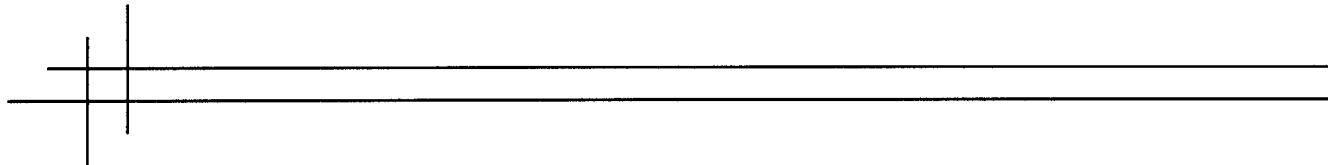




STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**

**ANNUAL FINANCIAL REPORT**  
June 30, 2008

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



STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
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 For the Year Ended June 30, 2008

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STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
Official Roster  
June 30, 2008

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**BOARD OF EDUCATION**

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

**SCHOOL OFFICIALS**

Ernesto Valdez	Superintendent
Cecilia Romero-Torres	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(505) 253-4313

Independent Auditor's Report

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

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of PENASCO INDEPENDENT SCHOOLS, (District), as of and for the year ended June 30, 2008, 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, 2008, 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, 2008, 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, 2008, 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 14, 2008, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

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

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

*De'Ann Willoughby, CPA PC*

November 14, 2008



## **FINANCIAL SECTION**

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
Statement of Net Assets  
June 30, 2008

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 872,339
Investments	800,000
Taxes Receivable	28,020
Due from Grantor	193,734
Inventory	14,235
Total Current Assets	<u>1,908,328</u>
Noncurrent Assets	
Capital Assets	19,849,010
Less: Accumulated Depreciation	<u>(8,730,937)</u>
Total Noncurrent Assets	<u>11,118,073</u>
Total Assets	<u>13,026,401</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	18,145
Accrued Interest	2,649
Deferred Revenue	3,760
Current Portion of Long-Term Debt	125,000
Total Current Liabilities	<u>149,554</u>
Noncurrent Liabilities	
Bonds and Notes	125,786
Compensated Absences	36,509
Total Noncurrent Liabilities	<u>162,295</u>
Total Liabilities	<u>311,849</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	10,867,287
Restricted for:	
Capital Projects	208,018
Debt Service	15,711
Unrestricted	1,623,536
Total Net Assets	<u>\$ 12,714,552</u>

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
Statement of Activities  
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 3,761,659	\$ 87,887	\$ 527,042	\$ 0	\$ (3,146,730)
Support Services-Students	649,202	0	69,076	0	(580,126)
Support Services-Instruction	113,255	0	45,056	0	(68,199)
General Administration	299,374	0	26,484	0	(272,890)
School Administration	405,149	0	55,532	0	(349,617)
Central Services	283,772	0	2,344	0	(281,428)
Operation of Plant	1,066,218	0	683	0	(1,065,535)
Student Transportation	358,197	0	368,379	0	10,182
Food Services Operations	302,259	13,407	271,521	0	(17,331)
Community Service	54,090	0	55,117	0	1,027
Interest on Long-Term Obligations	26,098	0	0	0	(26,098)
Total Governmental Activities	\$ <u>7,319,273</u>	\$ <u>101,294</u>	\$ <u>1,421,234</u>	\$ <u>0</u>	\$ <u>(5,796,745)</u>
<b>General Revenues</b>					
Taxes					
Property Taxes, Levied for General Purposes				\$	6,702
Property Taxes, Levied for Capital Projects					72,984
Property Taxes, Levied for Debt Service					116,893
Federal and State aid not restricted to specific purpose					
General					5,648,297
Capital					343,575
Interest and investment earnings					53,681
Miscellaneous					147,059
Subtotal, General Revenues					<u>6,389,191</u>
Change in Net Assets					592,446
Net Assets - Beginning					<u>12,122,106</u>
Net Assets - ending					<u>\$ 12,714,552</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, 2008

	General Fund		
	Operational 11000	Transportation 13000	Instructional Material 14000
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 128,208	\$ 919	\$ 41,177
Investments	500,000	0	0
Receivables			
Taxes	945	0	0
Due From Grantor	0	0	0
Interfund Balances	193,734	0	0
Inventory	0	0	0
<b>Total Assets</b>	<b>\$ 822,887</b>	<b>\$ 919</b>	<b>\$ 41,177</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 7,505	\$ 0	\$ 0
Interfund Balances	0	0	0
Deferred Revenue	626	0	0
<b>Total Liabilities</b>	<b>8,131</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>			
<b>Reserved for:</b>			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
<b>Unreserved, Undesignated, reported in:</b>			
General Fund	814,756	919	41,177
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
<b>Total Fund Balances</b>	<b>814,756</b>	<b>919</b>	<b>41,177</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 822,887</b>	<b>\$ 919</b>	<b>\$ 41,177</b>

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, 2008

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	Food Service 21000	Title I IASA 24101	Discretionary 24107
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 58,520	\$ 0	\$ 0
Investments	0	0	0
Receivables			
Taxes	0	0	0
Due From Grantor	0	13,679	63,828
Interfund Balances	0	0	0
Inventory	14,235	0	0
<b>Total Assets</b>	<b>\$ 72,755</b>	<b>\$ 13,679</b>	<b>\$ 63,828</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 9,146	\$ 0	\$ 0
Interfund Balances	0	13,679	63,828
Deferred Revenue	0	0	0
<b>Total Liabilities</b>	<b>9,146</b>	<b>13,679</b>	<b>63,828</b>
<b>Fund Balances</b>			
<b>Reserved for:</b>			
Inventory	14,235	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
<b>Unreserved, Undesignated, reported in:</b>			
General Fund	0	0	0
Special Revenue Funds	49,374	0	0
Capital Projects	0	0	0
<b>Total Fund Balances</b>	<b>63,609</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 72,755</b>	<b>\$ 13,679</b>	<b>\$ 63,828</b>

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, 2008

	Bond Building 31100	Special School Capital Outlay-State 31400	Capital Improvements SB-9 31700
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,018	\$ 0	\$ 301,622
Investments	200,000	0	100,000
Receivables			
Taxes	0	0	8,221
Due From Grantor	0	38,355	0
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 208,018</u>	<u>0</u>	<u>409,843</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	38,355	0
Deferred Revenue	0	0	4,813
Total Liabilities	<u>0</u>	<u>38,355</u>	<u>4,813</u>
<b>Fund Balances</b>			
<b>Reserved for:</b>			
Inventory	0	0	0
Capital Improvements	208,018	0	0
Debt Service	0	0	0
<b>Unreserved, Undesignated, reported in:</b>			
General Fund	0	0	0
Special Revenue Funds	0	0	0
Capital Projects	0	0	405,030
Total Fund Balances	<u>208,018</u>	<u>0</u>	<u>405,030</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 208,018</u>	<u>\$ 38,355</u>	<u>\$ 409,843</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, 2008

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	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 333,875	\$ 872,339
Investments	0	800,000
Receivables		
Taxes	18,854	28,020
Due From Grantor	77,872	193,734
Interfund Balances	0	193,734
Inventory	0	14,235
Total Assets	<u>0 430,601</u>	<u>\$ 2,102,062</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 1,494	\$ 18,145
Interfund Balances	77,872	193,734
Deferred Revenue	17,108	22,547
Total Liabilities	<u>0 96,474</u>	<u>234,426</u>
<b>Fund Balances</b>		
Reserved for:		
Inventory	0	14,235
Capital Improvements	0	208,018
Debt Service	15,711	15,711
Unreserved, Undesignated, reported in:		
General Fund	0	856,852
Special Revenue Funds	310,013	359,387
Capital Projects	8,403	413,433
Total Fund Balances	<u>334,127</u>	<u>1,867,636</u>
Total Liabilities and Fund Balances	<u>\$ 430,601</u>	<u>\$ 2,102,062</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, 2008

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

Total Fund Balance - Governmental Funds	\$	1,867,636
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$	19,849,010	
Accumulated depreciation is		<u>(8,730,937)</u>	11,118,073

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.

18,787

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	(265,000)	
Accrued interest on bonds	(2,649)	
Net Bond Issue Costs	14,214	
Compensated Absences	<u>(36,509)</u>	<u>(289,944)</u>

Total net assets - governmental activities	\$	<u><u>12,714,552</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, 2008

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
<b>Revenues</b>			
Taxes	\$ 6,694	\$ 0	\$ 0
Investment Income	50,388	0	0
Fees	1,233	0	0
State & Local Grants	5,648,297	363,148	59,862
Federal Grants	58,349	0	0
Miscellaneous	88,710	0	0
<b>Total Revenues</b>	<b>5,853,671</b>	<b>363,148</b>	<b>59,862</b>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	2,840,259	0	48,327
Support Services-Students	606,609	0	0
Support Services-Instruction	62,107	0	10,399
Support Services-General Administration	275,976	0	0
Support Services-School Administration	352,922	0	0
Central Services	276,414	0	0
Operation & Maintenance of Plant	1,017,476	0	0
Student Transportation	27,128	329,304	0
Food Service	0	0	0
Community Services	22,636	0	0
Capital Outlay	244,511	33,844	0
<b>Debt Service</b>			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<b>5,726,038</b>	<b>363,148</b>	<b>58,726</b>
Excess (Deficiency) of Revenues Over Expenditures	127,633	0	1,136
<b>Fund Balances at Beginning of Year</b>	<b>687,123</b>	<b>919</b>	<b>40,041</b>
<b>Fund Balance End of Year</b>	<b>\$ 814,756</b>	<b>\$ 919</b>	<b>\$ 41,177</b>

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, 2008

	Food Service 21000	Title I IASA 24101	IDEA, B Discretionary 24107
<b>Revenues</b>			
Taxes	\$ 0	\$ 0	\$ 0
Investment Income	761	0	0
Fees	13,407	0	0
State & Local Grants	0	0	0
Federal Grants	263,277	184,636	58,807
Miscellaneous	0	0	0
<b>Total Revenues</b>	<u>277,445</u>	<u>184,636</u>	<u>58,807</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	120,605	44,394
Support Services-Students	0	0	13,834
Support Services-Instruction	0	21,709	0
Support Services-General Administration	0	7,154	0
Support Services-School Administration	0	35,168	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	579
Food Service	289,375	0	0
Community Services	0	0	0
Capital Outlay	0	0	0
<b>Debt Service</b>			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<u>289,375</u>	<u>184,636</u>	<u>58,807</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(11,930)</b>	<b>0</b>	<b>0</b>
<b>Fund Balances at Beginning of Year</b>	<u><b>75,539</b></u>	<u><b>0</b></u>	<u><b>0</b></u>
<b>Fund Balance End of Year</b>	<u><u><b>\$ 63,609</b></u></u>	<u><u><b>\$ 0</b></u></u>	<u><u><b>\$ 0</b></u></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, 2008

	Bond Building 31100	Special School Capital Outlay-State 31400	Capital Improvements SB-9 31700
<b>Revenues</b>			
Taxes	\$ 0	\$ 0	\$ 72,867
Investment Income	2,532	0	0
Fees	0	0	0
State & Local Grants	0	229,712	113,863
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	2,532	229,712	186,730
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	720
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	39,386
Student Transportation	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Capital Outlay	266,229	229,712	0
<b>Debt Service</b>			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	266,229	229,712	40,106
Excess (Deficiency) of Revenues Over Expenditures	(263,697)	0	146,624
Fund Balances at Beginning of Year	471,715	0	258,406
Fund Balance End of Year	\$ 208,018	\$ 0	\$ 405,030

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, 2008

	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>		
Taxes	\$ 122,366	\$ 201,927
Investment Income	0	53,681
Fees	86,654	101,294
State & Local Grants	230,850	6,645,732
Federal Grants	260,654	825,723
Miscellaneous	0	88,710
Total Revenues	<u>700,524</u>	<u>7,917,067</u>
<b>Expenditures</b>		
Current		
Instruction	371,042	3,424,627
Support Services-Students	26,754	647,197
Support Services-Instruction	14,871	109,086
Support Services-General Administration	11,978	295,828
Support Services-School Administration	17,059	405,149
Central Services	2,166	278,580
Operation & Maintenance of Plant	315	1,057,177
Student Transportation	1,186	358,197
Food Service	6,999	296,374
Community Services	31,428	54,064
Capital Outlay	0	774,296
Debt Service		
Principal	115,000	115,000
Interest	20,500	20,500
Total Expenditures	<u>619,298</u>	<u>7,836,075</u>
Excess (Deficiency) of Revenues Over Expenditures	81,226	80,992
 Fund Balances at Beginning of Year	 <u>252,901</u>	 <u>1,786,644</u>
 Fund Balance End of Year	 <u>\$ 334,127</u>	 <u>\$ 1,867,636</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, 2008

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Excess (Deficiency) of Revenues Over Expenditures \$ 80,992

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. (5,348)

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	\$	(378,797)	
Capital Outlays		774,296	395,499

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

Principal paid for bonds			115,000
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Bond issue costs are amortized in the Statement of Activities but are netted with proceeds of bond issues in the year of issue on the Statement of Revenues, Expenditures and Changes in Fund Balances. This the amount of the amortized bond issue costs this year. (7,107)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,509

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. 11,901

Changes in Net Assets of Governmental Activities	\$	592,446	
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The notes to the financial statements are an integral part of this statement..

