	2,000	0	0	0
Supply Assets	600	12,901	12,901	0
Total Student Transportation	<u>368,824</u>	<u>334,356</u>	<u>333,433</u>	<u>923</u>
Total Expenditures	<u>368,824</u>	<u>334,356</u>	<u>333,433</u>	<u>923</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(919)	4	923
Cash Balance Beginning of Year	<u>919</u>	<u>919</u>	<u>919</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 919</u>	<u>\$ 0</u>	<u>\$ 923</u>	<u>\$ 923</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 4	

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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 50,201	\$ 51,252	\$ 51,252	\$ 0
Total Revenues	<u>50,201</u>	<u>51,252</u>	<u>51,252</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	80,742	85,934	37,165	48,769
Total Instruction	<u>80,742</u>	<u>85,934</u>	<u>37,165</u>	<u>48,769</u>
Support Services-Instruction				
Supplies	5,422	6,358	1,404	4,954
Total Support Services-Instruction	<u>5,422</u>	<u>6,358</u>	<u>1,404</u>	<u>4,954</u>
Total Expenditures	<u>86,164</u>	<u>92,292</u>	<u>38,569</u>	<u>53,723</u>
Excess (Deficiency) of Revenues Over Expenditures	(35,963)	(41,040)	12,683	53,723
Cash Balance Beginning of Year	<u>41,177</u>	<u>41,177</u>	<u>41,177</u>	<u>0</u>
Cash Balance End of Year	\$ <u>5,214</u>	\$ <u>137</u>	\$ <u>53,860</u>	\$ <u>53,723</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>12,683</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>12,683</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 222,927	\$ 320,934	\$ 130,304	\$ (190,630)
Total Revenues	<u>222,927</u>	<u>320,934</u>	<u>130,304</u>	<u>(190,630)</u>
Expenditures				
Instruction				
Personnel Services	81,750	86,365	85,184	1,181
Employee Benefits	30,850	31,270	24,211	7,059
Professional & Tech Services	12,285	12,285	5,550	6,735
Other Purchased Services	7,000	7,000	587	6,413
Supplies	8,290	13,488	10,532	2,956
Total Instruction	<u>140,175</u>	<u>150,408</u>	<u>126,064</u>	<u>24,344</u>
Support Services-Instruction				
Personnel Services	15,890	0	0	0
Employee Benefits	5,942	0	0	0
Professional & Tech Services	500	0	0	0
Other Purchased Services	1,000	0	0	0
Supplies	2,500	1,396	1,142	254
Total Support Services-Instruction	<u>25,832</u>	<u>1,396</u>	<u>1,142</u>	<u>254</u>
Support Services-General Administration				
Professional & Tech Services	9,941	9,950	9,545	405
Total Support Services-General Administration	<u>9,941</u>	<u>9,950</u>	<u>9,545</u>	<u>405</u>
Support Services-School Administration				
Personnel Services	21,575	25,075	25,054	21
Employee Benefits	10,225	108,660	10,001	98,659
Professional & Tech Services	1,000	525	525	0
Other Purchased Services	500	299	299	0
Total Support Services-School Administration	<u>33,300</u>	<u>134,559</u>	<u>35,879</u>	<u>98,680</u>
Student Transportation				
Personnel Services	0	150	0	150
Employee Benefits	0	45	0	45
Supplies	0	150	0	150
Total Student Transportation	<u>\$ 0</u>	<u>\$ 345</u>	<u>\$ 0</u>	<u>\$ 345</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, 2009

Community Service				
Personnel Services	\$	0	\$	8,000
Employee Benefits		0		2,597
Total Community Service		<u>0</u>		<u>10,597</u>
Total Expenditures		<u>209,248</u>		<u>307,255</u>
Excess (Deficiency) of Revenues Over Expenditures		13,679		13,679
				(51,767)
				(65,446)
Cash Balance Beginning of Year		<u>(13,679)</u>		<u>(13,679)</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	\$			(51,767)
Net Change in Due from Grantor				<u>51,767</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 ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 110,763	\$ 130,031	\$ 82,988	\$ (47,043)
Total Revenues	<u>110,763</u>	<u>130,031</u>	<u>82,988</u>	<u>(47,043)</u>
Expenditures				
Instruction				
Personnel Services	73,500	74,740	74,632	108
Employee Benefits	25,990	25,259	24,784	475
Supplies	0	10,704	0	10,704
Supply Assets	0	8,055	7,502	553
Total Instruction	<u>99,490</u>	<u>118,758</u>	<u>106,918</u>	<u>11,840</u>
Total Expenditures	<u>99,490</u>	<u>118,758</u>	<u>106,918</u>	<u>11,840</u>
Excess (Deficiency) of Revenues Over Expenditures	11,273	11,273	(23,930)	(35,203)
Cash Balance Beginning of Year	<u>(11,273)</u>	<u>(11,273)</u>	<u>(11,273)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (35,203)</u>	<u>\$ (35,203)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (23,930)	
Net Change in Due from Grantor			<u>23,930</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-21ST CENTURY-24119
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 165,000	\$ 64,168	\$ (100,832)
Total Revenues	0	165,000	64,168	(100,832)
Expenditures				
Instruction				
Personnel Services	0	64,800	42,020	22,780
Employee Benefits	0	15,028	9,388	5,640
Professional & Tech Services	0	12,747	4,382	8,365
Other Purchased Services	0	29,243	10,671	18,572
Total Instruction	0	121,818	66,461	55,357
Support Services-General Administration				
Professional & Tech Services	0	14,359	4,281	10,078
Total Support Services-General Administration	0	14,359	4,281	10,078
Support Services-School Administration				
Personnel Services	0	15,750	15,750	0
Employee Benefits	0	3,806	3,804	2
Professional & Tech Services	0	3,416	3,416	0
Other Purchased Services	0	560	0	560
Supplies	0	1,991	507	1,484
Total Support Services-School Administration	0	25,523	23,477	2,046
Operation & Maintenance of Plant				
Supplies	0	300	0	300
Total Operation & Maintenance of Plant	0	300	0	300
Community Service				
Professional & Tech Services	0	3,000	0	3,000
Total Community Service	0	3,000	0	3,000
Total Expenditures	\$ 0	\$ 165,000	\$ 94,219	\$ 70,781

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-21ST CENTURY-24119
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ (30,051)	\$ (30,051)
Cash Balance Beginning of Year	0	0	0	0
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (30,051)</u>	<u>\$ (30,051)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (30,051)	
Net Change in Due from Grantor			<u>30,051</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
Statement of Fiduciary Assets & Liabilities-Agency Funds
For the Year Ended June 30, 2009

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 109,485
Total Assets	<u>\$ 109,485</u>
Liabilities	
Deposits Held for Others	\$ 109,485
Total Liabilities	<u>\$ 109,485</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) 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.

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.

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.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Notes to the Financial Statements
June 30, 2009

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.

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

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

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.

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.

Entitlement IDEA-B (24106)

To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by 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.

21st Century (24119)

To provide expanded learning opportunities for participating children in a safe, drug-free and supervised environment. Funding is authorized under Title X, Part I, of the Elementary and Secondary Education Act of 1965.

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 as Instruction and Food Services 2) program-specific operating grants and contributions as Title I and Idea Part B, Cluster, 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 provider's 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.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS

Notes to the Financial Statements

June 30, 2009

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.
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 :

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Notes to the Financial Statements
June 30, 2009

(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.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Notes to the Financial Statements
June 30, 2009

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.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Notes to the Financial Statements
June 30, 2009

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.

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.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Notes to the Financial Statements
June 30, 2009

<u>Name of Account</u>	Balance Per Bank 06/30/09	Reconciled Balance	Type
General Fund	\$ 354,425	\$ 186,879	Checking
Penasco Independent School	310,659	310,659	Savings
Hot Lunch Fund	22,011	22,011	Checking
Penasco Hot Lunch	90,233	90,233	Savings
Budgeted Account	6,061	6,061	Checking
Penasco High School-Budgeted	26,828	23,719	Savings
Activity Non-Budgeted	10,629	10,149	Checking
Non-Budgeted Account	59,822	59,822	Savings
Penasco Elementary	1,938	1,938	Checking
Penasco Elementary	25,068	25,068	Savings
Penasco Elementary-Budgeted	2,471	2,471	Checking
Federal Project	321,271	271,225	Checking
District Building	2,707,768	2,690,858	Checking
Payroll Clearing	349,417	13,458	Checking
TOTAL Deposited	<u>4,288,601</u>	<u>\$ 3,714,551</u>	
Less: FDIC Coverage	<u>(4,025,991)</u>		
Uninsured Amount	262,610		
50% collateral requirement	131,305		
Pledged securities	<u>1,024,031</u>		
Over (Under) requirement	<u>\$ 892,726</u>		

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

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

<u>Description</u>	<u>CUSIP #</u>	Market/ <u>Par Value</u>	<u>Maturity Date</u>	<u>Location</u>
FHLB	3133XBTH8	\$ 1,024,031	06/11/10	* TIB
		<u>\$ 1,024,031</u>		

* Texas Independent Bank
Dallas, TX

Custodial Credit Risk-Deposits

<u>Depository Account</u>	Bank <u>Balance</u>
Insured	\$ 4,025,991
Collateralized:	
Collateral held by the pledging bank in District's name	262,610
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 4,288,601</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, 2009 none of the District's bank balance of \$4,288,601 was exposed to custodial credit risk.

