
STATE OF NEW MEXICO
San Jon Municipal School
June 30, 2008

Financial Statements and Supplementary Information
As Of And For The Year Ended June 30, 2008
With Independent Auditor's Report Thereon

Sandra Rush
Certified Public Accountant, PC

1101 E Llano Estacado
Clovis, New Mexico 88101

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Official Roster
For the year ended June 30, 2008

Board of Education

Arthur White	President
Tim Foster	Vice-President
Franklin Gibson	Secretary
Roger Bowe	Member
Dale Bone	Member

School Officials

Gary Salazar	Superintendent
Lucy Heddlesten	Business Manager

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STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

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Sandra Rush

Certified Public Accountant PC

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Independent Auditor's Report

Mr. Hector H. Balderas
State Auditor of the State of New Mexico
Board Members of San Jon Municipal School District

Mr. Martinez and Members of the Board

I have audited the accompanying financial statements of the governmental activities, each major fund including budget comparisons, and the aggregate remaining fund information of San Jon Municipal School District, (District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. I also have audited the financial statements of each of the District's nonmajor governmental funds and budget comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I express no such opinion. 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. I believe that my audit provides a reasonable basis for my opinions.

In my 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, where applicable, thereof 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 my 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, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service 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*, I have also issued my report dated November 14, 2008, on my consideration of the San Jon Municipal School District's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Mr. Hector H. Balderas
State Auditor of the State of New Mexico
Board Members of San Jon Municipal School District
Page 2

For the year ended June 30, 2008 San Jon Municipal School 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 part of the basic financial statements.

My audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons. 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 my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Sandra Rush, CPA
November 14, 2008

Financial Section

Government-Wide Financial Statements

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

Statement of Net Assets
 June 30, 2008

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 430,604
Taxes receivable	1,257
Delinquent tax	23,672
Due from grantor	67,545
Total current assets	<u>523,078</u>
Noncurrent assets:	
Capital assets	8,966,684
Less: accumulated depreciation	<u>(2,644,509)</u>
Total non current assets	<u>6,322,175</u>
Total assets	<u><u>\$ 6,845,253</u></u>
<u>LIABILITIES AND NET ASSETS</u>	
Current liabilities:	
Accounts payable	\$ 11,643
Current portion of long term debt	<u>75,000</u>
Total current liabilities	<u>86,643</u>
Noncurrent liabilities:	
Bonds and notes	<u>100,000</u>
Total noncurrent liabilities	<u>100,000</u>
Total liabilities	<u>186,643</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	6,147,175
Unrestricted	<u>511,435</u>
Total net assets	<u>6,658,610</u>
Total-liabilities and net assets	<u><u>\$ 6,845,253</u></u>

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

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

Statement of Activities
 For the year ended June 30, 2008

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Direct instruction	\$ 1,117,547	\$ 4,139	\$ 128,788	\$ -
Student Support Services	73,650	-	-	-
Instructional support	148,777	-	244,404	-
General Administration	162,649	-	-	-
School Administration	70,088	-	-	-
Central Services	67,478	-	9,185	-
Operation and maintenance of plant	422,670	-	29,821	-
Food services	105,583	16,689	43,245	-
Athletics	40,529	10,614	-	-
Community services	17,164	-	-	-
Teacherage	12,048	10,800	-	-
Transportation	215,895	-	224,279	-
Instructional materials	14,856	-	18,475	-
Capital outlay	-	-	-	-
Depreciation - unclassified	5,958	-	-	-
Debt Service:				
Bond interest payment	12,745	-	-	-
Total governmental activities	\$ 2,487,637	\$ 42,242	\$ 698,197	\$ -

General revenues:
 Taxes:
 General purposes
 Debt service
 Capital projects
 State equalization guarantee
 Miscellaneous income:
 Capital contributions
 Caprock Wind
 Interest
 Royalties
 Gain on sale or exchange of assets

Total general revenues

Change in net assets

Net assets, beginning
 Restatements
 Net assets, beginning restated

Net assets, ending

The accompanying notes are an integral part of these financial statements

Net Program
 [Expense]
 Revenues
 Governmental
 Activities
 Total

\$ (984,620)
 (73,650)
 95,627
 (162,649)
 (70,088)
 (58,293)
 (392,849)
 (45,649)
 (29,915)
 (17,164)
 (1,248)
 8,384
 3,619
 -
 (5,958)
 -
(12,745)
(1,747,198)