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
GENERAL FUND-11000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 6,560	\$ 6,560	\$ 6,619	\$ 59
Investment Income	30,000	30,000	50,388	20,388
Fees	2,000	2,000	1,233	(767)
State Grant	5,537,477	5,537,477	5,648,297	110,820
Miscellaneous	5,800	5,800	62,495	56,695
Impact Aid	26,399	26,399	50,139	23,740
Forest Reserve	8,305	8,030	8,210	180
Access Board (erate)	20,000	20,000	26,215	6,215
<b>Total Revenues</b>	<u>5,636,541</u>	<u>5,636,266</u>	<u>5,853,596</u>	<u>217,330</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	2,062,256	2,062,256	2,053,631	8,625
Employee Benefits	669,145	669,145	635,565	33,580
Purchased Services	34,100	34,100	20,262	13,838
Supplies	155,124	155,124	131,483	23,641
Property	90,000	90,000	48,147	41,853
<b>Total Instruction</b>	<u>3,010,625</u>	<u>3,010,625</u>	<u>2,889,088</u>	<u>121,537</u>
<b>Support Services-Students</b>				
Personnel Services	218,978	223,300	223,300	0
Employee Benefits	51,707	59,030	59,030	0
Professional & Tech Services	441,258	441,258	296,045	145,213
Supplies	46,600	46,600	28,234	18,366
Property	1,000	2,250	2,248	2
<b>Total Support Services-Students</b>	<u>\$ 759,543</u>	<u>\$ 772,438</u>	<u>\$ 608,857</u>	<u>\$ 163,581</u>
<b>Support Services-Instruction</b>				
Personnel Services	\$ 39,906	\$ 39,906	\$ 39,685	\$ 221
Employee Benefits	15,685	15,685	14,521	1,164
Supplies	8,000	8,000	7,094	906
Property	2,500	2,500	806	1,694
<b>Total Support Services-Instruction</b>	<u>66,091</u>	<u>66,091</u>	<u>62,106</u>	<u>3,985</u>
<b>Support Services-General Administration</b>				
Personnel Services	173,161	173,161	172,322	839
Employee Benefits	50,673	50,673	44,114	6,559
Professional & Tech Services	46,380	46,380	24,593	21,787
Purchased Property Services	3,000	3,000	2,000	1,000
Purchased Services	29,800	29,800	24,099	5,701
Supplies	10,700	10,880	10,878	2
Property	7,000	7,000	291	6,709
<b>Total Support Services-General Administration</b>	<u>320,714</u>	<u>320,894</u>	<u>278,297</u>	<u>42,597</u>

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
GENERAL FUND-11000

Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Support Services-School Administration</b>				
Personnel Services	255,615	255,615	249,445	6,170
Employee Benefits	69,323	69,323	64,507	4,816
Professional & Tech Services	37,773	37,773	17,494	20,279
Purchased Services	3,000	3,000	150	2,850
Supplies	17,000	17,000	12,630	4,370
Property	5,000	33,750	33,745	5
<b>Total Support Services-School Administration</b>	<b>387,711</b>	<b>416,461</b>	<b>377,971</b>	<b>38,490</b>
<b>Central Services</b>				
Personnel Services	191,424	200,075	200,075	0
Employee Benefits	58,518	58,518	57,023	1,495
Professional & Tech Services	10,000	10,000	3,989	6,011
Purchased Property Services	5,000	5,000	4,070	930
Purchased Services	2,000	2,773	2,773	0
Supplies	9,000	2,080	2,079	1
Property	4,000	12,100	12,017	83
<b>Total Central Services</b>	<b>\$ 279,942</b>	<b>\$ 290,546</b>	<b>\$ 282,026</b>	<b>\$ 8,520</b>
<b>Operation &amp; Maintenance of Plant</b>				
Personnel Services	\$ 352,230	\$ 352,230	\$ 340,741	\$ 11,489
Employee Benefits	119,421	119,421	95,286	24,135
Purchased Property Services	498,560	498,560	437,032	61,528
Purchased Services	106,269	107,550	107,534	16
Supplies	51,000	51,000	46,249	4,751
Property	20,248	20,248	13,138	7,110
<b>Total Operation &amp; Maintenance of Plant</b>	<b>1,147,728</b>	<b>1,149,009</b>	<b>1,039,980</b>	<b>109,029</b>
<b>Student Transportation</b>				
Personnel Services	0	10,360	10,355	5
Employee Benefits	0	1,075	1,073	2
Purchased Property Services	20,000	20,000	7,080	12,920
Purchased Services	0	510	506	4
Supplies	2,500	2,500	1,721	779
Property	0	6,250	6,242	8
<b>Total Student Transportation</b>	<b>22,500</b>	<b>40,695</b>	<b>26,977</b>	<b>13,718</b>
<b>Community Service</b>				
Personnel Services	31,000	28,065	18,832	9,233
Employee Benefits	40,021	40,021	3,804	36,217
<b>Total Community Service</b>	<b>71,021</b>	<b>68,086</b>	<b>22,636</b>	<b>45,450</b>

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
 GENERAL FUND-11000

Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Capital Outlay				
Building Improvements	165,814	216,220	158,786	57,434
Total Capital Outlay	<u>165,814</u>	<u>216,220</u>	<u>158,786</u>	<u>57,434</u>
Total Expenditures	<u>6,231,689</u>	<u>6,351,065</u>	<u>5,746,724</u>	<u>604,341</u>
Excess (Deficiency) of Revenues Over Expenditures	(595,148)	(714,799)	106,872	821,671
Cash Balance Beginning of Year	<u>715,070</u>	<u>715,070</u>	<u>715,070</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 119,922</u>	<u>\$ 271</u>	<u>\$ 821,942</u>	<u>\$ 821,671</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 106,872	
Net Change in Taxes Receivable			75	
Net Change in Accounts Payable			20,686	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 127,633</u>	

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



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

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
Transportation Distribution	\$ 325,936	\$ 362,850	\$ 363,148	\$ 298
Total Revenues	<u>325,936</u>	<u>362,850</u>	<u>363,148</u>	<u>298</u>
<b>Expenditures</b>				
<b>Student Transportation</b>				
Personnel Services	98,718	96,107	95,625	482
Employee Benefits	65,790	51,285	51,283	2
Purchased Property Services	42,012	42,012	41,888	124
Other Purchased Services	109,614	127,424	127,421	3
Supplies	9,500	13,089	13,087	2
Property	600	33,852	33,844	8
Total Student Transportation	<u>326,234</u>	<u>363,769</u>	<u>363,148</u>	<u>621</u>
Total Expenditures	<u>326,234</u>	<u>363,769</u>	<u>363,148</u>	<u>621</u>
Excess (Deficiency) of Revenues Over Expenditures	(298)	(919)	0	919
Cash Balance Beginning of Year	<u>919</u>	<u>919</u>	<u>919</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 621</u>	<u>\$ 0</u>	<u>\$ 919</u>	<u>\$ 919</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
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**  
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 55,180	\$ 63,391	\$ 59,862	\$ (3,529)
Total Revenues	<u>55,180</u>	<u>63,391</u>	<u>59,862</u>	<u>(3,529)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	84,712	89,841	48,327	41,514
Total Instruction	<u>84,712</u>	<u>89,841</u>	<u>48,327</u>	<u>41,514</u>
<b>Support Services-Instruction</b>				
Supplies	9,907	12,989	10,399	2,590
Total Support Services-Instruction	<u>9,907</u>	<u>12,989</u>	<u>10,399</u>	<u>2,590</u>
Total Expenditures	<u>94,619</u>	<u>102,830</u>	<u>58,726</u>	<u>44,104</u>
Excess (Deficiency) of Revenues Over Expenditures	(39,439)	(39,439)	1,136	40,575
Cash Balance Beginning of Year	<u>40,041</u>	<u>40,041</u>	<u>40,041</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 602</u>	<u>\$ 602</u>	<u>\$ 41,177</u>	<u>\$ 40,575</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>1,136</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,136</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Investment Income	\$ 644	\$ 644	\$ 761	\$ 117
Fees	16,218	16,218	13,407	(2,811)
National School Lunch Program	257,289	257,292	251,771	(5,521)
Total Revenues	<u>274,151</u>	<u>274,154</u>	<u>265,939</u>	<u>(8,215)</u>
<b>Expenditures</b>				
<b>Food Services Operations</b>				
Personnel Services	167,250	161,373	150,449	10,924
Employee Benefits	68,349	68,349	45,066	23,283
Professional & Tech Services	250	250	150	100
Purchased Property Services	5,000	10,880	10,880	0
Other Purchased Services	700	700	240	460
Supplies	91,000	91,000	72,485	18,515
Property	13,001	13,001	192	12,809
Total Food Services Operations	<u>345,550</u>	<u>345,553</u>	<u>279,462</u>	<u>66,091</u>
Total Expenditures	<u>345,550</u>	<u>345,553</u>	<u>279,462</u>	<u>66,091</u>
Excess (Deficiency) of Revenues Over Expenditures	(71,399)	(71,399)	(13,523)	57,876
Cash Balance Beginning of Year	<u>72,043</u>	<u>72,043</u>	<u>72,043</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 644</u>	<u>\$ 644</u>	<u>\$ 58,520</u>	<u>\$ 57,876</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (13,523)	
Net Change in Inventory			5,492	
Net Change in Accounts Payable			(3,899)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (11,930)</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 343,936	\$ 337,072	\$ 196,780	\$ (140,292)
Total Federal Sources	<u>343,936</u>	<u>337,072</u>	<u>196,780</u>	<u>(140,292)</u>
Total Revenues	<u>343,936</u>	<u>337,072</u>	<u>196,780</u>	<u>(140,292)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	97,544	96,800	90,513	6,287
Employee Benefits	34,432	33,788	29,345	4,443
Other Purchased Services	131,976	132,088	747	131,341
Total Instruction	<u>263,952</u>	<u>262,676</u>	<u>120,605</u>	<u>142,071</u>
<b>Support Services-Instruction</b>				
Personnel Services	0	15,450	15,419	31
Employee Benefits	0	4,850	4,805	45
Other Purchased Services	0	341	340	1
Supplies	0	1,145	1,144	1
Total Support Services-Instruction	<u>0</u>	<u>21,786</u>	<u>21,708</u>	<u>78</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	<u>13,339</u>	<u>13,339</u>	<u>7,154</u>	<u>6,185</u>
Total Support Services-General Administration	<u>13,339</u>	<u>13,339</u>	<u>7,154</u>	<u>6,185</u>
<b>Support Services-School Administration</b>				
Personnel Services	27,374	27,374	19,179	8,195
Employee Benefits	13,448	13,448	7,949	5,499
Professional & Tech Services	25,589	15,924	2,818	13,106
Other Purchased Services	0	258	258	0
Supplies	0	4,966	4,965	1
Total Support Services-School Administration	<u>66,411</u>	<u>61,970</u>	<u>35,169</u>	<u>26,801</u>
Total Expenditures	<u>343,702</u>	<u>359,771</u>	<u>184,636</u>	<u>175,135</u>
Excess (Deficiency) of Revenues Over Expenditures	234	(22,699)	12,144	34,843
Cash Balance Beginning of Year	\$ (25,823)	\$ (25,823)	\$ (25,823)	\$ 0

Cash Balance End of Year	\$	<u>(25,589)</u>	\$	<u>(48,522)</u>	\$	<u>(13,679)</u>	\$	<u>34,843</u>
Reconciliation of Budgetary Basis to GAAP Basis								
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis	\$				\$	12,144		
Net change in Due from Grantor						<u>(12,144)</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, PART B DISCRETIONARY-24107  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Sources				
Federal Grant	\$ 5,021	\$ 79,298	\$ 0	\$ (79,298)
Total Federal Sources	<u>5,021</u>	<u>79,298</u>	<u>0</u>	<u>(79,298)</u>
Total Revenues	<u>5,021</u>	<u>79,298</u>	<u>0</u>	<u>(79,298)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	28,388	28,388	0
Employee Benefits	0	17,164	16,006	1,158
Total Instruction	<u>0</u>	<u>45,552</u>	<u>44,394</u>	<u>1,158</u>
<b>Support Services-Students</b>				
Personnel Services	0	21,248	8,442	12,806
Employee Benefits	0	6,898	5,392	1,506
Total Support Services-Students	<u>0</u>	<u>28,146</u>	<u>13,834</u>	<u>1,506</u>
<b>Student Transportation</b>				
Personnel Services	0	484	484	0
Employee Benefits	0	95	95	0
Total Student Transportation	<u>0</u>	<u>579</u>	<u>579</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>74,277</u>	<u>58,807</u>	<u>2,664</u>
Excess (Deficiency) of Revenues Over Expenditures	5,021	5,021	(58,807)	(63,828)
Cash Balance Beginning of Year	<u>(5,021)</u>	<u>(5,021)</u>	<u>(5,021)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (63,828)</u>	<u>\$ (63,828)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (58,807)	
Net change in Due from Grantor			<u>58,807</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, 2008

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	<u>Agency Funds</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 135,542
<b>Total Assets</b>	<u>\$ 135,542</u>
<b>Liabilities</b>	
Deposits Held for Others	\$ 135,542
<b>Total Liabilities</b>	<u>\$ 135,542</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.