New Mexico State Treasurer

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Notes to the Financial Statements
June 30, 2009

<u>Name of Account</u>	<u>Balance 06/30/09</u>	<u>Reconciled Balance</u>	<u>Type</u>
Penasco Independent School	\$ 180,899	\$ 180,899	Investment
Penasco School Reserve	19,101	19,101	Investment
TOTAL Deposited	<u>\$ 200,000</u>	<u>\$ 200,000</u>	

GASB Statement No. 40, Deposit and Investment Risk Disclosures, relates to how deposits and investments are reported in the annual financial statements of governmental entities. GASB Statement No. 40 disclosures inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 requires governments to disclose deposit and investment risks related to credit risk (including custodial credit risk), concentration of credit risk, interest rate risk, and foreign currency risk. The State Treasurer's Office provides the following information regarding the LGIP:

1. With respect to credit risk, the LGIP, a government investment pool, is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.
2. GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as the LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure.
3. GASB Statement No. 40 defines interest rate risk as the risk that interest rate variations may adversely affect the fair value of an investment. According to GASB Statement No. 40, an acceptable method for reporting interest rate risk is weighted average maturity ("WAM"). The State Treasurer's Office uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at www.stonm.org. As of June 30, 2009, the LGIP WAM is 43 days.
4. Finally, with respect to foreign currency risk, all investments in the LGIP are in U.S. dollar denominated assets. Therefore, the LGIP has no foreign currency risk.

NOTE C: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following Interfund Balances and Activity were made during the year ended June 30, 2009.

<u>Receivable</u>	<u>Payable Funds</u>			
	Title I 24101	IDEA B Entitlement 24106	21st Century 24119	Special School Capital Outlay State 31400
General Fund	\$ 65,446	\$ 35,203	\$ 30,051	\$ 35,209
Totals	<u>\$ 65,446</u>	<u>\$ 35,203</u>	<u>\$ 30,051</u>	<u>\$ 35,209</u>

<u>Receivable</u>	Non Major Funds	Total
General Fund	\$ 61,149	\$ 227,058
Totals	<u>\$ 61,149</u>	<u>\$ 227,058</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Notes to the Financial Statements
June 30, 2009

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, 2009.

NOTE D: TAXES RECEIVABLE

Following is a schedule of property taxes receivable as of June 30, 2009:

	General Fund 11000	Senate Bill Nine 31700	Debt Service 41000	Total
Property Taxes Receivable:				
Available	\$ 6,354	\$ 0	\$ 0	\$ 6,354
Unavailable	635	4,813	16,016	21,464
TOTAL Property Taxes Receivable	<u>\$ 6,989</u>	<u>\$ 4,813</u>	<u>\$ 16,016</u>	<u>\$ 27,818</u>

NOTE E: DUE FROM OTHER GOVERNMENT UNITS

Amounts due from other agencies and units of government were as follows as of June 30, 2009:

Federal Agencies	\$ 193,321
State Agencies	35,209
Total	<u>\$ 228,530</u>

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, 2009:

	General Fund 11000	Senate Bill Nine 31700	Debt Service 41000	
Property Taxes	\$ 855	\$ 7,030	\$ 0	
Federal Revenues	0	0	10,702	
TOTAL Deferred Revenues	<u>\$ 855</u>	<u>\$ 7,030</u>	<u>\$ 10,702</u>	
		Other Governmental	Total	
Property Taxes		\$ 0	\$ 7,885	
Federal Revenues		3,761	14,463	
TOTAL Deferred Revenues		<u>\$ 3,761</u>	<u>\$ 22,348</u>	

NOTE G: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2009, is as follows:

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Notes to the Financial Statements
June 30, 2009

	Balance 6/30/08	Additions	Deletions	Balance 6/30/09
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	15,018,816	288,990	0	15,307,806
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>3,298,883</u>	<u>17,042</u>	<u>0</u>	<u>3,315,925</u>
Total Capital Assets, being Depreciated	<u>18,317,699</u>	<u>306,032</u>	<u>0</u>	<u>18,623,731</u>
Total Capital Assets	<u>19,849,010</u>	<u>306,032</u>	<u>0</u>	<u>20,155,042</u>
Less Accumulated Depreciation				
Buildings & Improvements	6,748,732	214,217	0	6,962,949
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,982,205</u>	<u>165,974</u>	<u>0</u>	<u>2,148,179</u>
Total Accumulated Depreciation	<u>8,730,937</u>	<u>380,191</u>	<u>0</u>	<u>9,111,128</u>
Capital Assets, net	<u>\$ 11,118,073</u>	<u>\$ (74,159)</u>	<u>\$ 0</u>	<u>\$ 11,043,914</u>

Depreciation expense was charged to governmental activities as follows:

Instructional Support	\$ 348,232
Support Service-Students	2,016
Support Services-Instruction	4,180
Support Service-General Administration	10,933
Operation & Maintenance of Plant	9,581
Food Service	5,223
Community Service	26
Total Depreciation Expenses	<u>\$ 380,191</u>

NOTE H: LONG TERM DEBT

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

	Balance 6/30/08	Additions	Reductions	Balance 6/30/09	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 265,000	\$ 2,230,000	\$ 125,000	\$ 2,370,000	\$ 140,000
Total Bonds	<u>265,000</u>	<u>2,230,000</u>	<u>125,000</u>	<u>2,370,000</u>	<u>140,000</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS

Notes to the Financial Statements

June 30, 2009

Other Liabilities					
Compensated					
Absences	26,750	23,828	14,069	36,509	0
Total Other Liabilities	26,750	23,828	14,069	36,509	0
Long-Term	\$ 291,750	\$ 2,253,828	\$ 139,069	\$ 2,406,509	\$ 140,000

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.

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.

Series	Date of Issue	Original Amount	Interest Rate	Balance
1995	04-01-95	1,110,000	5.25%-7.25%	\$ 40,000
1996	01-01-98	140,000	5.2%-7.25%	100,000
2009	05-12-09	2,230,000	4.1%-5.2%	2,230,000
				<u>\$ 2,370,000</u>

The annual requirements to amortize the general obligation bonds as of June 30, 2009, including interest payments are as follows:

	Principal	Interest	Total
2010	\$ 140,000	\$ 93,829	\$ 233,829
2011	0	107,040	107,040
2012	80,000	105,120	185,120
2013	85,000	101,160	186,160
2014	90,000	96,960	186,960
2015-2019	505,000	415,320	920,320
2020-2024	650,000	277,200	927,200
2025-2029	820,000	102,000	922,000
	<u>\$ 2,370,000</u>	<u>\$ 1,298,629</u>	<u>\$ 3,668,629</u>

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

Above amount	\$ 2,370,000
Issue Costs	(124,808)
Accumulated Amortization	88,567
	<u>\$ 2,333,759</u>

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Notes to the Financial Statements
June 30, 2009

Long-Term Per Government Wide Financial Statements	\$ 2,193,759
Current Portion	140,000
Statement of Net Assets	<u>\$ 2,333,759</u>

NOTE I: COMMITMENTS

The District has various construction commitments at the year end June 30, 2009. The total cost of all projects is expected to be approximately \$3,000,000.

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 7.9% of their gross salary. The District is required to contribute 11.65% of the gross covered 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, 2009, 2008, and 2007, were \$746,082, \$696,026 and \$643,472, 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.

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Notes to the Financial Statements
June 30, 2009

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, 2009, 2008 and 2007 were \$74,417, \$72,703 and \$70,281, 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, Expenditures,

Reconciliations are located at the bottom of each budget actual.

NOTE M: INSURANCE COVERAGE

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
Notes to the Financial Statements
June 30, 2009

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, 2009.