4,674
 86,738
 3,993
 1,692,498

5,218
 86,256
 2,611
 2,421
2,900

1,887,309

140,111

6,518,499

6,518,499

\$ 6,658,610

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

Balance Sheet
 Governmental Funds
 June 30, 2008

	General Fund			
	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
<u>ASSETS</u>				
Cash and cash equivalents	\$ 105,373	\$ 13,793	\$ 8,971	\$ 5,995
Receivables:				
Taxes	51	-	-	-
Delinquent taxes	1,218	-	-	-
Due from grantor	-	-	-	814
 Total assets	<u>\$ 106,642</u>	<u>\$ 13,793</u>	<u>\$ 8,971</u>	<u>\$ 6,809</u>
 <u>LIABILITIES</u>				
Accounts payable	10,724	218	-	-
Deferred revenue	<u>1,218</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities	<u>11,942</u>	<u>218</u>	<u>-</u>	<u>-</u>
 <u>FUND BALANCES</u>				
Reserved for:				
Retirement of long term debt	-	-	-	-
Unreserved, Undesignated, reported in:				
General Fund	94,700	13,575	8,971	6,809
Capital Projects	-	-	-	-
Special Revenue Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total fund balance	<u>94,700</u>	<u>13,575</u>	<u>8,971</u>	<u>6,809</u>
 Total liabilities and fund balances	<u>\$ 106,642</u>	<u>\$ 13,793</u>	<u>\$ 8,971</u>	<u>\$ 6,809</u>

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

Caprock 29101	Debt Service 41000	Public School Capital Outlay 31200	Senate Bill Nine 31700	Other Governmental Funds	Total Governmental Funds
\$ 113,096	\$ 1	\$ -	\$ 29,383	\$ 153,992	\$ 430,604
-	960	-	246	-	1,257
-	18,333	-	4,121	-	23,672
-	-	-	-	53,470	54,284
<u>\$ 113,096</u>	<u>\$ 19,294</u>	<u>\$ -</u>	<u>\$ 33,750</u>	<u>\$ 207,462</u>	<u>\$ 509,817</u>
-	-	-	701	-	11,643
-	18,333	-	4,121	-	23,672
-	18,333	-	4,822	-	35,315
-	961	-	-	-	961
113,096	-	-	-	-	237,151
-	-	-	28,928	-	28,928
-	-	-	-	207,462	207,462
<u>113,096</u>	<u>961</u>	<u>-</u>	<u>28,928</u>	<u>207,462</u>	<u>474,502</u>
<u>\$ 113,096</u>	<u>\$ 19,294</u>	<u>\$ -</u>	<u>\$ 33,750</u>	<u>\$ 207,462</u>	<u>\$ 509,817</u>

Reconciliation of Total Fund Balance from Balance Sheet Governmental Funds
to the Total Net Assets on the Statement of Net Assets:

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

Fund balances - total governmental funds	\$ 474,502
Delinquent taxes receivable	23,672
Deferred Revenue in the fund financial statements because grant funds not recieved during the period of availability	13,261
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds	
Capital assets	8,966,684
Accumulated depreciation	(2,644,509)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(175,000)
Accrued interest	-
Net assets of governmental activities	<u>\$ 6,658,610</u>

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the year ended June 30, 2008

	General Fund			
	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
Revenues:				
Charges for Service	\$ 4,139	\$ 10,800	\$ -	\$ -
Intergovernmental Revenue	-	-	224,279	18,475
General revenues:				
Taxes	4,438	-	-	-
Miscellaneous	1,704,757	-	-	-
Total revenues	<u>1,713,334</u>	<u>10,800</u>	<u>224,279</u>	<u>18,475</u>
Expenditures:				
Current operating:				
Direct instruction	874,330	-	-	-
Student Support Services	64,602	-	-	-
Instructional support	39,411	-	-	-
General Administration	161,740	-	-	-
School Administration	64,231	-	-	-
Central Services	67,478	-	-	-
Operation and maintenance of plant	367,412	-	-	-
Food services	26,665	-	-	-
Athletics	-	-	-	-
Community services	1,596	-	-	-
Teacherage	-	12,048	-	-
Transportation	-	-	215,317	-
Instructional materials	-	-	-	14,856
Capital outlay	-	-	-	-
Debt service:				
Bond principal payment	-	-	-	-
Bond interest payment	-	-	-	-
Total expenditures	<u>1,667,465</u>	<u>12,048</u>	<u>215,317</u>	<u>14,856</u>
Excess (deficiency) of revenues over expenditures	45,869	(1,248)	8,962	3,619
Other financing sources (uses):				
Transfers in/(out)	<u>(33,809)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(33,809)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	12,060	(1,248)	8,962	3,619
Fund balance, beginning of year	82,640	14,823	9	3,190
Restatements	-	-	-	-
Fund balance restated	<u>82,640</u>	<u>14,823</u>	<u>9</u>	<u>3,190</u>
Fund balance, end of year	<u>\$ 94,700</u>	<u>\$ 13,575</u>	<u>\$ 8,971</u>	<u>\$ 6,809</u>