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

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

These and other changes are reflected in the accompanying financial statements (including the notes to the financial statements) as of June 30, 2008.

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

**Financial Reporting Entity**

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

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.



STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

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The District has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

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

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

***Governmental Funds***

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

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

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

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

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

***Fiduciary Fund Type***

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

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

## **Major Funds**

The District reports the following major governmental funds:

### **GENERAL FUND (11000)**

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

### **SPECIAL REVENUE FUNDS**

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

### **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.

### **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.

### **CAPITAL PROJECTS FUNDS**

#### **Bond Building (31100)**

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

#### **Special Capital Outlay-State (31400)**

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

#### **Senate Bill Nine (31700)**

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

**Measurement Focus and Basis of Accounting**

***Government-Wide Financial Statements (GWFS)***

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

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

**Program Revenues**

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

***Fund Financial Statements (FFS)***

**Governmental Funds**

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

**Revenues**

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

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

Revenue Recognition for Grants

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

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.
4. Contingencies. The 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.

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**PENASCO INDEPENDENT SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

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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 :

(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.

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
Notes to the Financial Statements  
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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.

Capital Assets

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

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

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

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

Capital Leases

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

Short -Term Debt

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

Long-Term Liabilities

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

#### Restricted Net Assets

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

#### Fund Balances of Fund Financial Statements

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

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

#### Interfund Transfers

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

#### Deferred Revenue

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

#### Compensated Absences

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

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

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



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- (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.

<u>Name of Account</u>	<u>Balance Per Bank 06-30-08</u>	<u>Reconciled Balance</u>	<u>Type</u>
General Fund	\$ 512,321	\$ 103,496	Checking
Penasco Independent School	7,934	7,934	Savings
Hot Lunch Fund	22,934	21,158	Checking
Penasco Hot Lunch	37,348	37,348	Savings
Budgeted Account	11,336	11,336	Checking
Penasco High School-Budgeted	17,574	17,574	Savings
Activity Non-Budgeted	7,046	7,046	Checking
Non-Budgeted Account	64,601	64,601	Savings
Penasco Elementary	1,489	1,094	Checking
Penasco Elementary	27,161	25,518	Savings
Penasco Elementary-Budgeted	3,984	1,970	Checking
Federal Project	48,825	83,046	Checking
District Building	550,365	550,365	Checking
Payroll Clearing	377,300	38,267	Checking
TOTAL Deposited	<u>1,690,218</u>	<u>\$ 970,753</u>	
Less: FDIC Coverage	<u>(200,000)</u>		
Uninsured Amount	1,490,218		
50% collateral requirement	745,109		
Pledged securities	<u>1,035,225</u>		
Over (Under) requirement	<u>\$ 290,116</u>		

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
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The following securities are pledged at **Centinel Bank of Taos:**

<u>Description</u>	<u>CUSIP #</u>	<u>Market/ Par Value</u>	<u>Maturity Date</u>	<u>Location</u>
FNMA 251338	31371GEK2	1,030	12-01-13	* TIB
FNMA 251339	31371GEK3	21,635	12-01-13	* TIB
Estancia School	297326DC1	60,021	10-01-09	* TIB
Texico, NM	883005BR0	110,000	08-01-10	* TIB
Mesa Vista, NM	590662BX9	175,000	09-01-12	* TIB
FHLB	3133M6TD0	101,313	12-22-08	* TIB
FHLB	3133M6TD0	50,656	12-22-08	* TIB
FHLB	3133M8AU8	102,289	03-30-09	* TIB
FHLB	3133M6TD0	101,313	12-22-08	* TIB
FHLB	3133M6TD0	25,328	12-22-08	* TIB
FHLB	3133M6TD0	50,656	12-22-08	* TIB
FHLB	3133M6TD0	75,984	12-22-08	* TIB
UNM Gallup	914684CB9	100,000	06-01-18	* TIB
UNM Gallup	914684CB9	60,000	06-01-18	* TIB
		<u>\$ 1,035,225</u>		

\* Texas Independent Bank  
Dallas, TX

**Custodial Credit Risk-Deposits**

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 200,000
Collateralized:	
Collateral held by the pledging bank in District's name	1,035,225
Uninsured and uncollateralized	454,993
Total Deposits	<u>\$ 1,690,218</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, 2008 \$454,993 of the District's bank balance of \$1,690,218 was exposed to custodial credit risk.

**New Mexico State Treasurer**

<u>Name of Account</u>	<u>Balance 6-30-08</u>	<u>Reconciled Balance</u>	<u>Type</u>
Penasco Independent School	\$ 800,000	\$ 800,000	Investment
TOTAL Deposited	<u>\$ 800,000</u>	<u>\$ 800,000</u>	

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

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The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 1, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments;

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

Participation in the local government investment pool is voluntary.

**Interest Rate Risk**

Interest rate risk is the risk that interest rate variations may adversely affect an investment's fair value. The prices of securities fluctuate with market interest rates and the securities held in a portfolio will decline if market interest rates rise. The portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investments to rising interest rates. The WAM for this investment is 24 days. The investment is rated AAAM and the rate is 2.4078%.

**NOTE C: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The following Interfund Balances and Activity were made during the year ended June 30, 2008.

Fund	Payable Funds		
	Major Funds	Non Major Funds	Total
General Fund	\$ 115,862	\$ 77,872	\$ 193,734
Totals	\$ 115,862	\$ 77,872	\$ 193,734

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, 2008.

**NOTE D: TAXES RECEIVABLE**

Following is a schedule of property taxes receivable as of June 30, 2008:

	General Fund 11000	Senate Bill Nine 31700	Debt Service 41000	Total
Property Taxes Receivable:				
Available	\$ 319	\$ 3,408	\$ 5,507	\$ 9,234
Unavailable	626	4,813	13,347	18,786
TOTAL Property Taxes Receivable	\$ 945	\$ 8,221	\$ 18,854	\$ 28,020

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**NOTE E: DUE FROM OTHER GOVERNMENT UNITS**

Amounts due from other agencies and units of government were as follows as of June 30, 2008:

Federal Agencies	\$ 178,337
State Agencies	15,397
Total	<u>\$ 193,734</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, 2008:

	General Fund 11000	Senate Bill Nine 31700	Debt Service 41000
Property Taxes	\$ 626	\$ 4,813	\$ 13,347
Federal Revenues	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL Deferred Revenues	<u>\$ 626</u>	<u>\$ 4,813</u>	<u>\$ 13,347</u>
		Other Governmental	Total
Property Taxes		\$ 0	\$ 18,786
Federal Revenues		<u>3,761</u>	<u>3,761</u>
TOTAL Deferred Revenues		<u>\$ 3,761</u>	<u>\$ 22,547</u>

**NOTE G: CAPITAL ASSETS**

Capital Assets Balances and Activity for the Year Ended June 30, 2008, is as follows:

	Balance 6/30/07	Additions	Deletions	Balance 6/30/08
<b>Governmental Activities</b>				
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	14,386,655	632,161	0	15,018,816
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>3,156,749</u>	<u>142,134</u>	<u>0</u>	<u>3,298,883</u>
Total Capital Assets, being Depreciated	<u>17,543,404</u>	<u>774,295</u>	<u>0</u>	<u>18,317,699</u>
Total Capital Assets	<u>19,074,715</u>	<u>774,295</u>	<u>0</u>	<u>19,849,010</u>

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	6,534,888	213,844	0	6,748,732
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	1,817,253	164,952	0	1,982,205
Total Accumulated Depreciation	<u>8,352,141</u>	<u>378,796</u>	<u>0</u>	<u>8,730,937</u>
Capital Assets, net	\$ <u>10,722,574</u>	\$ <u>395,499</u>	\$ <u>0</u>	\$ <u>11,118,073</u>

Depreciation expense was charged to governmental activities as follows:

Instructional Support	\$ 347,222
Support Service-Students	2,005
Support Services-Instruction	4,168
Support Service-General Administration	11,034
Operation & Maintenance of Plant	8,456
Food Service	5,885
Community Service	26
Total Depreciation Expenses	<u>\$ 378,796</u>

**NOTE H: LONG TERM DEBT**

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

	Balance 6/30/07	Additions	Reductions	Balance 6/30/08	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 380,000	\$ 0	\$ 115,000	\$ 265,000	\$ 125,000
Total Bonds	<u>380,000</u>	<u>0</u>	<u>115,000</u>	<u>265,000</u>	<u>125,000</u>
Other Liabilities					
Compensated					
Absences	26,750	23,828	14,069	36,509	0
Total Other	<u>26,750</u>	<u>23,828</u>	<u>14,069</u>	<u>36,509</u>	<u>0</u>
Liabilities					
Long-Term	\$ <u>406,750</u>	\$ <u>23,828</u>	\$ <u>129,069</u>	\$ <u>301,509</u>	\$ <u>125,000</u>

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

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
Notes to the Financial Statements  
June 30, 2008

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General Obligation Bonds.

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

<u>Series</u>	<u>Date of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance</u>
1995	04-01-95	1,110,000	5.25%-7.25%	165,000
1996	01-01-98	140,000	5.2%-7.25%	\$ 100,000
				<u>\$ 265,000</u>

The annual requirements to amortize the general obligation bonds as of June 30, 2008, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 125,000	\$ 14,463	\$ 139,463
2010	140,000	7,900	147,900
	<u>\$ 265,000</u>	<u>\$ 22,363</u>	<u>\$ 287,363</u>

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

Note H	\$ 265,000
Net Issue Costs/Premium/Discounts on Bond Issues	(95,552)
Accumulated Amortization	81,338
	<u>\$ 250,786</u>
Long-Term Per Government Wide Financial Statements	\$ 125,786
Current Portion	125,000
Statement of Net Assets	<u>\$ 250,786</u>

**NOTE I: COMMITMENTS**

The District had no construction commitments at the year end June 30, 2008.

**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](http://www.nmerb.org).

Plan members are required to contribute 7.42% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2008, 2007, and 2006, were \$696,026, \$643,472 and \$585,460, respectively, which equal the amount of the required contributions for each fiscal year.

#### **NOTE K: RETIREE HEALTH CARE ACT CONTRIBUTIONS**

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

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

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

The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://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, 2008, 2007 and 2006 were \$72,703, \$70,281 and \$66,827, 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**

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, 2008.