The total expenditures were \$166,440. The revenues and expenditures were reported on the following Special Revenue Funds:

24106	IDEA, Part B Entitlement
24107	IDEA, Part B Discretionary
24108	IDEA, Part B Competitive
24109	IDEA Preschool

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

**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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Investment Income	\$ 0	\$ 0	\$ 1,403	\$ 1,403
Total Revenues	<u>0</u>	<u>0</u>	<u>1,403</u>	<u>1,403</u>
Expenditures				
Capital Outlay				
Building Improvements	170,000	2,357,500	5,272	2,352,228
Land Improvements	150,000	150,000	22,017	127,983
Fixed Assets	54,246	54,246	0	54,246
Supply Assets	45,219	45,219	1,588	43,631
Total Capital Outlay	<u>419,465</u>	<u>2,606,965</u>	<u>28,877</u>	<u>2,578,088</u>
Debt Service				
Bond Issue Cost	0	42,500	29,256	13,244
Total Debt Service	<u>0</u>	<u>42,500</u>	<u>29,256</u>	<u>13,244</u>
Total Expenditures	<u>419,465</u>	<u>2,649,465</u>	<u>58,133</u>	<u>2,591,332</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(419,465)</u>	<u>(2,649,465)</u>	<u>(56,730)</u>	<u>2,592,735</u>
Other Financing Sources (Uses)				
Bond Proceeds	211,447	2,441,447	2,230,000	(211,447)
Total Other Financing Sources (Uses)	<u>211,447</u>	<u>2,441,447</u>	<u>2,230,000</u>	<u>(211,447)</u>
Net Change in Cash Balance	(208,018)	(208,018)	2,173,270	2,381,288
Cash Balance Beginning of Year	<u>208,018</u>	<u>208,018</u>	<u>208,018</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,381,288</u>	<u>\$ 2,381,288</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,173,270	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,173,270</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 194,646	\$ 279,503	\$ 241,773	\$ (37,730)
Total Revenues	<u>194,646</u>	<u>279,503</u>	<u>241,773</u>	<u>(37,730)</u>
Expenditures				
Capital Outlay				
Building Improvements	0	50,000	47,898	2,102
Land Improvements	52,361	115,800	115,729	71
Buses	75,000	75,000	75,000	0
Fixed Assets	28,930	28,930	0	28,930
Total Capital Outlay	<u>156,291</u>	<u>269,730</u>	<u>238,627</u>	<u>31,103</u>
Total Expenditures	<u>156,291</u>	<u>269,730</u>	<u>238,627</u>	<u>31,103</u>
Excess (Deficiency) of Revenues Over Expenditures	38,355	9,773	3,146	(6,627)
Cash Balance Beginning of Year	<u>(38,355)</u>	<u>(38,355)</u>	<u>(38,355)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ (28,582)</u>	<u>\$ (35,209)</u>	<u>\$ (6,627)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,146	
Net Change in Due from Grantor			<u>(3,146)</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
 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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 78,907	\$ 78,907	\$ 86,317	\$ 7,410
Total Revenues	<u>78,907</u>	<u>78,907</u>	<u>86,317</u>	<u>7,410</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	789	889	865	24
Total Support Services-General Administration	<u>789</u>	<u>889</u>	<u>865</u>	<u>24</u>
Operation & Maintenance of Plant				
Purchased Property Services	99,211	99,211	26,672	72,539
Supplies	0	7,012	6,462	550
Total Operation & Maintenance of Plant	<u>99,211</u>	<u>106,223</u>	<u>33,134</u>	<u>73,089</u>
Capital Outlay				
Construction Services	175,000	175,000	15,052	159,948
Land Improvements	125,885	125,885	362	125,523
Fixed Assets	35,000	35,000	0	35,000
Supply Assets	35,000	27,888	6,073	21,815
Total Capital Outlay	<u>370,885</u>	<u>363,773</u>	<u>21,487</u>	<u>342,286</u>
Total Expenditures	<u>470,885</u>	<u>470,885</u>	<u>55,486</u>	<u>415,399</u>
Excess (Deficiency) of Revenues Over Expenditures	(391,978)	(391,978)	30,831	422,809
Cash Balance Beginning of Year	<u>401,622</u>	<u>401,622</u>	<u>401,622</u>	<u>0</u>
Cash Balance End of Year	\$ <u>9,644</u>	\$ <u>9,644</u>	\$ <u>432,453</u>	\$ <u>422,809</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 30,831	
Net Change in Taxes			<u>(1,191)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>29,640</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR FUNDS

Food Service (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, 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, 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).

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.

NONMAJOR FUNDS

Teacher/Principal Training & Recruiting (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).

Safe & Drug Free Schools (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 & 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.

Title I Stimulus (24201) To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

Impact Aid - Special Education and Indian Education (25145 and 25147). 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 rates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U. S. C. 2601-2606.

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.

NONMAJOR FUNDS

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 (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 (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.

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.

Breakfast for Elementary Schools (27155). To account for revenues and expenditures from a state grant for the purpose of providing a free breakfast to elementary students. The fund was created by state grant provisions.

K-Plus Initiative (27159) To account for revenues and expenditures from a state grant for the purpose of providing extended kindergarten services for students. The fund was created by state grant provisions.

Schools in Need of Improvement (27163) To account for revenues and expenditures from a state grant to improve the District's academic performance of the students. The fund was created by state grant provisions.

School Improvement Framework (27164). Funds provided by the NM PED to purchase access to a Alpine Achievement to allow better analysis of NM Standards Based Assessment data.

Kindergarten 3-Plus (27166). 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.

GO Bond Libraries (27170). 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.

Library Fund (27549). To account for funds received from the New Mexico Public Education Department for purchasing library books. The fund was created by state grant provisions.

NONMAJOR FUNDS

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.

Public School Capital Outlay 20% (32100). A capital projects fund to capture the 20% of eligible federal (Forest Reserve and Impact Aid) and local revenue (Local Taxes) that must be budgeted in Capital Outlay. Provides financing for the construction and improvements of building and land, and the purchase of equipment.

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
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA B Discretionary 24107
ASSETS			
Cash and Cash Equivalents	\$ 108,994	\$ 32,251	\$ 884
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	7,829	0	0
Total Assets	<u>\$ 116,823</u>	<u>\$ 32,251</u>	<u>\$ 884</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	1,104	0	0
Interfund Balance	0	0	0
Deferred Revenue	0	0	884
Total Liabilities	<u>\$ 1,104</u>	<u>\$ 0</u>	<u>\$ 884</u>
Fund Balances			
Reserved for:			
Inventory	7,829	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue Funds	107,890	32,251	0
Total Fund Balance	<u>115,719</u>	<u>32,251</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 116,823</u>	<u>\$ 32,251</u>	<u>\$ 884</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	IDEA B Competitive 24108	IDEA Preschool 24109	Learn & Serve 24126
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	0	0	0
Interfund Balance	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue Funds	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<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 FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Enhancing Education Through Technology 24133	Reading Excellence 24147	Title V 24150
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	0	0	0
Interfund Balance	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue Funds	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<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 FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	English Language Acquisition 24153	Teacher/ Principal Training & Recruiting 24154	Safe & Drug Free Schools 24157
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	2,408	21,637	1,327
Inventory	0	0	0
Total Assets	<u>\$ 2,408</u>	<u>\$ 21,637</u>	<u>\$ 1,327</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	0	0	0
Interfund Balance	2,408	21,637	1,327
Deferred Revenue	0	0	0
Total Liabilities	<u>\$ 2,408</u>	<u>\$ 21,637</u>	<u>\$ 1,327</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue Funds	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 2,408</u>	<u>\$ 21,637</u>	<u>\$ 1,327</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Rural & Low Income Schools 24160	Title I Stimulus 24201	Impact Aid Special Education 25145
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 5,224
Receivables			
Property Taxes	0	0	0
Due From Grantor	1,486	17,080	0
Inventory	0	0	0
Total Assets	<u>\$ 1,486</u>	<u>\$ 17,080</u>	<u>\$ 5,224</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	0	0	0
Interfund Balance	1,486	17,080	0
Deferred Revenue	0	0	0
Total Liabilities	<u>\$ 1,486</u>	<u>\$ 17,080</u>	<u>\$ 0</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue Funds	0	0	5,224
Total Fund Balance	<u>0</u>	<u>0</u>	<u>5,224</u>
Total Liabilities and Fund Balance	<u>\$ 1,486</u>	<u>\$ 17,080</u>	<u>\$ 5,224</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Impact Aid Indian Education 25147	Medicaid 25153	Title IX Indian Formula 25184
ASSETS			
Cash and Cash Equivalents	\$ 46,365	\$ 124,083	\$ 2
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 46,365</u>	<u>\$ 124,083</u>	<u>\$ 2</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	0	0	0
Interfund Balance	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue Funds	<u>46,365</u>	<u>124,083</u>	<u>2</u>
Total Fund Balance	<u>46,365</u>	<u>124,083</u>	<u>2</u>
Total Liabilities and Fund Balance	<u>\$ 46,365</u>	<u>\$ 124,083</u>	<u>\$ 2</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	LANL Foundation 26113	PNM Foundation 26123	Drawing From The Well 26147
ASSETS			
Cash and Cash Equivalents	\$ 50,350	\$ 0	\$ 1,931
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 50,350</u>	<u>\$ 0</u>	<u>\$ 1,931</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	0	0	0
Interfund Balance	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue Funds	50,350	0	1,931
Total Fund Balance	<u>50,350</u>	<u>0</u>	<u>1,931</u>
Total Liabilities and Fund Balance	<u>\$ 50,350</u>	<u>\$ 0</u>	<u>\$ 1,931</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Technology For Education 27117	Incentives For School Improvement 27138	TANF Full Day Kindergarten 27142
ASSETS			
Cash and Cash Equivalents	\$ 13,836	\$ 13,408	0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 13,836</u>	<u>\$ 13,408</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	0	0	0
Interfund Balance	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue Funds	13,836	13,408	0
Total Fund Balance	<u>13,836</u>	<u>13,408</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 13,836</u>	<u>\$ 13,408</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 FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Beginning Teacher Mentoring 27154	Breakfast for Elementary Schools 27155	K-Plus Initiative 27159
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 1,244	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	1,472	0	13,167
Inventory	0	0	0
Total Assets	<u>\$ 1,472</u>	<u>\$ 1,244</u>	<u>\$ 13,167</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	0	0	0
Interfund Balance	0	0	13,167
Deferred Revenue	0	0	0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,167</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue Funds	<u>1,472</u>	<u>1,244</u>	<u>0</u>
Total Fund Balance	<u>1,472</u>	<u>1,244</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 1,472</u>	<u>\$ 1,244</u>	<u>\$ 13,167</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Schools in Need of Improvement 27163	School Improvement Framework 27164	Kindergarten 3-Plus 27166
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	2,901	0	304
Inventory	0	0	0
Total Assets	<u>\$ 2,901</u>	<u>\$ 0</u>	<u>\$ 304</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	0	0	0
Interfund Balance	2,901	0	304
Deferred Revenue	0	0	0
Total Liabilities	<u>\$ 2,901</u>	<u>\$ 0</u>	<u>\$ 304</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue Funds	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 2,901</u>	<u>\$ 0</u>	<u>\$ 304</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	GO Bond Libraries 27170	Library Fund 27549	La Plaza Grant 29000
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 1,572	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	839	0	0
Inventory	0	0	0
Total Assets	<u>\$ 839</u>	<u>\$ 1,572</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	0	0	0
Interfund Balance	839	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>\$ 839</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances			
Reserved for:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue Funds	0	1,572	0
Total Fund Balance	<u>0</u>	<u>1,572</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 839</u>	<u>\$ 1,572</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 FUNDS
Combining Balance Sheet
June 30, 2009