The accompanying notes are an integral part of these financial statements

<u>Caprock Wind 29109</u>	<u>Debt Service 41000</u>	<u>Public School Capital Outlay 31200</u>	<u>Senate Bill Nine 31700</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 27,303	\$ 42,242
-	-	-	29,821	425,622	698,197
-	76,777	-	19,244	-	100,459
<u>86,256</u>	<u>161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,791,174</u>
<u>86,256</u>	<u>76,938</u>	<u>-</u>	<u>49,065</u>	<u>452,925</u>	<u>2,632,072</u>
9,610	-	-	-	118,200	1,002,140
-	-	-	-	-	64,602
-	-	-	-	104,529	143,940
-	909	-	-	-	162,649
-	-	-	-	-	64,231
-	-	-	-	-	67,478
-	-	-	28,693	1,445	397,550
-	-	-	-	58,434	85,099
-	-	-	-	13,779	13,779
-	-	-	-	-	1,596
-	-	-	-	-	12,048
-	-	-	-	-	215,317
-	-	-	-	-	14,856
29,874	-	-	-	-	29,874
-	75,000	-	-	-	75,000
-	12,745	-	-	-	12,745
<u>39,484</u>	<u>88,654</u>	<u>-</u>	<u>28,693</u>	<u>296,387</u>	<u>2,362,904</u>
46,772	(11,716)	-	20,372	156,538	269,168
-	9,227	-	-	24,582	-
-	9,227	-	-	24,582	-
46,772	(2,489)	-	20,372	181,120	269,168
66,324	3,450	-	8,556	26,342	205,334
-	-	-	-	-	-
<u>66,324</u>	<u>3,450</u>	<u>-</u>	<u>8,556</u>	<u>26,342</u>	<u>205,334</u>
<u>\$ 113,096</u>	<u>\$ 961</u>	<u>\$ -</u>	<u>\$ 28,928</u>	<u>\$ 207,462</u>	<u>\$ 474,502</u>

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Activities
 For the year ended June 30, 2008

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

Net change in fund balances - total governmental funds		\$ 269,168
<p>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. due. This amount reflects the change in delinquent tax for the fiscal year.</p>		
		738
Increase in deferred revenue from grant revenues not received within the period of availability		(4,332)
<p>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.</p>		
Capital outlays	\$ 29,874	
Depreciation expense	<u>(229,607)</u>	
		(199,733)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.</p>		
		75,000
<p>In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, and interest expenditure is reported when due. This amount reflects the change in accrued interest for the fiscal year.</p>		
		<u>(730)</u>
Change in Net Assets of Governmental Activities		<u><u>\$ 140,111</u></u>