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

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

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

**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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Sources				
Investment Income	\$ 0	\$ 0	\$ 2,532	\$ 2,532
Total State & Local Sources	<u>0</u>	<u>0</u>	<u>2,532</u>	<u>2,532</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>2,532</u>	<u>2,532</u>
<b>Expenditures</b>				
Capital Outlay				
Building Improvements	0	186,395	186,395	0
Property	460,183	285,320	79,834	205,486
Total Capital Outlay	<u>460,183</u>	<u>471,715</u>	<u>266,229</u>	<u>205,486</u>
Total Expenditures	<u>460,183</u>	<u>471,715</u>	<u>266,229</u>	<u>205,486</u>
Excess (Deficiency) of Revenues Over Expenditures	(460,183)	(471,715)	(263,697)	208,018
Cash Balance Beginning of Year	<u>471,715</u>	<u>471,715</u>	<u>471,715</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 11,532</u>	<u>\$ 0</u>	<u>\$ 208,018</u>	<u>\$ 208,018</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(263,697)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(263,697)</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Special Capital Outlay	\$ 264,465	\$ 315,000	\$ 225,000	\$ (90,000)
Total Revenues	<u>264,465</u>	<u>315,000</u>	<u>225,000</u>	<u>(90,000)</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Building Improvements	55,000	76,129	76,128	1
Property	243,108	272,514	153,584	118,930
Total Capital Outlay	<u>298,108</u>	<u>348,643</u>	<u>229,712</u>	<u>118,931</u>
Total Expenditures	<u>298,108</u>	<u>348,643</u>	<u>229,712</u>	<u>118,931</u>
Excess (Deficiency) of Revenues Over Expenditures	(33,643)	(33,643)	(4,712)	28,931
Cash Balance Beginning of Year	<u>(33,643)</u>	<u>(33,643)</u>	<u>(33,643)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(67,286)</u>	\$ <u>(67,286)</u>	\$ <u>(38,355)</u>	\$ <u>28,931</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,712)	
Net Change in Due from Grantor			<u>4,712</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 72,798	\$ 72,978	\$ 73,320	\$ 342
State Grant	0	113,863	113,863	0
Total Revenues	<u>72,798</u>	<u>186,841</u>	<u>187,183</u>	<u>342</u>
<b>Expenditures</b>				
Support Services-General Administration				
Professional & Tech Services	600	850	720	130
Total Support Services-General Administration	<u>600</u>	<u>850</u>	<u>720</u>	<u>130</u>
Capital Outlay				
Purchased Property Services	125,000	131,604	33,862	97,742
Property	195,000	195,069	5,524	189,545
Total Capital Outlay	<u>320,000</u>	<u>326,673</u>	<u>39,386</u>	<u>287,287</u>
Total Expenditures	<u>320,600</u>	<u>327,523</u>	<u>40,106</u>	<u>287,417</u>
Excess (Deficiency) of Revenues Over Expenditures	(247,802)	(140,682)	147,077	287,759
Cash Balance Beginning of Year	<u>254,545</u>	<u>254,545</u>	<u>254,545</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 6,743</u>	<u>\$ 113,863</u>	<u>\$ 401,622</u>	<u>\$ 287,759</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 147,077	
Net Change in Taxes			(453)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 146,624</u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO  
NON MAJOR FUNDS**

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
 NONMAJOR GOVERNMENT FUNDS  
 Combining Balance Sheet - By Fund Type  
 June 30, 2008

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 315,268	\$ 8,403	\$ 10,204
Receivables			
Taxes	0	0	18,854
Due From Grantor	77,872	0	0
Inventory	0	0	0
Total Assets	<u>\$ 393,140</u>	<u>\$ 8,403</u>	<u>\$ 29,058</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 77,872	\$ 0	\$ 0
Accounts Payable	1,494	0	0
Deferred Revenue	3,761	0	13,347
Total Liabilities	<u>83,127</u>	<u>0</u>	<u>13,347</u>
Fund Balance			
Reserved for Capital Improvements	0	8,403	0
Reserved for Debt Service	0	0	15,711
Unreserved, Undesignated	310,013	0	0
Total Fund Balance	<u>310,013</u>	<u>8,403</u>	<u>15,711</u>
Total Liabilities and Fund Balance	<u>\$ 393,140</u>	<u>\$ 8,403</u>	<u>\$ 29,058</u>

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
 NONMAJOR GOVERNMENT FUNDS  
 Combining Balance Sheet - By Fund Type  
 June 30, 2008

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	<u>Total</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 333,875
Receivables	
Taxes	18,854
Due From Grantor	77,872
Inventory	<u>0</u>
Total Assets	<u>\$ 430,601</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Interfund Balance	\$ 77,872
Accounts Payable	1,494
Deferred Revenue	<u>17,108</u>
Total Liabilities	<u>96,474</u>
Fund Balance	
Reserved for Capital Improvements	8,403
Reserved for Debt Service	15,711
Unreserved, Undesignated	<u>310,013</u>
Total Fund Balance	<u>334,127</u>
Total Liabilities and Fund Balance	<u>\$ 430,601</u>

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



STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance - By Fund Type  
For the Year Ended June 30, 2008

	Special Revenue	Capital Projects	Debt Service
<b>Revenues</b>			
Taxes	\$ 0	\$ 0	\$ 122,366
Fees	86,654	0	0
State & Local Grants	230,850	0	0
Federal Grants	260,654	0	0
Total Revenues	<u>578,158</u>	<u>0</u>	<u>122,366</u>
<b>Expenditures</b>			
Current			
Instruction	371,042	0	0
Support Services-Students	26,754	0	0
Support Services-Instruction	14,871	0	0
Support Services-General Administration	10,797	0	1,181
Support Services-School Administration	17,059	0	0
Central Services	2,166	0	0
Operation & Maintenance of Plant	315	0	0
Student Transportation	1,186	0	0
Food Service	6,999	0	0
Community Services	31,428	0	0
Debt Service			
Principal	0	0	115,000
Interest	0	0	20,500
Total Expenditures	<u>482,617</u>	<u>0</u>	<u>136,681</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>95,541</u>	<u>0</u>	<u>(14,315)</u>
Fund Balances at Beginning of Year	<u>214,472</u>	<u>8,403</u>	<u>30,026</u>
Fund Balance End of Year	<u>\$ 310,013</u>	<u>\$ 8,403</u>	<u>\$ 15,711</u>

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance - By Fund Type  
For the Year Ended June 30, 2008

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	<u>Total</u>
Revenues	
Taxes	\$ 122,366
Fees	86,654
State & Local Grants	230,850
Federal Grants	<u>260,654</u>
Total Revenues	<u>700,524</u>
Expenditures	
Current	
Instruction	371,042
Support Services-Students	26,754
Support Services-Instruction	14,871
Support Services-General Administration	11,978
Support Services-School Administration	17,059
Central Services	2,166
Operation & Maintenance of Plant	315
Student Transportation	1,186
Food Service	6,999
Community Services	31,428
Debt Service	
Principal	115,000
Interest	<u>20,500</u>
Total Expenditures	<u>619,298</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>81,226</u>
Fund Balances at Beginning of Year	<u>252,901</u>
Fund Balance End of Year	<u>\$ 334,127</u>

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

### NONMAJOR SPECIAL REVENUE FUNDS

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

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

**IDEA Part B, 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 SPECIAL REVENUE FUNDS**

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

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

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

**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 SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

**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.

**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.

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
June 30, 2008

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**NONMAJOR SPECIAL REVENUE 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.

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

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	Athletics 22000	IDEA B Entitlement 24106	IDEA B Competitive 24108
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 28,936	\$ 0	\$ 321
Receivables			
Due From Grantor	0	11,273	0
Total Assets	<u>\$ 28,936</u>	<u>\$ 11,273</u>	<u>\$ 321</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balance	\$ 0	\$ 11,273	\$ 0
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	0	321
Total Liabilities	<u>0</u>	<u>11,273</u>	<u>321</u>
<b>Fund Balance</b>			
Unreserved, Undesignated	<u>28,936</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>28,936</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 28,936</u>	<u>\$ 11,273</u>	<u>\$ 321</u>

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

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	IDEA Preschool 24109	Learn & Serve 24126	Enhancing Education Through Technology 24133
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 3,130	\$ 0
Receivables			
Due From Grantor	375	0	1,979
Total Assets	<u>\$ 375</u>	<u>\$ 3,130</u>	<u>\$ 1,979</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 375	\$ 0	\$ 1,979
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	3,130	0
Total Liabilities	<u>375</u>	<u>3,130</u>	<u>1,979</u>
Fund Balance			
Unreserved, Undesignated	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 375</u>	<u>\$ 3,130</u>	<u>\$ 1,979</u>

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



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**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

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	Reading Excellence 24147	Title V 24150	English Language Acquisition 24153
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	1,294	4,673	13,148
Total Assets	<u>\$ 1,294</u>	<u>\$ 4,673</u>	<u>\$ 13,148</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 1,294	\$ 4,673	\$ 13,148
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>1,294</u>	<u>4,673</u>	<u>13,148</u>
Fund Balance			
Unreserved, Undesignated	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 1,294</u>	<u>\$ 4,673</u>	<u>\$ 13,148</u>

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

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**PENASCO INDEPENDENT SCHOOLS**  
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	Teacher/ Principal Training & Recruiting <u>24154</u>	Safe & Drug Free Schools <u>24157</u>	Rural & Low Income Schools <u>24160</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 310
Receivables			
Due From Grantor	18,629	4,708	0
Total Assets	<u>\$ 18,629</u>	<u>\$ 4,708</u>	<u>\$ 310</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 18,629	\$ 4,708	\$ 0
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	0	310
Total Liabilities	<u>18,629</u>	<u>4,708</u>	<u>310</u>
Fund Balance			
Unreserved, Undesignated	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
 Total Liabilities and Fund Balance	 <u>\$ 18,629</u>	 <u>\$ 4,708</u>	 <u>\$ 310</u>

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

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**PENASCO INDEPENDENT SCHOOLS**  
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Combining Balance Sheet  
June 30, 2008

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	Impact Aid Special Education <u>25145</u>	Impact Aid Indian Education <u>25147</u>	Title XIX Medicaid 3/21 Years <u>25153</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,524	\$ 36,784	\$ 106,214
Receivables			
Due From Grantor	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 4,524</u>	<u>\$ 36,784</u>	<u>\$ 106,214</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	1,494	0	0
Accrued Payroll	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>1,494</u>	<u>0</u>	<u>0</u>
Fund Balance			
Unreserved, Undesignated	<u>3,030</u>	<u>36,784</u>	<u>106,214</u>
Total Fund Balance	<u>3,030</u>	<u>36,784</u>	<u>106,214</u>
 Total Liabilities and Fund Balance	 <u>\$ 4,524</u>	 <u>\$ 36,784</u>	 <u>\$ 106,214</u>

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
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Combining Balance Sheet  
June 30, 2008

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	Title IX Indian Formula 25184	LANL Foundation 26113	LANL Foundation Tutoring 26116
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 29,062	\$ 66,853
Receivables			
Due From Grantor	6,396	0	0
Total Assets	<u>\$ 6,396</u>	<u>\$ 29,062</u>	<u>\$ 66,853</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balance	\$ 6,396	\$ 0	\$ 0
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>6,396</u>	<u>0</u>	<u>0</u>
<b>Fund Balance</b>			
Unreserved, Undesignated	<u>0</u>	<u>29,062</u>	<u>66,853</u>
Total Fund Balance	<u>0</u>	<u>29,062</u>	<u>66,853</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 6,396</u>	<u>\$ 29,062</u>	<u>\$ 66,853</u>

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

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**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
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	PNM Foundation <u>26123</u>	Drawing From The Well <u>26147</u>	Technology For Education <u>27117</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 821	\$ 1,853	\$ 11,681
Receivables			
Due From Grantor	0	0	0
Total Assets	<u>\$ 821</u>	<u>\$ 1,853</u>	<u>\$ 11,681</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance</b>			
Unreserved, Undesignated	<u>821</u>	<u>1,853</u>	<u>11,681</u>
Total Fund Balance	<u>821</u>	<u>1,853</u>	<u>11,681</u>
 Total Liabilities and Fund Balance	 <u>\$ 821</u>	 <u>\$ 1,853</u>	 <u>\$ 11,681</u>

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

	Incentives For School Improvement Act PED <u>27138</u>	TANF Full Day Kindergarten <u>27142</u>	Libraries GO Bonds <u>27145</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 6,675	\$ 261	0
Receivables			
Due From Grantor	0	0	0
Total Assets	<u>\$ 6,675</u>	<u>\$ 261</u>	<u>0</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 0	\$ 0	0
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Unreserved, Undesignated	<u>6,675</u>	<u>261</u>	<u>0</u>
Total Fund Balance	<u>6,675</u>	<u>261</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 6,675</u>	<u>\$ 261</u>	<u>0</u>

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

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**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