	Capital Projects <u>Public School Capital Outlay 20% 32100</u>	Debt Service <u>Debt Service 41000</u>	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,170	\$ 16,156	\$ 417,470
Receivables			
Property Taxes	0	19,933	19,933
Due From Grantor	0	0	62,621
Inventory	0	0	7,829
Total Assets	<u>\$ 1,170</u>	<u>\$ 36,089</u>	<u>\$ 507,853</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	0	0	1,104
Interfund Balance	0	0	61,149
Deferred Revenue	0	16,016	16,900
Total Liabilities	<u>\$ 0</u>	<u>\$ 16,016</u>	<u>\$ 79,153</u>
Fund Balances			
Reserved for:			
Inventory	0	0	7,829
Capital Improvements	1,170	0	1,170
Debt Service	0	20,073	20,073
Unreserved, Undesignated, reported in:			
Special Revenue Funds	0	0	399,628
Total Fund Balance	<u>1,170</u>	<u>20,073</u>	<u>428,700</u>
Total Liabilities and Fund Balance	<u>\$ 1,170</u>	<u>\$ 36,089</u>	<u>\$ 507,853</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA B Discretionary 24107
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	619	0	0
Fees	2,887	75,681	0
State & Local Grants	0	0	0
Federal Grants	305,012	0	59,202
Total Revenues	<u>308,518</u>	<u>75,681</u>	<u>59,202</u>
Expenditures			
Current			
Instruction	0	72,366	26,448
Support Services-Students	0	0	28,647
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	4,107
Food Service	256,407	0	0
Community Services	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>256,407</u>	<u>72,366</u>	<u>59,202</u>
Excess (Deficiency) of Revenues Over Expenditures	52,111	3,315	0
Fund Balances at Beginning of Year	<u>63,608</u>	<u>28,936</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 115,719</u>	<u>\$ 32,251</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 FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	IDEA B Competitive 24108	IDEA Preschool 24109	Learn & Serve 24126
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	321	0	3,130
Total Revenues	<u>321</u>	<u>0</u>	<u>3,130</u>
Expenditures			
Current			
Instruction	321	0	3,130
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
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>321</u>	<u>0</u>	<u>3,130</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<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 FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Enhancing Education Through Technology 24133	Reading Excellence 24147	Title V 24150
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	0	686
Total Revenues	<u>0</u>	<u>0</u>	<u>686</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	686
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
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>686</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<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 FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	English Language Acquisition 24153	Teacher/ Principal Training & Recruiting 24154	Safe & Drug Free Schools 24157
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	65,622	3,080
Total Revenues	<u>0</u>	<u>65,622</u>	<u>3,080</u>
Expenditures			
Current			
Instruction	0	62,640	1,227
Support Services-Students	0	0	868
Support Services-Instruction	0	0	140
Support Services-General Administration		2,982	0
Support Services-School Administration		0	845
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
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>65,622</u>	<u>3,080</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<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 FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Rural & Low Income Schools 24160	Title I Stimulus 24201	Impact Aid Special Education 25145
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	12,389	17,080	3,916
Total Revenues	<u>12,389</u>	<u>17,080</u>	<u>3,916</u>
Expenditures			
Current			
Instruction	670	16,145	1,722
Support Services-Students	525	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	779	771	0
Support Services-School Administration	200	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	164	0
Food Service	0	0	0
Community Services	10,215	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>12,389</u>	<u>17,080</u>	<u>1,722</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	2,194
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>3,030</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,224</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Impact Aid Indian Education 25147	Medicaid 25153	Title IX Indian Formula 25184
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	43,140	0
State & Local Grants	0	0	0
Federal Grants	10,135	0	5,766
Total Revenues	<u>10,135</u>	<u>43,140</u>	<u>5,766</u>
Expenditures			
Current			
Instruction	369	1,165	4,315
Support Services-Students	0	21,975	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	2,131	0
Support Services-School Administration	0	0	1,449
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	185	0	0
Food Service	0	0	0
Community Services	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>554</u>	<u>25,271</u>	<u>5,764</u>
Excess (Deficiency) of Revenues Over Expenditures	9,581	17,869	2
Fund Balances at Beginning of Year	<u>36,784</u>	<u>106,214</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 46,365</u>	<u>\$ 124,083</u>	<u>\$ 2</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	LANL Foundation 26113	PNM Foundation 26123	Drawing From The Well 26147
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	8,000
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>8,000</u>
Expenditures			
Current			
Instruction	1,377	821	7,922
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	155	0	0
Food Service	0	0	0
Community Services	44,033	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>45,565</u>	<u>821</u>	<u>7,922</u>
Excess (Deficiency) of Revenues Over Expenditures	(45,565)	(821)	78
Fund Balances at Beginning of Year	<u>95,915</u>	<u>821</u>	<u>1,853</u>
Fund Balance End of Year	<u>\$ 50,350</u>	<u>\$ 0</u>	<u>\$ 1,931</u>