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

General Fund - Operational - 11000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Charges for services:				
Fees - activities	\$ 3,300	\$ 3,300	\$ 4,139	\$ 839
Intergovernmental:				
Emergency supplement	-	-	-	-
General revenues:				
Residential/non-residential taxes	4,790	4,790	4,555	(235)
State equalization guarantee	1,692,417	1,692,417	1,692,498	81
Miscellaneous:				
Interest	3,000	3,000	1,720	(1,280)
Royalties	2,810	2,810	2,421	(389)
Sale of personal property	-	-	2,900	2,900
Capital contributions	5,190	5,190	5,218	28
Total revenue	<u>1,711,507</u>	<u>1,711,507</u>	<u>1,713,451</u>	<u>1,944</u>
Expenditures:				
Current operating:				
Direct instruction:				
Salaries	648,508	626,439	619,605	6,834
Employee benefits	208,760	209,022	189,147	19,875
Purchased services	32,000	29,918	14,972	14,946
Supplies and materials	13,764	16,447	15,430	1,017
Travel and training	15,500	23,556	19,879	3,677
Supply assets	3,000	16,150	13,150	3,000
Total direct instruction	<u>921,532</u>	<u>921,532</u>	<u>872,183</u>	<u>49,349</u>
Student support services:				
Salaries	48,462	25,362	25,197	165
Employee benefits	30,773	24,873	13,902	10,971
Purchased services	34,287	63,287	24,252	39,035
Supplies and materials	500	500	389	111
Travel and training	1,000	1,000	862	138
Total student support services	<u>115,022</u>	<u>115,022</u>	<u>64,602</u>	<u>50,420</u>
Instructional support:				
Salaries	16,297	16,297	16,297	-
Employee benefits	13,618	13,618	12,944	674
Purchased services	6,000	9,000	7,689	1,311
Supplies and materials	6,450	3,450	2,481	969
Total instructional support	<u>42,365</u>	<u>42,365</u>	<u>39,411</u>	<u>2,954</u>

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

General Fund - Operational - 11000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

Expenditures: (continued)	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
General administration:				
Salaries	98,280	99,030	98,885	145
Employee benefits	29,064	29,064	28,203	861
Purchased services	31,548	34,844	27,179	7,665
Supplies and materials	1,500	1,838	1,838	-
Travel and training	8,600	6,589	5,635	954
Supply assets	3,000	3,000	-	3,000
Total general administration	<u>171,992</u>	<u>174,365</u>	<u>161,740</u>	<u>12,625</u>
School administration:				
Salaries	40,600	47,663	47,663	-
Employee benefits	15,105	16,323	15,948	375
Supplies and materials	500	500	340	160
Travel and training	800	800	280	520
Total school administration	<u>57,005</u>	<u>65,286</u>	<u>64,231</u>	<u>1,055</u>
Central services:				
Salaries	44,415	44,415	44,415	-
Employee benefits	17,495	17,395	17,031	364
Purchased services	5,500	5,600	5,518	82
Supplies and materials	500	500	150	350
Travel and training	750	750	364	386
Supply assets	2,000	2,000	-	2,000
Total central services	<u>70,660</u>	<u>70,660</u>	<u>67,478</u>	<u>3,182</u>
Operations & maintenance of plant:				
Salaries	103,251	103,251	103,251	-
Employee benefits	49,363	49,363	45,846	3,517
Purchased services	179,092	212,855	206,875	5,980
Supplies and materials	13,000	13,000	10,594	2,406
Travel and training	2,200	1,292	846	446
Supply assets	2,000	2,000	-	2,000
Total operations & maint. of plant	<u>348,906</u>	<u>381,761</u>	<u>367,412</u>	<u>14,349</u>
Food services:				
Salaries	10,779	11,129	10,944	185
Employee benefits	3,009	3,009	2,944	65
Supplies and materials	7,200	12,528	12,527	1
Travel and training	1,100	1,100	250	850
Total food services	<u>22,088</u>	<u>27,766</u>	<u>26,665</u>	<u>1,101</u>

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

General Fund - Operational - 11000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Expenditures: (continued)				
Community services:				
Salaries	2,300	2,300	416	1,884
Employee benefits	176	176	31	145
Supplies and materials	<u>3,000</u>	<u>1,322</u>	<u>1,149</u>	<u>173</u>
Total community services	<u>5,476</u>	<u>3,798</u>	<u>1,596</u>	<u>2,202</u>
Total expenditures	<u>1,755,046</u>	<u>1,802,555</u>	<u>1,665,318</u>	<u>137,237</u>
Excess (deficiency) revenues over expenditures	(43,539)	(91,048)	48,133	139,181
Other financing sources (uses):				
Transfers in/(out)		-	(33,809)	(33,809)
Total other financing sources (uses)	-	-	(33,809)	(33,809)
Excess (deficiency) revenues and other financing sources (uses) over expenditures	(43,539)	(91,048)	14,324	105,372
Cash balance, beginning of year	<u>91,049</u>	<u>91,049</u>	<u>91,049</u>	<u>-</u>
Cash balance, end of year	<u>\$ 47,510</u>	<u>\$ 1</u>	<u>\$ 105,373</u>	<u>\$ 105,372</u>