	Beginning Teacher Mentoring <u>27154</u>	Breakfast for Elementary Schools <u>27155</u>	K-Plus Initiative <u>27159</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 1,245	\$ 0
Receivables			
Due From Grantor	1,472	0	13,167
Total Assets	<u>\$ 1,472</u>	<u>\$ 1,245</u>	<u>\$ 13,167</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Interfund Balance	\$ 1,472	\$ 0	\$ 13,167
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>1,472</u>	<u>0</u>	<u>13,167</u>
Fund Balance			
Unreserved, Undesignated	<u>0</u>	<u>1,245</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>1,245</u>	<u>0</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,472</u>	 <u>\$ 1,245</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 SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2008

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	School Improvement Framework <u>27164</u>	Kindergarten 3-Plus <u>27166</u>	La Plaza Grant <u>29000</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,399	\$ 8,199	\$ 0
Receivables			
Due From Grantor	<u>0</u>	<u>0</u>	<u>758</u>
Total Assets	<u>\$ 8,399</u>	<u>\$ 8,199</u>	<u>\$ 758</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balance	\$ 0	\$ 0	\$ 758
Accounts Payable	0	0	0
Accrued Payroll	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>758</u>
<b>Fund Balance</b>			
Unreserved, Undesignated	<u>8,399</u>	<u>8,199</u>	<u>0</u>
Total Fund Balance	<u>8,399</u>	<u>8,199</u>	<u>0</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 8,399</u>	<u>\$ 8,199</u>	<u>\$ 758</u>

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



STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
 NONMAJOR SPECIAL REVENUE FUNDS  
 Combining Balance Sheet  
 June 30, 2008

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	Total
	<u>                    </u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 315,268
Receivables	
Due From Grantor	<u>77,872</u>
Total Assets	<u>\$ 393,140</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Interfund Balance	\$ 77,872
Accounts Payable	1,494
Accrued Payroll	0
Deferred Revenue	<u>3,761</u>
Total Liabilities	<u>83,127</u>
Fund Balance	
Unreserved, Undesignated	<u>310,013</u>
Total Fund Balance	<u>310,013</u>
 Total Liabilities and Fund Balance	 <u>\$ 393,140</u>

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Athletics 22000	IDEA B Entitlement 24106	IDEA B Competitive 24108
<b>Revenues</b>			
Fees	\$ 86,654	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	0	71,284	0
Total Revenues	<u>86,654</u>	<u>71,284</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Instruction	92,111	71,284	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Total Expenditures	<u>92,111</u>	<u>71,284</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,457)	0	0
Fund Balances at Beginning of Year	<u>34,393</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 28,936</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**  
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Combining Statement of Revenues, Expenditures  
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For the Year Ended June 30, 2008

	IDEA Preschool 24109	Learn & Serve 24126	Enhancing Education Through Technology 24133
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</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  
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Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Reading Excellence 24147	Title V 24150	English Language Acquisition 24153
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	0	5,110	13,100
Total Revenues	<u>0</u>	<u>5,110</u>	<u>13,100</u>
<b>Expenditures</b>			
Current			
Instruction	0	675	10,288
Support Services-Students	0	0	0
Support Services-Instruction	0	4,238	0
Support Services-General Administration	0	197	300
Support Services-School Administration	0	0	2,512
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
Total Expenditures	<u>0</u>	<u>5,110</u>	<u>13,100</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 SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Teacher/ Principal Training & Recruiting <u>24154</u>	Safe & Drug Free Schools <u>24157</u>	Rural & Low Income Schools <u>24160</u>
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	<u>63,237</u>	<u>6,982</u>	<u>6,866</u>
Total Revenues	<u>63,237</u>	<u>6,982</u>	<u>6,866</u>
<b>Expenditures</b>			
Current			
Instruction	59,325	1,653	6,061
Support Services-Students	0	629	0
Support Services-Instruction	0	0	0
Support Services-General Administration	2,450	271	266
Support Services-School Administration	1,462	2,273	539
Central Services	0	2,156	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Total Expenditures	<u>63,237</u>	<u>6,982</u>	<u>6,866</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 SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	3,104	9,293	70,874
Total Revenues	<u>3,104</u>	<u>9,293</u>	<u>70,874</u>
<b>Expenditures</b>			
Current			
Instruction	5,312	305	761
Support Services-Students	0	0	24,319
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	7,313
Support Services-School Administration	0	0	0
Central Services	0	10	0
Operation & Maintenance of Plant	0	0	315
Student Transportation	0	179	0
Food Service	0	0	0
Community Services	0	0	0
Total Expenditures	<u>5,312</u>	<u>494</u>	<u>32,708</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,208)	8,799	38,166
Fund Balances at Beginning of Year	<u>5,238</u>	<u>27,985</u>	<u>68,048</u>
Fund Balance End of Year	<u>\$ 3,030</u>	<u>\$ 36,784</u>	<u>\$ 106,214</u>

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Title IX Indian Ed 25184	LANL Foundation 26113	LANL Foundation Tutoring 26116
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	67,618	0
Federal Grants	10,804	0	0
<b>Total Revenues</b>	<u>10,804</u>	<u>67,618</u>	<u>0</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	3,903	2,409	0
Support Services-Students	0	0	0
Support Services-Instruction	982	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	5,830	4,378	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	89	341	0
Food Service	0	0	0
Community Services	0	31,428	0
<b>Total Expenditures</b>	<u>10,804</u>	<u>38,556</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	0	29,062	0
<b>Fund Balances at Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>66,853</u>
<b>Fund Balance End of Year</b>	<u>\$ 0</u>	<u>\$ 29,062</u>	<u>\$ 66,853</u>

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	PNM Foundation 26123	Drawing From The Well 26147	Technology For Education 27117
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	10,000	19,220
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>10,000</u>	<u>19,220</u>
<b>Expenditures</b>			
Current			
Instruction	1,879	8,252	7,539
Support Services-Students	0	818	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	577	0
Food Service	0	0	0
Community Services	0	0	0
Total Expenditures	<u>1,879</u>	<u>9,647</u>	<u>7,539</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,879)	353	11,681
Fund Balances at Beginning of Year	<u>2,700</u>	<u>1,500</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 821</u>	<u>\$ 1,853</u>	<u>\$ 11,681</u>

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



STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Incentives For School Improvement 27138	TANF Full Day Kindergarten 27142	Libraries GO Bonds 27145
Revenues			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	819	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Service	0	0	0
Community Services	0	0	0
Total Expenditures	<u>819</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(819)	0	0
Fund Balances at Beginning of Year	<u>7,494</u>	<u>261</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 6,675</u>	<u>\$ 261</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	Beginning Teacher Mentoring <u>27154</u>	Breakfast for Elementary Schools <u>27155</u>	K-Plus Initiative <u>27159</u>
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	5,574	8,244	0
Federal Grants	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>5,574</u>	<u>8,244</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-Instruction	5,574	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	6,999	0
Community Services	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>5,574</u>	<u>6,999</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	1,245	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>\$ 1,245</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

	School Improvement Framework 27164	Kindergarten 3-Plus 27166	La Plaza Grant 29000
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	11,538	108,656	0
Federal Grants	0	0	0
<b>Total Revenues</b>	<u>11,538</u>	<u>108,656</u>	<u>0</u>
<b>Expenditures</b>			
Current			
Instruction	0	98,466	0
Support Services-Students	0	988	0
Support Services-Instruction	3,139	938	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	65	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
<b>Total Expenditures</b>	<u>3,139</u>	<u>100,457</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	8,399	8,199	0
<b>Fund Balances at Beginning of Year</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 8,399</u>	<u>\$ 8,199</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2008

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	<u>Total</u>
Revenues	
Fees	\$ 86,654
State & Local Grants	230,850
Federal Grants	<u>260,654</u>
Total Revenues	<u>578,158</u>
Expenditures	
Current	
Instruction	371,042
Support Services-Students	26,754
Support Services-Instruction	14,871
Support Services-General Administration	10,797
Support Services-School Administration	17,059
Central Services	2,166
Operation & Maintenance of Plant	315
Student Transportation	1,186
Food Service	6,999
Community Services	31,428
Total Expenditures	<u>482,617</u>
Excess (Deficiency) of Revenues Over Expenditures	95,541
Fund Balances at Beginning of Year	<u>214,472</u>
Fund Balance End of Year	<u>\$ 310,013</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
<b>Revenues</b>				
State & Local Sources				
Fees	\$ 90,990	\$ 90,990	\$ 86,654	\$ (4,336)
Total State & Local Sources	<u>90,990</u>	<u>90,990</u>	<u>86,654</u>	<u>(4,336)</u>
Total Revenues	<u>90,990</u>	<u>90,990</u>	<u>86,654</u>	<u>(4,336)</u>
<b>Expenditures</b>				
Instruction				
Professional & Tech Services	99,936	98,913	67,232	31,681
Purchased Services	15,616	22,470	22,466	4
Supplies	4,000	4,000	2,413	1,587
Total Instruction	<u>119,552</u>	<u>125,383</u>	<u>92,111</u>	<u>33,272</u>
Total Expenditures	<u>119,552</u>	<u>125,383</u>	<u>92,111</u>	<u>33,272</u>
Excess (Deficiency) of Revenues Over Expenditures	(28,562)	(34,393)	(5,457)	28,936
Cash Balance Beginning of Year	<u>34,393</u>	<u>34,393</u>	<u>34,393</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 5,831</u>	<u>\$ 0</u>	<u>\$ 28,936</u>	<u>\$ 28,936</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,457)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ (5,457)	

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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Sources				
Federal Grant	\$ 0	\$ 80,876	\$ 64,438	\$ (16,438)
Total Federal Sources	<u>0</u>	<u>80,876</u>	<u>64,438</u>	<u>(16,438)</u>
Total Revenues	<u>0</u>	<u>80,876</u>	<u>64,438</u>	<u>(16,438)</u>
<b>Expenditures</b>				
Instruction				
Personnel Services	0	56,319	54,801	1,518
Employee Benefits	0	20,129	16,482	3,647
Total Instruction	<u>0</u>	<u>76,448</u>	<u>71,283</u>	<u>5,165</u>
Total Expenditures	<u>0</u>	<u>76,448</u>	<u>71,283</u>	<u>5,165</u>
Excess (Deficiency) of Revenues Over Expenditures	0	4,428	(6,845)	(11,273)
Cash Balance Beginning of Year	<u>(4,428)</u>	<u>(4,428)</u>	<u>(4,428)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (4,428)</u>	<u>\$ 0</u>	<u>\$ (11,273)</u>	<u>\$ (11,273)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,845)	
Net Change in Due from Grantor			<u>6,845</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
SPECIAL REVENUE FUND-IDEA B COMPETITIVE-24108  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Sources	0	0	0	0
Total Revenues	0	0	0	0
<b>Expenditures</b>				
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	321	321	321	0
Cash Balance End of Year	\$ 321	\$ 321	\$ 321	\$ 0
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
SPECIAL REVENUE FUND-IDEA PRESCHOOL-24109  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
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>(375)</u>	<u>(375)</u>	<u>(375)</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (375)</u></u>	<u><u>\$ (375)</u></u>	<u><u>\$ (375)</u></u>	<u><u>0</u></u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 0</u></u>	

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



STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
SPECIAL REVENUE FUND-LEARN & SERVE-24126  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>3,130</u>	<u>3,130</u>	<u>3,130</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,130</u>	<u>\$ 3,130</u>	<u>\$ 3,130</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 1,979	\$ 1,979	\$ 0	\$ (1,979)
Total Federal Sources	<u>1,979</u>	<u>1,979</u>	<u>0</u>	<u>(1,979)</u>
Total Revenues	<u>1,979</u>	<u>1,979</u>	<u>0</u>	<u>(1,979)</u>
<b>Expenditures</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,979	1,979	0	(1,979)
Cash Balance Beginning of Year	<u>(1,979)</u>	<u>(1,979)</u>	<u>(1,979)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,979)</u>	<u>\$ (1,979)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
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-READING EXCELLENCE-24147  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