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Technology For Education <u>27117</u>	Incentives For School Improvement <u>27138</u>	TANF Full Day Kindergarten <u>27142</u>
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	9,836	0	0
Federal Grants	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>9,836</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	1,666	261
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	7,681	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
Debt Service			
Principal	0	0	0
Interest	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>7,681</u>	<u>1,666</u>	<u>261</u>
Excess (Deficiency) of Revenues Over Expenditures	2,155	(1,666)	(261)
Fund Balances at Beginning of Year	<u>11,681</u>	<u>15,074</u>	<u>261</u>
Fund Balance End of Year	<u>\$ 13,836</u>	<u>\$ 13,408</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 FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Beginning Teacher Mentoring 27154	Breakfast for Elementary Schools 27155	K-Plus Initiative 27159
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	5,484	7,026	0
Federal Grants	0	0	0
Total Revenues	<u>5,484</u>	<u>7,026</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-Instruction	4,012	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	7,027	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>4,012</u>	<u>7,027</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,472	(1)	0
Fund Balances at Beginning of Year	<u>0</u>	<u>1,245</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 1,472</u>	<u>\$ 1,244</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 FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Schools in Need of Improvement 27163	School Improvement Framework 27164	Kindergarten 3-Plus 27166
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	2,901	0	48,932
Federal Grants	0	0	0
Total Revenues	<u>2,901</u>	<u>0</u>	<u>48,932</u>
Expenditures			
Current			
Instruction	0	0	51,559
Support Services-Students	0	0	0
Support Services-Instruction	2,901	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	5,572
Food Service	0	0	0
Community Services	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>2,901</u>	<u>0</u>	<u>57,131</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(8,199)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>8,199</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 FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	GO Bond Libraries 27170	Library Fund 27549	La Plaza Grant 29000
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	4,929	1,572	0
Federal Grants	0	0	0
Total Revenues	<u>4,929</u>	<u>1,572</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-Instruction	4,929	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
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>4,929</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	1,572	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 1,572</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 FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Capital Projects	Debt Service	
	Public School Capital Outlay 20% 32100	Debt Service 41000	Total
Revenues			
Property Taxes	\$ 0	\$ 145,295	\$ 145,295
Investment Income	0	0	619
Fees	0	0	121,708
State & Local Grants	0	0	88,680
Federal Grants	0	0	486,339
Total Revenues	<u>0</u>	<u>145,295</u>	<u>842,641</u>
Expenditures			
Current			
Instruction	0	0	254,124
Support Services-Students	0	0	52,015
Support Services-Instruction	0	0	12,668
Support Services-General Administration	0	1,470	8,133
Support Services-School Administration	0	0	10,175
Central Services	0	0	0
Operation & Maintenance of Plant	7,233	0	7,233
Student Transportation	0	0	10,183
Food Service	0	0	256,407
Community Services	0	0	61,275
Debt Service			
Principal	0	125,000	125,000
Interest	0	14,463	14,463
Total Expenditures	<u>7,233</u>	<u>140,933</u>	<u>811,676</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,233)	4,362	30,965
Fund Balances at Beginning of Year	<u>8,403</u>	<u>15,711</u>	<u>397,735</u>
Fund Balance End of Year	<u>\$ 1,170</u>	<u>\$ 20,073</u>	<u>\$ 428,700</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Investment Income	\$ 400	\$ 400	\$ 619	\$ 219
Fees	0	0	2,887	2,887
Federal Grant	241,937	241,937	297,183	55,246
Total Revenues	<u>242,337</u>	<u>242,337</u>	<u>300,689</u>	<u>58,352</u>
Expenditures				
Food Services Operations				
Personnel Services	131,637	135,910	127,046	8,864
Employee Benefits	49,847	49,865	42,958	6,907
Professional & Tech Services	200	1,794	1,769	25
Purchased Property Services	1,530	15,300	9,430	5,870
Other Purchased Services	250	250	95	155
Supplies	86,639	97,660	68,840	28,820
Supply Assets	0	78	77	1
Total Food Services Operations	<u>270,103</u>	<u>300,857</u>	<u>250,215</u>	<u>50,642</u>
Total Expenditures	<u>270,103</u>	<u>300,857</u>	<u>250,215</u>	<u>50,642</u>
Excess (Deficiency) of Revenues Over Expenditures	(27,766)	(58,520)	50,474	108,994
Cash Balance Beginning of Year	<u>58,520</u>	<u>58,520</u>	<u>58,520</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 30,754</u>	<u>\$ 0</u>	<u>\$ 108,994</u>	<u>\$ 108,994</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 50,474	
Net Change in Inventory			(6,405)	
Net Change in Accounts Payable			8,042	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 52,111</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 88,450	\$ 88,450	\$ 75,680	\$ (12,770)
Total Revenues	<u>88,450</u>	<u>88,450</u>	<u>75,680</u>	<u>(12,770)</u>
Expenditures				
Instruction				
Professional & Tech Services	95,830	92,215	56,352	35,863
Other Purchased Services	11,752	15,367	15,218	149
Supplies	9,804	9,804	795	9,009
Total Instruction	<u>117,386</u>	<u>117,386</u>	<u>72,365</u>	<u>45,021</u>
Total Expenditures	<u>117,386</u>	<u>117,386</u>	<u>72,365</u>	<u>45,021</u>
Excess (Deficiency) of Revenues Over Expenditures	(28,936)	(28,936)	3,315	32,251
Cash Balance Beginning of Year	<u>28,936</u>	<u>28,936</u>	<u>28,936</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,251</u>	<u>\$ 32,251</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,315	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 3,315</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, PART B DISCRETIONARY-24107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 128,242	\$ 128,242	\$ 123,914	\$ (4,328)
Total Revenues	<u>128,242</u>	<u>128,242</u>	<u>123,914</u>	<u>(4,328)</u>
Expenditures				
Instruction				
Personnel Services	15,700	15,700	15,627	73
Employee Benefits	12,300	12,300	10,821	1,479
Total Instruction	<u>28,000</u>	<u>28,000</u>	<u>26,448</u>	<u>1,552</u>
Support Services-Students				
Personnel Services	17,600	17,600	17,306	294
Employee Benefits	14,384	14,384	11,340	3,044
Total Support Services-Students	<u>14,384</u>	<u>31,984</u>	<u>28,646</u>	<u>3,338</u>
Student Transportation				
Personnel Services	3,500	3,500	3,409	91
Employee Benefits	930	930	699	231
Total Student Transportation	<u>4,430</u>	<u>4,430</u>	<u>4,108</u>	<u>322</u>
Total Expenditures	<u>46,814</u>	<u>64,414</u>	<u>59,202</u>	<u>5,212</u>
Excess (Deficiency) of Revenues Over Expenditures	81,428	63,828	64,712	884
Cash Balance Beginning of Year	<u>(63,828)</u>	<u>(63,828)</u>	<u>(63,828)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>884</u>	\$ <u>884</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 64,712	
Net Change in Due from Grantor			(63,828)	
Net Change in Deferred Revenue			(884)	
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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	321	321	321	0
Total Instruction	<u>321</u>	<u>321</u>	<u>321</u>	<u>0</u>
Total Expenditures	<u>321</u>	<u>321</u>	<u>321</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(321)	(321)	(321)	0
Cash Balance Beginning of Year	<u>321</u>	<u>321</u>	<u>321</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			\$ (321)	
Net Change in Deferred Revenue			<u>321</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 PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 375	\$ 375	\$ 375	\$ 0
Total Revenues	<u>375</u>	<u>375</u>	<u>375</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	375	375	375	0
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>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 375	
Net Change in Due from Grantor			<u>(375)</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	<u>3,130</u>	<u>3,130</u>	<u>3,130</u>	<u>0</u>
Total Instruction	<u>3,130</u>	<u>3,130</u>	<u>3,130</u>	<u>0</u>
Total Expenditures	<u>3,130</u>	<u>3,130</u>	<u>3,130</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,130)	(3,130)	(3,130)	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>\$ 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			\$ (3,130)	
Net Change in Deferred Revenue			<u>3,130</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-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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 1,979	\$ 1,979	\$ 1,979	\$ 0
Total Revenues	<u>1,979</u>	<u>1,979</u>	<u>1,979</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	1,979	1,979	1,979	0
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>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,979	
Net Change in Due from Grantor			<u>(1,979)</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-READING EXCELLENCE-24147
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 1,294	\$ 1,294	\$ 1,294	\$ 0
Total Revenues	<u>1,294</u>	<u>1,294</u>	<u>1,294</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	1,294	1,294	1,294	0
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>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,294	
Net Change in Due from Grantor			<u>(1,294)</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 5,363	\$ 5,063	\$ 5,359	\$ 296
Total Revenues	<u>5,363</u>	<u>5,063</u>	<u>5,359</u>	<u>296</u>
Expenditures				
Support Services-Instruction				
Supplies	690	690	686	4
Total Support Services-Instruction	<u>690</u>	<u>690</u>	<u>686</u>	<u>4</u>
Total Expenditures	<u>690</u>	<u>690</u>	<u>686</u>	<u>4</u>
Excess (Deficiency) of Revenues Over Expenditures	4,673	4,373	4,673	300
Cash Balance Beginning of Year	\$ (4,673)	\$ (4,673)	\$ (4,673)	\$ 0
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ (300)</u>	<u>\$ 0</u>	<u>\$ 300</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,673	
Net Change in Due from Grantor			<u>(4,673)</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 13,148	\$ 13,148	\$ 10,740	\$ (2,408)
Total Revenues	<u>13,148</u>	<u>13,148</u>	<u>10,740</u>	<u>(2,408)</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	<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	13,148	13,148	10,740	(2,408)
Cash Balance Beginning of Year	\$ <u>(13,148)</u>	\$ <u>(13,148)</u>	\$ <u>(13,148)</u>	\$ <u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(2,408)</u>	\$ <u>(2,408)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 10,740	
Net Change in Due from Grantor			<u>(10,740)</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 & RECRUITING-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 90,166	\$ 86,166	\$ 62,615	\$ (23,551)
Total Revenues	<u>90,166</u>	<u>86,166</u>	<u>62,615</u>	<u>(23,551)</u>
Expenditures				
Instruction				
Personnel Services	44,195	44,195	44,191	4
Employee Benefits	18,690	18,690	17,430	1,260
Professional & Tech Services	1,000	1,000	1,000	0
Other Purchased Services	4,444	444	20	424
Total Instruction	<u>68,329</u>	<u>64,329</u>	<u>62,641</u>	<u>1,688</u>
Support Services-General Administration				
Professional & Tech Services	<u>3,208</u>	<u>3,208</u>	<u>2,982</u>	<u>226</u>
Total Support Services-General Administration	<u>3,208</u>	<u>3,208</u>	<u>2,982</u>	<u>226</u>
Total Expenditures	<u>71,537</u>	<u>67,537</u>	<u>65,623</u>	<u>1,914</u>
Excess (Deficiency) of Revenues Over Expenditures	18,629	18,629	(3,008)	(21,637)
Cash Balance Beginning of Year	\$ <u>(18,629)</u>	\$ <u>(18,629)</u>	\$ <u>(18,629)</u>	\$ <u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(21,637)</u>	\$ <u>(21,637)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,008)	
Net Change in Due from Grantor			<u>3,008</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-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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 8,360	\$ 9,674	\$ 6,461	\$ (3,213)
Total Revenues	<u>8,360</u>	<u>9,674</u>	<u>6,461</u>	<u>(3,213)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	1,250	1,227	23
Supplies	<u>1,573</u>	<u>1,575</u>	<u>0</u>	<u>1,575</u>
Total Instruction	<u>1,573</u>	<u>2,825</u>	<u>1,227</u>	<u>1,598</u>
Support Services-Students				
Personnel Services	725	725	720	5
Employee Benefits	<u>180</u>	<u>180</u>	<u>148</u>	<u>32</u>
Total Support Services-Students	<u>905</u>	<u>905</u>	<u>868</u>	<u>37</u>
Support Services-General Administration				
Professional & Tech Services	<u>174</u>	<u>236</u>	<u>140</u>	<u>96</u>
Total Support Services-General Administration	<u>174</u>	<u>236</u>	<u>140</u>	<u>96</u>
Support Services-School Administration				
Professional & Tech Services	<u>1,000</u>	<u>1,000</u>	<u>845</u>	<u>155</u>
Total Support Services-School Administration	<u>1,000</u>	<u>1,000</u>	<u>845</u>	<u>155</u>
Total Expenditures	<u>3,652</u>	<u>4,966</u>	<u>3,080</u>	<u>1,886</u>
Excess (Deficiency) of Revenues Over Expenditures	4,708	4,708	3,381	(1,327)
Cash Balance Beginning of Year	<u>(4,708)</u>	<u>(4,708)</u>	<u>(4,708)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,327)</u>	<u>\$ (1,327)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,381	
Net Change in Due from Grantor			<u>(3,381)</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-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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 12,068	\$ 12,081	\$ 10,593	\$ (1,488)
Total Revenues	<u>12,068</u>	<u>12,081</u>	<u>10,593</u>	<u>(1,488)</u>
Expenditures				
Instruction				
Personnel Services	6,100	0	0	0
Employee Benefits	1,698	0	0	0
Professional & Tech Services	0	200	200	0
Supplies	3,076	471	470	1
Total Instruction	<u>10,874</u>	<u>671</u>	<u>670</u>	<u>1</u>
Support Services-Students				
Other Purchased Services	0	525	525	0
Total Support Services-Students	<u>0</u>	<u>525</u>	<u>525</u>	<u>0</u>
Support Services-General Administration				
Professional & Tech Services	724	779	779	0
Total Support Services-General Administration	<u>724</u>	<u>779</u>	<u>779</u>	<u>0</u>
Support Services-School Administration				
Professional & Tech Services	780	200	200	0
Total Support Services-School Administration	<u>780</u>	<u>200</u>	<u>200</u>	<u>0</u>
Community Services				
Personnel Services	0	7,788	7,788	0
Employee Benefits	0	2,354	2,354	0
Supplies	0	74	73	1
Total Community Services	<u>0</u>	<u>10,216</u>	<u>10,215</u>	<u>1</u>
Total Expenditures	<u>12,378</u>	<u>12,391</u>	<u>12,389</u>	<u>2</u>
Excess (Deficiency) of Revenues Over Expenditures	(310)	(310)	(1,796)	(1,486)
Cash Balance Beginning of Year	310	310	310	0
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(1,486)</u>	\$ <u>(1,486)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,796)	
Net Change in Due from Grantor			1,486	
Net Change in Deferred Revenue			310	
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 I STIMULAS-24201
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 36,979	\$ 0	\$ (36,979)
Total Revenues	<u>0</u>	<u>36,979</u>	<u>0</u>	<u>(36,979)</u>
Expenditures				
Instruction				
Personnel Services	0	25,550	13,317	12,233
Employee Benefits	0	7,491	2,827	4,664
Other Purchased Services	0	200	0	200
Supplies	0	1,750	0	1,750
Total Instruction	<u>0</u>	<u>34,991</u>	<u>16,144</u>	<u>18,847</u>
Support Services-General Administration				
Professional & Tech Services	0	1,588	771	817
Total Support Services-General Administration	<u>0</u>	<u>1,588</u>	<u>771</u>	<u>817</u>
Student Transportation				
Personnel Services	0	300	136	164
Employee Benefits	0	100	28	72
Total Student Transportation	<u>0</u>	<u>400</u>	<u>164</u>	<u>236</u>
Total Expenditures	<u>0</u>	<u>36,979</u>	<u>17,079</u>	<u>19,900</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(17,079)	(17,079)
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>\$ (17,079)</u>	<u>\$ (17,079)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (17,079)	
Net Change in Accounts Payable			<u>17,079</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 3,916	\$ 3,916
Total Revenues	<u>0</u>	<u>0</u>	<u>3,916</u>	<u>3,916</u>
Expenditures				
Instruction				
Supplies	0	4,524	3,216	1,308
Total Instruction	<u>0</u>	<u>4,524</u>	<u>3,216</u>	<u>1,308</u>
Total Expenditures	<u>0</u>	<u>4,524</u>	<u>3,216</u>	<u>1,308</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(4,524)	700	5,224
Cash Balance Beginning of Year	\$ 4,524	\$ 4,524	\$ 4,524	\$ 0
Cash Balance End of Year	<u>\$ 4,524</u>	<u>\$ 0</u>	<u>\$ 5,224</u>	<u>\$ 5,224</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 700	
Net Change in Due from Grantor			<u>1,494</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,194</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 0	\$ 10,135	\$ 10,135
Total Revenues	<u>0</u>	<u>0</u>	<u>10,135</u>	<u>10,135</u>
Expenditures				
Instruction				
Professional & Tech Services	0	10,000	0	10,000
Other Purchased Services	0	10,000	370	9,630
Supplies	0	5,000	0	5,000
Supply Assets	0	1,684	0	1,684
Total Instruction	<u>0</u>	<u>26,684</u>	<u>370</u>	<u>26,314</u>
Support Services-Instruction				
Supplies	0	7,000	0	7,000
Total Support Services-Instruction	<u>0</u>	<u>7,000</u>	<u>0</u>	<u>7,000</u>
Support Services-General Administration				
Other Purchased Services	0	1,000	0	1,000
Total Support Services-General Administration	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Student Transportation				
Personnel Services	0	1,500	171	1,329
Employee Benefits	0	600	13	587
Total Student Transportation	<u>0</u>	<u>2,100</u>	<u>184</u>	<u>1,916</u>