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

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
SPECIAL REVENUE FUND-TITLE V-24150  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 4,756	\$ 9,994	\$ 4,869	\$ (5,125)
Total Federal Sources	<u>4,756</u>	<u>9,994</u>	<u>4,869</u>	<u>(5,125)</u>
Total Revenues	<u>4,756</u>	<u>9,994</u>	<u>4,869</u>	<u>(5,125)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Other Purchased Services	<u>0</u>	<u>1,000</u>	<u>675</u>	<u>325</u>
Total Instruction	<u>0</u>	<u>1,000</u>	<u>675</u>	<u>325</u>
<b>Support Services-Instruction</b>				
Supplies	<u>0</u>	<u>4,238</u>	<u>4,238</u>	<u>0</u>
Total Support Services-Instruction	<u>0</u>	<u>4,238</u>	<u>4,238</u>	<u>0</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	<u>325</u>	<u>325</u>	<u>198</u>	<u>127</u>
Total Support Services-General Administration	<u>325</u>	<u>325</u>	<u>198</u>	<u>127</u>
Total Expenditures	<u>325</u>	<u>5,563</u>	<u>5,111</u>	<u>452</u>
Excess (Deficiency) of Revenues Over Expenditures	4,431	4,431	(242)	(4,673)
Cash Balance Beginning of Year	\$ <u>(4,431)</u>	\$ <u>(4,431)</u>	\$ <u>(4,431)</u>	\$ <u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(4,673)</u>	\$ <u>(4,673)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (242)	
Net Change in Due from Grantor			<u>242</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Sources				
Federal Grant	\$ 460,195	\$ 56,678	\$ 35,102	\$ (21,576)
Total Federal Sources	<u>460,195</u>	<u>56,678</u>	<u>35,102</u>	<u>(21,576)</u>
Total Revenues	<u>460,195</u>	<u>56,678</u>	<u>35,102</u>	<u>(21,576)</u>
<b>Expenditures</b>				
Instruction				
Personnel Services	6,723	4,881	1,650	3,231
Employee Benefits	0	126	126	0
Other Purchased Services	0	7,592	5,815	1,777
Supplies	1,482	2,822	2,697	125
Total Instruction	<u>8,205</u>	<u>15,421</u>	<u>10,288</u>	<u>5,133</u>
Support Services-General Administration				
Other Purchased Services	941	941	300	641
Total Support Services-General Administration	<u>941</u>	<u>941</u>	<u>300</u>	<u>641</u>
Support Services-School Administration				
Other Purchased Services	1,500	4,700	2,047	2,653
Supplies	299	465	465	0
Total Support Services-School Administration	<u>1,799</u>	<u>5,165</u>	<u>2,512</u>	<u>2,653</u>
Total Expenditures	<u>10,945</u>	<u>21,527</u>	<u>13,100</u>	<u>8,427</u>
Excess (Deficiency) of Revenues Over Expenditures	449,250	35,151	22,002	(13,149)
Cash Balance Beginning of Year	\$ (35,150)	\$ (35,150)	\$ (35,150)	\$ 0
Cash Balance End of Year	<u>\$ 414,100</u>	<u>\$ 1</u>	<u>\$ (13,148)</u>	<u>\$ (13,149)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 22,002	
Net Change in Due from Grantor			(22,002)	
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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 84,782	\$ 87,665	\$ 66,275	\$ (21,390)
Total Federal Sources	<u>84,782</u>	<u>87,665</u>	<u>66,275</u>	<u>(21,390)</u>
Total Revenues	<u>84,782</u>	<u>87,665</u>	<u>66,275</u>	<u>(21,390)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	42,663	42,663	42,662	1
Employee Benefits	15,826	16,709	15,859	850
Other Purchased Services	0	1,900	804	1,096
Total Instruction	<u>58,489</u>	<u>61,272</u>	<u>59,325</u>	<u>1,947</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	<u>4,625</u>	<u>4,725</u>	<u>2,450</u>	<u>2,275</u>
Total Support Services-General Administration	<u>4,625</u>	<u>4,725</u>	<u>2,450</u>	<u>2,275</u>
<b>Support Services-School Administration</b>				
Other Purchased Services	4,886	3,886	827	3,059
Supplies	0	634	634	0
Total Support Services-School Administration	<u>4,886</u>	<u>4,520</u>	<u>1,461</u>	<u>3,059</u>
Total Expenditures	<u>68,000</u>	<u>70,517</u>	<u>63,236</u>	<u>7,281</u>
Excess (Deficiency) of Revenues Over Expenditures	16,782	17,148	3,039	(14,109)
Cash Balance Beginning of Year	\$ <u>(21,668)</u>	\$ <u>(21,668)</u>	\$ <u>(21,668)</u>	\$ <u>0</u>
Cash Balance End of Year	\$ <u>(4,886)</u>	\$ <u>(4,520)</u>	\$ <u>(18,629)</u>	\$ <u>(14,109)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,039	
Net Change in Due from Grantor			(3,039)	
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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Sources				
Federal Grant	\$ 6,956	\$ 10,000	\$ 5,233	\$ (4,767)
Total Federal Sources	<u>6,956</u>	<u>10,000</u>	<u>5,233</u>	<u>(4,767)</u>
Total Revenues	<u>6,956</u>	<u>10,000</u>	<u>5,233</u>	<u>(4,767)</u>
Expenditures				
Instruction				
Supplies	0	1,707	1,653	54
Total Instruction	<u>0</u>	<u>1,707</u>	<u>1,653</u>	<u>54</u>
Support Services-Students				
Personnel Services	525	525	525	0
Employee Benefits	109	109	104	5
Total Support Services-Students	<u>634</u>	<u>634</u>	<u>629</u>	<u>5</u>
Support Services-General Administration				
Professional & Tech Services	3,997	271	271	0
Total Support Services-General Administration	<u>3,997</u>	<u>271</u>	<u>271</u>	<u>0</u>
Support Services-School Administration				
Professional & Tech Services	0	2,273	2,273	0
Total Support Services-School Administration	<u>0</u>	<u>2,273</u>	<u>2,273</u>	<u>0</u>
Central Services				
Professional & Tech Services	0	2,156	2,156	0
Total Central Services	<u>0</u>	<u>2,156</u>	<u>2,156</u>	<u>0</u>
Total Expenditures	<u>4,631</u>	<u>7,041</u>	<u>6,982</u>	<u>59</u>
Excess (Deficiency) of Revenues Over Expenditures	2,325	2,959	(1,749)	(4,708)
Cash Balance Beginning of Year	<u>(2,959)</u>	<u>(2,959)</u>	<u>(2,959)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (634)</u>	<u>\$ 0</u>	<u>\$ (4,708)</u>	<u>\$ (4,708)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,749)	
Net Change in Due from Grantor			1,749	
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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 16,087	\$ 17,087	\$ 7,162	\$ (9,925)
Total Federal Sources	<u>16,087</u>	<u>17,087</u>	<u>7,162</u>	<u>(9,925)</u>
Total Revenues	<u>16,087</u>	<u>17,087</u>	<u>7,162</u>	<u>(9,925)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	10,000	11,000	4,480	6,520
Employee Benefits	2,000	2,000	889	1,111
Other Purchased Services	1,767	1,767	692	1,075
Total Instruction	<u>13,767</u>	<u>14,767</u>	<u>6,061</u>	<u>8,706</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	1,014	1,014	266	748
Total Support Services- General Administration	<u>1,014</u>	<u>1,014</u>	<u>266</u>	<u>748</u>
<b>Support Services-School Administration</b>				
Other Purchased Services	1,320	1,320	539	781
Total Support Services- School Administration	<u>1,320</u>	<u>1,320</u>	<u>539</u>	<u>781</u>
Total Expenditures	<u>16,101</u>	<u>17,101</u>	<u>6,866</u>	<u>10,235</u>
Excess (Deficiency) of Revenues Over Expenditures	(14)	(14)	296	310
Cash Balance Beginning of Year	14	14	14	0
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 310</u>	<u>\$ 310</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 296	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 296	