Total Expenditures	<u>0</u>	<u>35,784</u>	<u>554</u>	<u>35,230</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(35,784)	9,581	45,365
Cash Balance Beginning of Year	<u>36,784</u>	<u>36,784</u>	<u>36,784</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 36,784</u>	<u>\$ 1,000</u>	<u>\$ 46,365</u>	<u>\$ 45,365</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>9,581</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>9,581</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 15,000	\$ 15,000	\$ 43,140	\$ 28,140
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>43,140</u>	<u>28,140</u>
Expenditures				
Instruction				
Professional & Tech Services	2,000	2,000	630	1,370
Supplies	1,000	1,000	535	465
Total Instruction	<u>3,000</u>	<u>3,000</u>	<u>1,165</u>	<u>1,835</u>
Support Services-Students				
Personnel Services	11,500	11,500	10,636	864
Employee Benefits	5,666	5,666	4,465	1,201
Professional & Tech Services	1,100	6,100	1,126	4,974
Other Purchased Services	1,500	1,500	241	1,259
Supplies	0	2,999	355	2,644
Supply Assets	1,000	7,000	5,152	1,848
Total Support Services-Students	<u>20,766</u>	<u>34,765</u>	<u>21,975</u>	<u>12,790</u>
Support Services-General Administration				
Professional & Tech Services	57,935	82,849	2,131	80,718
Total Support Services-General Administration	<u>57,935</u>	<u>82,849</u>	<u>2,131</u>	<u>80,718</u>
Operation & Maintenance of Plant				
Other Purchased Services	600	600	0	600
Total Operation & Maintenance of Plant	<u>600</u>	<u>600</u>	<u>0</u>	<u>600</u>
Total Expenditures	<u>82,301</u>	<u>121,214</u>	<u>25,271</u>	<u>95,943</u>
Excess (Deficiency) of Revenues Over Expenditures	(67,301)	(106,214)	17,869	124,083
Cash Balance Beginning of Year	<u>106,214</u>	<u>106,214</u>	<u>106,214</u>	<u>0</u>
Cash Balance End of Year	\$ <u>38,913</u>	\$ <u>0</u>	\$ <u>124,083</u>	\$ <u>124,083</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>17,869</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>17,869</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 12,161	\$ 12,161	\$ 12,161	\$ 0
Total Revenues	<u>12,161</u>	<u>12,161</u>	<u>12,161</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	1,000	1,000	0
Supply Assets	0	3,315	3,314	1
Total Instruction	<u>0</u>	<u>4,315</u>	<u>4,314</u>	<u>1</u>
Support Services-School Administration				
Professional & Tech Services	5,765	1,250	1,250	0
Supplies	0	200	199	1
Total Support Services-School Administration	<u>5,765</u>	<u>1,450</u>	<u>1,449</u>	<u>1</u>
Total Expenditures	<u>5,765</u>	<u>5,765</u>	<u>5,763</u>	<u>2</u>
Excess (Deficiency) of Revenues Over Expenditures	6,396	6,396	6,398	2
Cash Balance Beginning of Year	<u>(6,396)</u>	<u>(6,396)</u>	<u>(6,396)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>2</u>	\$ <u>2</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,398	
Net Change in Due from Grantor			<u>(6,396)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>2</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Professional & Tech Services	0	1,000	0	1,000
Other Purchased Services	1,000	3,000	94	2,906
Supplies	11,925	6,551	1,283	5,268
Supply Assets	8,000	8,000	0	8,000
Total Instruction	<u>20,925</u>	<u>18,551</u>	<u>1,377</u>	<u>17,174</u>
Student Transportation				
Personnel Services	0	500	135	365
Employee Benefits	0	115	20	95
Total Student Transportation	<u>0</u>	<u>615</u>	<u>155</u>	<u>460</u>
Community Services				
Personnel Services	48,783	48,168	38,649	9,519
Employee Benefits	10,014	10,014	5,384	4,630
Total Community Services	<u>58,797</u>	<u>58,182</u>	<u>44,033</u>	<u>14,149</u>
Total Expenditures	\$ <u>79,722</u>	\$ <u>77,348</u>	\$ <u>45,565</u>	\$ <u>31,783</u>
Excess (Deficiency) of Revenues Over Expenditures	(79,722)	(77,348)	(45,565)	31,783
Cash Balance Beginning of Year	<u>95,915</u>	<u>95,915</u>	<u>95,915</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>16,193</u></u>	\$ <u><u>18,567</u></u>	\$ <u><u>50,350</u></u>	\$ <u><u>31,783</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(45,565)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>(45,565)</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-PNM FOUNDATION-26123
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	821	821	821	0
Total Instruction	<u>821</u>	<u>821</u>	<u>821</u>	<u>0</u>
Total Expenditures	<u>821</u>	<u>821</u>	<u>821</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(821)	(821)	(821)	0
Cash Balance Beginning of Year	<u>821</u>	<u>821</u>	<u>821</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			\$ (821)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (821)</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grant	\$ 0	\$ 6,147	\$ 8,000	\$ 1,853
Total Revenues	<u>0</u>	<u>6,147</u>	<u>8,000</u>	<u>1,853</u>
Expenditures				
Instruction				
Other Purchased Services	0	41	40	1
Supplies	0	1,005	1,005	0
Supply Assets	0	6,954	6,877	77
Total Instruction	<u>0</u>	<u>8,000</u>	<u>7,922</u>	<u>78</u>
Total Expenditures	<u>0</u>	<u>8,000</u>	<u>7,922</u>	<u>78</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1,853)	78	1,931
Cash Balance Beginning of Year	<u>1,853</u>	<u>1,853</u>	<u>1,853</u>	<u>0</u>
Cash Balance End of Year	\$ <u>1,853</u>	\$ <u>0</u>	\$ <u>1,931</u>	\$ <u>1,931</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>78</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>78</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 9,836	\$ 9,836
Total Revenues	<u>0</u>	<u>0</u>	<u>9,836</u>	<u>9,836</u>
Expenditures				
Support Services-General Administration				
Supplies	0	4,000	3,366	634
Supply Assets	<u>0</u>	<u>5,836</u>	<u>4,315</u>	<u>1,521</u>
Total Support Services-General Administration	<u>0</u>	<u>9,836</u>	<u>7,681</u>	<u>2,155</u>
Total Expenditures	<u>0</u>	<u>9,836</u>	<u>7,681</u>	<u>2,155</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(9,836)	2,155	11,991
Cash Balance Beginning of Year	<u>11,681</u>	<u>11,681</u>	<u>11,681</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 11,681</u>	<u>\$ 1,845</u>	<u>\$ 13,836</u>	<u>\$ 11,991</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>2,155</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>2,155</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 1,724	\$ 0	\$ (1,724)
Total Revenues	<u>0</u>	<u>1,724</u>	<u>0</u>	<u>(1,724)</u>
Expenditures				
Instruction				
Personnel Services	0	1,072	0	1,072
Employee Benefits	0	77	0	77
Professional & Tech Services	0	1,000	0	1,000
Other Purchased Services	0	2,250	0	2,250
Supplies	0	2,000	0	2,000
Supply Assets	0	2,000	1,666	334
Total Instruction	<u>0</u>	<u>8,399</u>	<u>1,666</u>	<u>6,733</u>
Total Expenditures	<u>0</u>	<u>8,399</u>	<u>1,666</u>	<u>6,733</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(6,675)	(1,666)	5,009
Cash Balance Beginning of Year	<u>6,675</u>	<u>6,675</u>	<u>6,675</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>6,675</u></u>	\$ <u><u>0</u></u>	\$ <u><u>5,009</u></u>	\$ <u><u>5,009</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(1,666)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>(1,666)</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-FULL DAY KINDERGARTEN-27142
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	261	261	261	0
Total Instruction	<u>261</u>	<u>261</u>	<u>261</u>	<u>0</u>
Total Expenditures	<u>261</u>	<u>261</u>	<u>261</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(261)	(261)	(261)	0
Cash Balance Beginning of Year	<u>261</u>	<u>261</u>	<u>261</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			\$ (261)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (261)</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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 1,472	\$ 5,484	\$ 5,484	\$ 0
Total Revenues	<u>1,472</u>	<u>5,484</u>	<u>5,484</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Professional & Tech Services	0	4,012	4,012	0
Total Support Services-Instruction	<u>0</u>	<u>4,012</u>	<u>4,012</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>4,012</u>	<u>4,012</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,472	1,472	1,472	0
Cash Balance Beginning of Year	<u>(1,472)</u>	<u>(1,472)</u>	<u>(1,472)</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			\$ 1,472	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,472</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-BREAKFAST FOR ELEMENTARY SCHOOLS-27155
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 7,026	\$ 7,025	\$ (1)
Total Revenues	<u>0</u>	<u>7,026</u>	<u>7,025</u>	<u>(1)</u>
Expenditures				
Food Services				
Supplies	0	7,026	7,026	0
Total Food Service	<u>0</u>	<u>7,026</u>	<u>7,026</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>7,026</u>	<u>7,026</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1)	(1)
Cash Balance Beginning of Year	<u>1,245</u>	<u>1,245</u>	<u>1,245</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,245</u>	<u>\$ 1,245</u>	<u>\$ 1,244</u>	<u>\$ (1)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1)</u>	