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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 0	\$ 0	\$ 3,104	\$ 3,104
Total Federal Sources	<u>0</u>	<u>0</u>	<u>3,104</u>	<u>3,104</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>3,104</u>	<u>3,104</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	5,238	5,238	3,818	1,420
Total Instruction	<u>5,238</u>	<u>5,238</u>	<u>3,818</u>	<u>1,420</u>
Total Expenditures	<u>5,238</u>	<u>5,238</u>	<u>3,818</u>	<u>1,420</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,238)	(5,238)	(714)	4,524
Cash Balance Beginning of Year	<u>5,238</u>	<u>5,238</u>	<u>5,238</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,524</u>	<u>\$ 4,524</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (714)	
Net Change in Accounts Payable			(1,494)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,208)</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 0	\$ 0	\$ 9,293	\$ 9,293
Total Federal Sources	<u>0</u>	<u>0</u>	<u>9,293</u>	<u>9,293</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>9,293</u>	<u>9,293</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Other Purchased Services	0	1,000	242	758
Supplies	27,985	26,790	62	26,728
Total Instruction	<u>27,985</u>	<u>27,790</u>	<u>304</u>	<u>27,486</u>
<b>Central Services</b>				
Other Purchased Services	0	10	10	0
Total Central Services	<u>0</u>	<u>10</u>	<u>10</u>	<u>0</u>
<b>Student Transportation</b>				
Personnel Services	0	170	167	3
Employee Benefits	0	15	13	2
Total Student Transportation	<u>0</u>	<u>185</u>	<u>180</u>	<u>5</u>
Total Expenditures	<u>27,985</u>	<u>27,985</u>	<u>494</u>	<u>27,491</u>
Excess (Deficiency) of Revenues Over Expenditures	(27,985)	(27,985)	8,799	36,784
Cash Balance Beginning of Year	<u>27,985</u>	<u>27,985</u>	<u>27,985</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 36,784</u>	<u>\$ 36,784</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 8,799	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 8,799</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 31,000	\$ 31,000	\$ 70,874	\$ 39,874
Total Federal Sources	<u>31,000</u>	<u>31,000</u>	<u>70,874</u>	<u>39,874</u>
Total Revenues	<u>31,000</u>	<u>31,000</u>	<u>70,874</u>	<u>39,874</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Other Purchased Services	1,200	1,200	450	750
Supplies	1,000	1,000	311	689
Total Instruction	<u>2,200</u>	<u>2,200</u>	<u>761</u>	<u>1,439</u>
<b>Support Services-Students</b>				
Personnel Services	22,470	22,470	16,047	6,423
Employee Benefits	4,718	7,753	7,753	0
Other Purchased Services	3,000	3,000	520	2,480
Total Support Services-Students	<u>30,188</u>	<u>33,223</u>	<u>24,320</u>	<u>8,903</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	66,510	63,310	7,312	55,998
Total Support Services-General Administration	<u>66,510</u>	<u>63,310</u>	<u>7,312</u>	<u>55,998</u>
<b>Operation &amp; Maintenance of Plant</b>				
Other Purchased Services	150	315	315	0
Total Operation & Maintenance of Plant	<u>150</u>	<u>315</u>	<u>315</u>	<u>0</u>
Total Expenditures	<u>99,048</u>	<u>99,048</u>	<u>32,708</u>	<u>66,340</u>
Excess (Deficiency) of Revenues Over Expenditures	(68,048)	(68,048)	38,166	106,214
Cash Balance Beginning of Year	<u>68,048</u>	<u>68,048</u>	<u>68,048</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 106,214</u>	<u>\$ 106,214</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 38,166	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 38,166</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>Federal Sources</b>				
Federal Grant	\$ 6,474	\$ 10,882	\$ 0	\$ (10,882)
Total Federal Sources	<u>6,474</u>	<u>10,882</u>	<u>0</u>	<u>(10,882)</u>
Total Revenues	<u>6,474</u>	<u>10,882</u>	<u>0</u>	<u>(10,882)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Other Purchased Services	0	460	460	0
Supplies	0	3,449	3,443	6
Total Instruction	<u>0</u>	<u>3,909</u>	<u>3,903</u>	<u>6</u>
<b>Support Services-Instruction</b>				
Supplies	0	982	983	(1)
Total Support Services-Instruction	<u>0</u>	<u>982</u>	<u>983</u>	<u>(1)</u>
<b>Support Services-School Administration</b>				
Professional & Tech Services	6,474	5,830	5,830	0
Total Support Services-School Administration	<u>6,474</u>	<u>5,830</u>	<u>5,830</u>	<u>0</u>
<b>Student Transportation</b>				
Personnel Services	0	350	74	276
Employee Benefits	0	85	15	70
Total Student Transportation	<u>0</u>	<u>435</u>	<u>89</u>	<u>346</u>
Total Expenditures	<u>6,474</u>	<u>11,156</u>	<u>10,805</u>	<u>351</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(274)	(10,805)	(10,531)
Cash Balance Beginning of Year	<u>4,409</u>	<u>4,409</u>	<u>4,409</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,409</u>	<u>\$ 4,135</u>	<u>\$ (6,396)</u>	<u>\$ (10,531)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (10,805)	
Net Change in Due from Grantor			6,396	
Net Change in Deferred Revenue			4,409	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
SPECIAL REVENUE FUND-LANL FOUNDATION-26113  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State &amp; Local Sources</b>				
State Grant	\$ 24,770	\$ 72,608	\$ 77,387	\$ 4,779
Total State & Local Sources	<u>24,770</u>	<u>72,608</u>	<u>77,387</u>	<u>4,779</u>
Total Revenues	<u>24,770</u>	<u>72,608</u>	<u>77,387</u>	<u>4,779</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Other Purchased Services	0	52	119	(67)
Supplies	0	3,738	2,290	1,448
Total Instruction	<u>0</u>	<u>3,790</u>	<u>2,409</u>	<u>1,381</u>
<b>Support Services-School Administration</b>				
Supplies	7,500	5,000	4,378	622
Total Support Services-School Adm	<u>7,500</u>	<u>5,000</u>	<u>4,378</u>	<u>622</u>
<b>Student Transportation</b>				
Personnel Services	0	800	316	484
Employee Benefits	0	80	24	56
Total Student Transportation	<u>0</u>	<u>880</u>	<u>340</u>	<u>540</u>
<b>Community Services</b>				
Personnel Services	7,500	43,910	26,223	17,687
Employee Benefits	0	8,790	5,205	3,585
Total Community Services	<u>7,500</u>	<u>52,700</u>	<u>31,428</u>	<u>21,272</u>
Total Expenditures	\$ <u>15,000</u>	\$ <u>62,370</u>	\$ <u>38,555</u>	\$ <u>23,815</u>
Excess (Deficiency) of Revenues Over Expenditures	9,770	10,238	38,832	28,594
Cash Balance Beginning of Year	<u>(9,770)</u>	<u>(9,770)</u>	<u>(9,770)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>468</u>	\$ <u>29,062</u>	\$ <u>28,594</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 38,832	
Net Change in Due from Grantor			<u>(9,770)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>29,062</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Sources				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total State & Local Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
Instruction				
Supplies	0	2,700	1,879	821
Total Instruction	<u>0</u>	<u>2,700</u>	<u>1,879</u>	<u>821</u>
Total Expenditures	<u>0</u>	<u>2,700</u>	<u>1,879</u>	<u>821</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(2,700)	(1,879)	821
Cash Balance Beginning of Year	<u>2,700</u>	<u>2,700</u>	<u>2,700</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,700</u>	<u>\$ 0</u>	<u>\$ 821</u>	<u>\$ 821</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (1,879)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,879)</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Sources				
State Grant	\$ 0	\$ 8,497	\$ 10,000	\$ 1,503
Total State & Local Sources	<u>0</u>	<u>8,497</u>	<u>10,000</u>	<u>1,503</u>
Total Revenues	<u>0</u>	<u>8,497</u>	<u>10,000</u>	<u>1,503</u>
Expenditures				
Instruction				
Personnel Services	0	5,575	5,575	0
Employee Benefits	0	934	934	0
Other Purchased Services	0	200	121	79
Supplies	0	1,622	1,622	0
Total Instruction	<u>0</u>	<u>8,331</u>	<u>8,252</u>	<u>79</u>
Support Services-Students				
Personnel Services	0	870	683	187
Employee Benefits	0	174	135	39
Total Support Services-Students	<u>0</u>	<u>1,044</u>	<u>818</u>	<u>226</u>
Transportation				
Personnel Services	0	404	404	0
Employee Benefits	0	48	48	0
Supplies	0	170	125	45
Total Transportation	<u>0</u>	<u>622</u>	<u>577</u>	<u>45</u>
Total Expenditures	<u>0</u>	<u>9,997</u>	<u>9,647</u>	<u>350</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1,500)	353	1,853
Cash Balance Beginning of Year	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,500</u>	<u>\$ 0</u>	<u>\$ 1,853</u>	<u>\$ 1,853</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>353</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>353</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Sources				
State Grant	\$ 20,207	\$ 39,260	\$ 39,427	\$ 167
Total State & Local Sources	<u>20,207</u>	<u>39,260</u>	<u>39,427</u>	<u>167</u>
Total Revenues	<u>20,207</u>	<u>39,260</u>	<u>39,427</u>	<u>167</u>
<b>Expenditures</b>				
Instruction				
Other Purchased Services	0	265	265	0
Supplies	0	18,788	7,274	11,514
Total Instruction	<u>0</u>	<u>19,053</u>	<u>7,539</u>	<u>11,514</u>
Total Expenditures	<u>0</u>	<u>19,053</u>	<u>7,539</u>	<u>11,514</u>
Excess (Deficiency) of Revenues Over Expenditures	20,207	20,207	31,888	11,681
Cash Balance Beginning of Year	<u>(20,207)</u>	<u>(20,207)</u>	<u>(20,207)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,681</u>	<u>\$ 11,681</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 31,888	
Net Change in Due from Grantor			<u>(20,207)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 11,681</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State &amp; Local Sources</b>				
State Grant	\$ 0	\$ 0	\$ 0	\$ 0
Total State & Local Sources	0	0	0	0
Total Revenues	0	0	0	0
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	7,494	819	6,675
Total Instruction	0	7,494	819	6,675
Total Expenditures	0	7,494	819	6,675
Excess (Deficiency) of Revenues Over Expenditures	0	(7,494)	(819)	6,675
Cash Balance Beginning of Year	7,494	7,494	7,494	0
Cash Balance End of Year	\$ 7,494	\$ 0	\$ 6,675	\$ 6,675
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (819)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ (819)	

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, 2008

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

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
SPECIAL REVENUE FUND-LIBRARY GO BONDS-27145  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Sources				
State Grant	\$ 771	\$ 771	\$ 771	\$ 0
Total State & Local Sources	<u>771</u>	<u>771</u>	<u>771</u>	<u>0</u>
Total Revenues	<u>771</u>	<u>771</u>	<u>771</u>	<u>0</u>
Expenditures				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	771	771	771	0
Cash Balance Beginning of Year	<u>(771)</u>	<u>(771)</u>	<u>(771)</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			\$ 771	
Net Change in Due from Grantor			<u>(771)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
SPECIAL REVENUE FUND-BEGINNING TEACHER MENTORING-27154  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State &amp; Local Sources</b>				
State Grant	\$ 1,472	\$ 7,046	\$ 5,574	\$ (1,472)
Total State & Local Sources	<u>1,472</u>	<u>7,046</u>	<u>5,574</u>	<u>(1,472)</u>
Total Revenues	<u>1,472</u>	<u>7,046</u>	<u>5,574</u>	<u>(1,472)</u>
<b>Expenditures</b>				
<b>Support Services-Instruction</b>				
Supplies	0	5,574	5,574	0
Total Support Services-Instruction	<u>0</u>	<u>5,574</u>	<u>5,574</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>5,574</u>	<u>5,574</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	1,472	1,472	0	(1,472)
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>\$ (1,472)</u>	<u>\$ (1,472)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
SPECIAL REVENUE FUND-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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State &amp; Local Sources</b>				
State Grant	\$ 8,244	\$ 8,244	\$ 8,244	\$ 0
Total State & Local Sources	<u>8,244</u>	<u>8,244</u>	<u>8,244</u>	<u>0</u>
Total Revenues	<u>8,244</u>	<u>8,244</u>	<u>8,244</u>	<u>0</u>
<b>Expenditures</b>				
<b>Food Services Operations</b>				
Supplies	8,244	8,244	6,999	1,245
Total Food Service Operations	<u>8,244</u>	<u>8,244</u>	<u>6,999</u>	<u>1,245</u>
Total Expenditures	<u>8,244</u>	<u>8,244</u>	<u>6,999</u>	<u>1,245</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	1,245	1,245
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>\$ 1,245</u>	<u>\$ 1,245</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>1,245</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>1,245</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State &amp; Local Sources</b>				
State Grant	\$ 18,270	\$ 18,270	\$ 5,103	\$ (13,167)
Total State & Local Sources	<u>18,270</u>	<u>18,270</u>	<u>5,103</u>	<u>(13,167)</u>
Total Revenues	<u>18,270</u>	<u>18,270</u>	<u>5,103</u>	<u>(13,167)</u>
<b>Expenditures</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	18,270	18,270	5,103	(13,167)
Cash Balance Beginning of Year	<u>(18,270)</u>	<u>(18,270)</u>	<u>(18,270)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (13,167)</u>	<u>\$ (13,167)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,103	
Net Change in Due from Grantor			<u>(5,103)</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Sources				
State Grant	\$ 0	\$ 3,139	\$ 11,538	\$ 8,399
Total State & Local Sources	<u>0</u>	<u>3,139</u>	<u>11,538</u>	<u>8,399</u>
Total Revenues	<u>0</u>	<u>3,139</u>	<u>11,538</u>	<u>8,399</u>
Expenditures				
Support Services-Instruction				
Supplies	0	3,139	3,139	0
Total Support Services-Instruction	<u>0</u>	<u>3,139</u>	<u>3,139</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>3,139</u>	<u>3,139</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	8,399	8,399
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>\$ 8,399</u>	<u>\$ 8,399</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 8,399	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 8,399</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State &amp; Local Sources</b>				
State Grant	\$ 0	\$ 107,352	\$ 108,656	\$ 1,304
Total State & Local Sources	0	107,352	108,656	1,304
Total Revenues	0	107,352	108,656	1,304
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	35,079	35,079	0
Employee Benefits	0	7,417	6,955	462
Other Purchased Services	0	8,800	7,325	1,475
Supplies	0	54,065	49,107	4,958
Total Instruction	0	105,361	98,466	6,895
<b>Support Services-Students</b>				
Professional & Tech Services	0	988	987	1
Total Support Services-Students	0	988	987	1
<b>Support Services-Instruction</b>				
Supplies	0	938	938	0
Total Support Services-Instruction	0	938	938	0
<b>Support Services-School Administration</b>				
Other Purchased Services	0	66	66	0
Total Support Services-School Administration	0	66	66	0
Total Expenditures	0	107,353	100,457	6,896
Excess (Deficiency) of Revenues Over Expenditures	0	(1)	8,199	8,200
Cash Balance Beginning of Year	0	0	0	0
Cash Balance End of Year	\$ 0	\$ (1)	\$ 8,199	\$ 8,200
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 8,199	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 8,199	

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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State &amp; Local Sources</b>				
State Grant	\$ 758	\$ 758	\$ 0	\$ (758)
Total State & Local Sources	<u>758</u>	<u>758</u>	<u>0</u>	<u>(758)</u>
Total Revenues	<u>758</u>	<u>758</u>	<u>0</u>	<u>(758)</u>
<b>Expenditures</b>				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	758	758	0	(758)
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>\$ (758)</u>	<u>\$ (758)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
June 30, 2008

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**NONMAJOR CAPITAL PROJECTS FUNDS**

**Public School Capital Outlay-20% (32100)**

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
 CAPITAL PROJECTS FUND-PUBLIC SCHOOL CAPITAL OUTLAY-20%-32100  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2008

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

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
June 30, 2008

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**NONMAJOR DEBT SERVICE**

**Debt Service (41000)**

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
DEBT SERVICE-41000

Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
<b>State &amp; Local Sources</b>				
Taxes	\$ 135,000	\$ 135,500	\$ 120,935	\$ (14,565)
Total State & Local Sources	<u>135,000</u>	<u>135,500</u>	<u>120,935</u>	<u>(14,565)</u>
Total Revenues	<u>135,000</u>	<u>135,500</u>	<u>120,935</u>	<u>(14,565)</u>
<b>Expenditures</b>				
<b>Support Services-General Administration</b>				
Professional & Tech Services	1,050	1,181	1,181	0
Total Administration	<u>1,050</u>	<u>1,181</u>	<u>1,181</u>	<u>0</u>
<b>Debt Service</b>				
Principal	115,000	115,000	115,000	0
Interest	20,500	20,500	20,500	0
Total Debt Service	<u>135,500</u>	<u>135,500</u>	<u>135,500</u>	<u>0</u>
Total Expenditures	<u>136,550</u>	<u>136,681</u>	<u>136,681</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,550)	(1,181)	(15,746)	(14,565)
Cash Balance Beginning of Year	<u>25,950</u>	<u>25,950</u>	<u>25,950</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 24,400</u>	<u>\$ 24,769</u>	<u>\$ 10,204</u>	<u>\$ (14,565)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (15,746)	
Net Change in Taxes Receivable			(4,042)	
Net change in Deferred Taxes			5,473	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (14,315)</u>	