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

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
SPECIAL REVENUE FUND-K-PLUS INITIATIVE-27159
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 13,167	\$ 13,167	\$ 0	\$ (13,167)
Total Revenues	<u>13,167</u>	<u>13,167</u>	<u>0</u>	<u>(13,167)</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	13,167	13,167	0	(13,167)
Cash Balance Beginning of Year	<u>(13,167)</u>	<u>(13,167)</u>	<u>(13,167)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (13,167)</u>	<u>\$ (13,167)</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-SCHOOL IN NEED OF IMPROVEMENT-27163
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 4,000	\$ 0	\$ (4,000)
Total Revenues	<u>0</u>	<u>4,000</u>	<u>0</u>	<u>(4,000)</u>
Expenditures				
Support Services-Instruction				
Supplies	0	4,000	2,901	1,099
Total Support Services-Instruction	<u>0</u>	<u>4,000</u>	<u>2,901</u>	<u>1,099</u>
Total Expenditures	<u>0</u>	<u>4,000</u>	<u>2,901</u>	<u>1,099</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(2,901)	(2,901)
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>\$ (2,901)</u>	<u>\$ (2,901)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,901)	
Net Change in Due from Grantor			<u>2,901</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-SCHOOL IMPROVEMENT FRAMEWORK-27164
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supplies	0	0	0	0
Total Support Services-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>8,399</u>	<u>8,399</u>	<u>8,399</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,399</u>	<u>\$ 8,399</u>	<u>\$ 8,399</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-KINDERGARTEN 3-PLUS-27166
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 41,026	\$ 48,934	\$ 48,628	\$ (306)
Total Revenues	<u>41,026</u>	<u>48,934</u>	<u>48,628</u>	<u>(306)</u>
Expenditures				
Instruction				
Personnel Services	40,225	41,409	41,409	0
Employee Benefits	8,260	8,433	8,433	0
Other Purchased Services	0	1,219	1,219	0
Supplies	740	499	498	1
Total Instruction	<u>49,225</u>	<u>51,560</u>	<u>51,559</u>	<u>1</u>
Student Transportation				
Personnel Services	0	3,386	3,386	0
Employee Benefits	0	457	456	1
Supplies	0	1,730	1,730	0
Total Student Transportation	<u>0</u>	<u>5,573</u>	<u>5,572</u>	<u>1</u>
Total Expenditures	<u>49,225</u>	<u>57,133</u>	<u>57,131</u>	<u>2</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,199)	(8,199)	(8,503)	(304)
Cash Balance Beginning of Year	<u>8,199</u>	<u>8,199</u>	<u>8,199</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (304)</u>	<u>\$ (304)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (8,503)	
Net Change in Due from Grantor			<u>304</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (8,199)</u>	

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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 758	\$ 758	\$ 758	\$ 0
Total Revenues	<u>758</u>	<u>758</u>	<u>758</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	758	758	758	0
Cash Balance Beginning of Year	<u>(758)</u>	<u>(758)</u>	<u>(758)</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			\$ 758	
Net Change in Due from Grantor			<u>(758)</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
 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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Operation & Maintenance of Plant				
Purchased Property Services	8,403	8,403	7,233	1,170
Total Operation & Maintenance of Plant	<u>8,403</u>	<u>8,403</u>	<u>7,233</u>	<u>1,170</u>
Total Expenditures	<u>8,403</u>	<u>8,403</u>	<u>7,233</u>	<u>1,170</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,403)	(8,403)	(7,233)	1,170
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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,170</u>	<u>\$ 1,170</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,233)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (7,233)</u>	

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

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, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 139,463	\$ 139,463	\$ 146,885	\$ 7,422
Total Revenues	<u>139,463</u>	<u>139,463</u>	<u>146,885</u>	<u>7,422</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	1,395	1,495	1,470	25
Total Support Services-General Administration	<u>1,395</u>	<u>1,495</u>	<u>1,470</u>	<u>25</u>
Debt Service				
Principal	125,000	125,000	125,000	0
Interest	14,463	14,463	14,463	0
Total Debt Service	<u>139,463</u>	<u>139,463</u>	<u>139,463</u>	<u>0</u>
Total Expenditures	<u>140,858</u>	<u>140,958</u>	<u>140,933</u>	<u>25</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,395)	(1,495)	5,952	7,447
Cash Balance Beginning of Year	<u>10,204</u>	<u>10,204</u>	<u>10,204</u>	<u>0</u>
Cash Balance End of Year	\$ <u>8,809</u>	\$ <u>8,709</u>	\$ <u>16,156</u>	\$ <u>7,447</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,952	
Net Change in Taxes Receivable			1,079	
Net change in Deferred Taxes			(2,669)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 4,362</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 - ACTIVITY
 Statement of Fiduciary Assets & Liabilities-Agency Funds
 For the Year Ended June 30, 2009

	<u>Balance</u> <u>06/30/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/09</u>
ASSETS				
Elementary School	\$ 26,649	\$ 38,686	\$ 39,278	\$ 26,057
Jr. High & High School	70,627	41,084	41,741	69,970
Payroll Clearing Account	38,267	5,005,353	5,030,162	13,458
Total Assets	<u>\$ 135,543</u>	<u>\$ 5,085,123</u>	<u>\$ 5,111,181</u>	<u>\$ 109,485</u>
LIABILITIES				
Deposits Held for Others	\$ 135,543	\$ 5,085,123	\$ 5,111,181	\$ 109,485
Total Liabilities	<u>\$ 135,543</u>	<u>\$ 5,085,123</u>	<u>\$ 5,111,181</u>	<u>\$ 109,485</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, 2009

		Beginning Cash		Ending Cash	
		6/30/2008	Revenue	Expenditures	6/30/2009
Operational	11000	\$ 821,941	\$ 5,667,575	\$ 5,743,387	\$ 746,129
Transportation	13000	919	333,437	333,433	923
Instructional Materials	14000	41,177	51,252	38,568	53,861
Food Services	21000	58,520	300,689	250,216	108,994
Athletics	22000	28,936	75,680	72,366	32,250
Federal Flowthrough	24000	(129,825)	500,789	544,717	(173,753)
Federal Direct	25000	141,126	69,352	34,804	175,675
Local Grants	26000	98,590	8,000	54,308	52,282
State Flowthrough	27000	21,820	75,436	84,408	12,848
Local/State	29000	(758)	758	0	0
Bond Building	31100	208,017	2,231,403	58,133	2,381,287
Special Capital Outlay State	31400	(38,355)	241,773	238,627	(35,209)
SB-9	31700	401,622	86,317	55,486	432,454
Public School C/O 20%	32100	8,403	0	7,233	1,170
Debt Service	41000	10,204	146,885	140,933	16,157
Agency Funds		135,542	5,085,123	5,111,181	109,484
Total		\$ <u>1,807,879</u>	\$ <u>14,874,469</u>	\$ <u>12,767,799</u>	\$ <u>3,914,550</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, 2009

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	\$ 297,183
Pass-through State Department of Human Services			
USDA Commodities Program	10.550	21000 (1)	7,829
Direct Program			
Forest Reserve	10.670	11000	<u>32,970</u>
Total U. S. Department of Agriculture			<u>\$ 337,982</u>
<u>U. S. Department of Education</u>			
Pass-through State Department of Education:			
Special Education Cluster			
IDEA-B Entitlement	84.027	24106	\$ 106,917
IDEA-B Discretionary	84.027	24107	59,202
IDEA-B Competitive	84.027	24109	321
Total Special Education Cluster			<u>\$ 166,440</u>
Title I Basic Education Grant	84.010	24101	\$ 199,150
21st Century	84.186A	24119	94,219
Learn & Serve	84.004	24126	3,130
Title V-A	84.332	24150	686
Title II-A	84.281	24154	65,622
Title IV-A	84.186	24157	3,080
Rural and Low Income	84358B	24160	12,389
Direct Program:			
Impact Aid	84.041	25145	67,028
Title IX Indian Formula	84.060	25184	<u>5,764</u>
Total U. S. Department of Education			<u>617,508</u>
Total Federal Assistance			<u>\$ 955,490</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, 2008

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.

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

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, and the aggregate remaining fund information, the budgetary comparisons for the general fund and the major special revenue fund and the combining and individual funds presented as supplemental information of the Penasco Independent Schools, (District), as of and for the year ended June 30, 2009, and have issued our report thereon dated November 6, 2009. 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 our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely 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.

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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 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*.

This report is intended solely for the information and use of management, others within the District, the State Auditor, the New Mexico Legislature, applicable federal grantors 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

November 6, 2009

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 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, 2009. 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 on 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, 2009.

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.

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

November 6, 2009

STATE OF NEW MEXICO
PENASCO INDEPENDENT SCHOOLS
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2009

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>
10.555	USDA National School Lunch Program

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, 2009

Prior Year Audit Findings

There were prior year audit findings.

Current Year Audit Findings

There are no current audit findings.

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 November 6, 2009 in attendance were Mary Mascarenas, Member, Ernesto Valdez, Superintendent, Elizabeth Romero, Business Manager and DeAun Willoughby, CPA.