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

**OTHER SUPPLEMENTAL INFORMATION**

**FIDUCIARY FUND**

**Activity Trust Fund**

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
 AGENCY FUNDS  
 Statement of Fiduciary Assets & Liabilities-Agency Funds  
 For the Year Ended June 30, 2008

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	<u>Balance 06/30/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/07</u>
<b>ASSETS</b>				
Cash in Bank	\$ 128,363	\$ 5,095,769	\$ 5,088,590	\$ 135,542
Total Assets	<u>\$ 128,363</u>	<u>\$ 5,095,769</u>	<u>\$ 5,088,590</u>	<u>\$ 135,542</u>
<b>LIABILITIES</b>				
Deposits Held for Others	\$ 128,363	\$ 5,095,769	\$ 5,088,590	\$ 135,542
Total Liabilities	<u>\$ 128,363</u>	<u>\$ 5,095,769</u>	<u>\$ 5,088,590</u>	<u>\$ 135,542</u>

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



STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
 AGENCY FUNDS - ACTIVITY  
 Statement of Fiduciary Assets & Liabilities-Agency Funds  
 For the Year Ended June 30, 2008

	Balance 06/30/07	Additions	Deletions	Balance 06/30/08
<b>ASSETS</b>				
Elementary School				
Activity Fund	\$ 21,930	\$ 8,945	\$ 18,399	\$ 12,476
Cheerleader Fund	164	0	0	164
Chess Club Fund	646	14	0	660
Interest Fund	133	348	481	0
Library Fund	984	4,719	4,670	1,033
Lost Book Fund	960	359	63	1,256
School Paper Fund	31	73	0	104
Spelling Bee Fund	22	366	76	312
Incentive Fund	7,649	19,952	18,125	9,476
Spanish Spelling Fund	63	0	0	63
Yearbook Fund	406	2,011	1,691	726
Elementary Band Fund	346	168	453	61
Parent Advisory	312	5	0	317
Al Mundo Group	0	7,361	7,360	1
<b>Total Elementary</b>	<b>33,646</b>	<b>44,321</b>	<b>51,318</b>	<b>26,649</b>
Jr. High & High School				
Activity	8,222	245	478	7,989
T.S.A.	5,141	6,914	9,083	2,972
Art	1,083	2,433	2,881	635
Band Fund	638	520	97	1,061
BPA	2,359	0	362	1,997
Varsity Cheerleaders	1,473	7,803	4,516	4,760
Jr. High Mesa	816	537	858	495
Band Instruments	369	505	678	196
Drama Club	1,544	1,345	1,555	1,334
FHA	161	0	0	161
Class of 2010	3,579	304	0	3,883
Jr. High Cheerleaders	80	0	0	80
Library	374	453	88	739
Locker Fund	2,112	319	0	2,431
Math Olympics	99	0	0	99
National Honor Society	1,461	2,094	2,910	645
Pen & Pencil	590	0	0	590
Presidential Schools	961	0	0	961
Spelling Bee	1,166	13	0	1,179
Student Council	283	1,015	719	579
Year Book	5,174	2,020	4,660	2,534
Science Club	1,079	822	430	1,471
Mesa	835	478	601	712
Mariachi de Penasco	511	0	0	511
Track & Field	2,371	35	0	2,406
Citizens Bee	128	0	0	128
Peer Educators	1,746	22	0	1,768
Class of 2008	\$ 2,633	\$ 130	\$ 2,763	\$ 0

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
 AGENCY FUNDS - ACTIVITY  
 Statement of Fiduciary Assets & Liabilities-Agency Funds  
 For the Year Ended June 30, 2008

	Balance 06/30/07	Additions	Deletions	Balance 06/30/08
Computer Fund	\$ 30	\$ 3,315	\$ 3,345	\$ 0
Boys State	24	0	0	24
Class of 2009	6,066	1,103	6,370	799
Spanish Club	1,910	1,305	1,052	2,163
Woods	2,010	632	0	2,642
Penasco Pen	103	0	0	103
Mariachi-Stange B	1,484	905	1,556	833
Spanish Spelling Bee	1,003	2,242	2,074	1,171
Girls State	63	0	0	63
Lost Books	0	284	0	284
Marshall Vigil	1,343	23	0	1,366
Class of 2013	0	410	0	410
Stage Band	334	60	160	234
JH Band	0	175	173	2
Chess Club	330	1,367	1,158	539
Jr. High Science Club	1,356	669	255	1,770
FFA	780	0	0	780
Class of 2007	407	0	200	207
Drill Team	575	0	0	575
Auto Club	260	25	0	285
JH Incentive Fund	558	0	0	558
HS Incentive Fund	232	0	0	232
Community Involvement	83	0	0	83
Penasco Publishers	9	0	0	9
Keys	20	40	0	60
Interest	0	900	900	0
Class of 2011	3,720	364	35	4,049
Class of 2012	1,270	518	0	1,788
Laptop	3,530	3,751	0	7,281
Total Jr. High & High School	<u>74,488</u>	<u>46,095</u>	<u>49,957</u>	<u>70,626</u>
Payroll Clearing Account	<u>20,229</u>	<u>5,005,353</u>	<u>4,987,315</u>	<u>38,267</u>
Total Assets	<u>\$ 128,363</u>	<u>\$ 5,095,769</u>	<u>\$ 5,088,590</u>	<u>\$ 135,542</u>
<b>LIABILITIES</b>				
Deposits Held for Others	<u>\$ 128,363</u>	<u>\$ 5,095,769</u>	<u>\$ 5,088,590</u>	<u>\$ 135,542</u>
Total Liabilities	<u>\$ 128,363</u>	<u>\$ 5,095,769</u>	<u>\$ 5,088,590</u>	<u>\$ 135,542</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, 2008

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	Operational 11000	Transportation 13000	Instructional Materials 14000
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 715,070	\$ 919	\$ 40,041
Balance 6/30/07	<u>715,070</u>	<u>919</u>	<u>40,041</u>
Add: 2007-08			
Revenues	5,853,596	363,148	59,862
TOTAL Cash Available	<u>6,568,666</u>	<u>364,067</u>	<u>99,903</u>
Less: 2007-08			
Expenditures	5,746,725	363,148	58,726
	<u>5,746,725</u>	<u>363,148</u>	<u>58,726</u>
TOTAL Cash 6/30/08	<u>\$ 821,941</u>	<u>\$ 919</u>	<u>\$ 41,177</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, 2008

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	Food Service 21000	Athletics 22000	Activities 23000
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 72,043	\$ 34,393	\$ 128,364
Balance 6/30/07	<u>72,043</u>	<u>34,393</u>	<u>128,364</u>
Add: 2007-08			
Revenues	265,939	86,654	5,088,408
TOTAL Cash Available	<u>337,982</u>	<u>121,047</u>	<u>5,216,772</u>
Less: 2007-08			
Expenditures	279,462	92,111	5,081,230
	<u>279,462</u>	<u>92,111</u>	<u>5,081,230</u>
 TOTAL Cash 6/30/08	 <u>\$ 58,520</u>	 <u>\$ 28,936</u>	 <u>\$ 135,542</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, 2008

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	Federal Projects 24000	Federal Direct 25000	Local Grants 26000
Net Cash in Bank 6/30/07			
Cash in Bank	\$ (99,663)	\$ 105,680	\$ 61,283
Balance 6/30/07	<u>(99,663)</u>	<u>105,680</u>	<u>61,283</u>
Add: 2007-08			
Revenues	379,860	85,771	87,388
TOTAL Cash Available	<u>280,197</u>	<u>191,451</u>	<u>148,671</u>
Less: 2007-08			
Expenditures	410,022	49,186	50,081
	<u>410,022</u>	<u>49,186</u>	<u>50,081</u>
TOTAL Cash 6/30/08	<u>\$ (129,825)</u>	<u>\$ 142,265</u>	<u>\$ 98,590</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, 2008

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	State Flow through <u>27000</u>	Other Grants <u>29000</u>	Bond Building <u>31100</u>
Net Cash in Bank 6/30/07			
Cash in Bank	\$ (32,965)	\$ (758)	\$ 471,714
Balance 6/30/07	<u>(32,965)</u>	<u>(758)</u>	<u>471,714</u>
Add: 2007-08			
Revenues	179,312	0	2,532
TOTAL Cash Available	<u>146,347</u>	<u>(758)</u>	<u>474,246</u>
Less: 2007-08			
Expenditures	124,527	0	266,229
	<u>124,527</u>	<u>0</u>	<u>266,229</u>
 TOTAL Cash 6/30/08	 <u>\$ 21,820</u>	 <u>\$ (758)</u>	 <u>\$ 208,017</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, 2008

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	Special Capital Outlay-State 31400	Senate Bill Nine 31700	Public School Capital Outlay-20% 32100
Net Cash in Bank 6/30/07			
Cash in Bank	\$ (33,643)	\$ 254,545	\$ 8,403
Balance 6/30/07	<u>(33,643)</u>	<u>254,545</u>	<u>8,403</u>
 Add: 2007-08			
Revenues	225,000	187,183	0
TOTAL Cash Available	<u>191,357</u>	<u>441,728</u>	<u>8,403</u>
 Less: 2007-08			
Expenditures	229,712	40,106	0
	<u>229,712</u>	<u>40,106</u>	<u>0</u>
 TOTAL Cash 6/30/08	<u>\$ (38,355)</u>	<u>\$ 401,622</u>	<u>\$ 8,403</u>

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

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
 Cash Reconciliations - All Funds  
 For the Year Ended June 30, 2008

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	Debt Service 41000	Totals
Net Cash in Bank 6/30/07		
Cash in Bank	\$ 25,950	\$ 1,751,376
Balance 6/30/07	<u>25,950</u>	<u>1,751,376</u>
 Add: 2007-08		
Revenues	120,935	0
TOTAL Cash Available	<u>146,885</u>	<u>1,751,376</u>
 Less: 2007-08		
Expenditures	136,681	12,927,946
	<u>136,681</u>	<u>12,927,946</u>
 TOTAL Cash 6/30/08	<u>\$ 10,204</u>	<u>\$ 1,809,018</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, 2008

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	\$ 251,771
Total Child Nutrition Cluster			<u>251,771</u>
Pass-through State Department of Human Services			
USDA Commodities Program	10.550	21000	(1) <u>11,506</u>
Direct Program			
Forest Reserve	10.670	11000	<u>8,210</u>
Total U. S. Department of Agriculture			<u>271,487</u>
<u>U. S. Department of Education</u>			
Pass-through State Department of Education:			
Special Education Cluster			
IDEA-B Entitlement	84.027	24106	71,284
IDEA-B Discretionary	84.027	24107	58,807
Total Special Education Cluster			<u>130,091</u>
Title I Basic Education Grant	84.010	24101	184,636
Title V-A	84.332	24150	5,110
Title III Bilingual	84.340	24153	13,100
Title II-A	84.281	24154	63,237
Title IV-A	84.186	24157	6,982
Rural and Low Income	84358B	24160	6,866
Direct Program:			
Impact Aid	84.041	25145	54,451
Title IX Indian Formula	84.060	25184	10,804
Gear Up	84.334A	25211	<u>1,361</u>
Total U. S. Department of Education			<u>476,638</u>

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2008

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>Department of Health &amp; Human Services</u>			
Medicaid	93.778	25153	<u>32,708</u>
Total Department of Health & Human Services			<u>32,708</u>
Total Federal Assistance		\$	<u><u>780,833</u></u>

(1) Non-cash assistance

See accompanying notes to the Schedule of Expenditures of Federal Awards

STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
Notes to the Schedule of Expenditures of Federal Awards  
June 30, 2008

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**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

(505) 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, 2008, and have issued our report thereon dated November 14, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing 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 14, 2008

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(505) 253-4313

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

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the PENASCO INDEPENDENT SCHOOLS

Mr. Balderas and Members of the Board

Compliance

We have audited the compliance of PENASCO INDEPENDENT SCHOOLS (District), and the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. 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, 2008.

### Internal Control Over Compliance

The management of the District, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

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

This report is intended solely for the information and use of the administration, the board members, the Public Education Department, the Office of the State Auditor, the New Mexico State Legislature 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 14, 2008





STATE OF NEW MEXICO  
**PENASCO INDEPENDENT SCHOOLS**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2008

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**Prior Year Audit Findings**

**STATUS**

07-1 Late Audit Report - Compliance

Resolved

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

Resolved

**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 14, 2008 in attendance were Ernesto Valdez-Superintendent, Juliet Garcia-Gonzales-President, Cecilia Romero-Torres-Business Manager and De' Aunt Willoughby, CPA.