Reconciliation of Budgetary Basis to GAAP Basis Statement:

Revenue - budgetary basis	\$ 1,713,451
Current year receivable/other credits	51
Prior year receivable/other debits	<u>(168)</u>
Revenue - GAAP basis	<u>\$ 1,713,334</u>
Expenditures - budgetary basis	\$ 1,665,318
Current year payable/other debits	10,724
Prior year payable/other credits	<u>(8,577)</u>
Expenditures - GAAP basis	<u>\$ 1,667,465</u>

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

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

General Fund - Teacherage - 12000
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Charges for services:				
Rentals	\$ 10,800	\$ 10,800	\$ 10,800	\$ -
Total revenues	<u>10,800</u>	<u>10,800</u>	<u>10,800</u>	<u>-</u>
Expenditures:				
Current operating:				
Teacherage:				
Purchased services	17,660	17,660	10,508	7,152
Supplies and materials	4,000	4,000	1,599	2,401
Supply assets	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total expenditures	<u>25,660</u>	<u>25,660</u>	<u>12,107</u>	<u>13,553</u>
Excess (deficiency) revenues over expenditures	(14,860)	(14,860)	(1,307)	13,553
Cash balance, beginning of year	<u>15,100</u>	<u>15,100</u>	<u>15,100</u>	<u>-</u>
Cash balance, end of year	<u>\$ 240</u>	<u>\$ 240</u>	<u>\$ 13,793</u>	<u>\$ 13,553</u>

Reconciliation of Budgetary Basis to GAAP Basis Statement:

Revenue - budgetary basis	\$ 10,800
Current year receivable/other credits	-
Prior year receivable/other debits	<u>-</u>
Revenue - GAAP basis	<u>\$ 10,800</u>
Expenditures - budgetary basis	\$ 12,107
Current year payable/other debits	218
Prior year payable/other credits	<u>(277)</u>
Expenditures - GAAP basis	<u>\$ 12,048</u>

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

General Fund - Transportation - 13000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Intergovernmental revenues:				
Transportation distribution	\$ 211,048	\$ 215,317	\$ 224,279	\$ 8,962
Total revenues	211,048	215,317	224,279	8,962
Expenditures:				
Current operating:				
Transportation:				
Salaries	20,232	20,232	20,232	-
Employee benefits	4,438	4,244	4,244	-
Purchased services	180,128	183,520	183,520	-
Supplies and materials	3,000	4,103	4,103	-
Travel and training	3,250	3,218	3,218	-
Total expenditures	211,048	215,317	215,317	-
Excess (deficiency) revenues over expenditures	-	-	8,962	8,962
Cash balance, beginning of year	9	9	9	-
Cash balance, end of year	\$ 9	\$ 9	\$ 8,971	\$ 8,962
Reconciliation of Budgetary Basis to GAAP Basis Statement:				
Revenue - budgetary basis			\$ 224,279	
Current year receivable/other credits			-	
Prior year receivable/other debits			-	
Revenue - GAAP basis			\$ 224,279	
Expenditures - budgetary basis			\$ 215,317	
Current year payable/other debits			-	
Prior year payable/other credits			-	
Expenditures - GAAP basis			\$ 215,317	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

General Fund - Instructional Materials - 14000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance favorable (unfavor.)
	<u>Original</u>	<u>Final</u>		
Revenue:				
Intergovernmental revenue:				
State flow through grant	\$ 1,116	\$ 1,116	\$ 1,400	\$ 284
Instructional materials - credit	6,334	6,334	8,131	1,797
Instructional materials - cash	<u>6,333</u>	<u>6,333</u>	<u>8,130</u>	<u>1,797</u>
Total revenues	<u>13,783</u>	<u>13,783</u>	<u>17,661</u>	<u>3,878</u>
Expenditures:				
Current operating:				
Instructional materials:				
Supplies and materials	<u>16,974</u>	<u>16,974</u>	<u>14,856</u>	<u>2,118</u>
Total expenditures	<u>16,974</u>	<u>16,974</u>	<u>14,856</u>	<u>2,118</u>
Excess (deficiency) revenues over expenditures	(3,191)	(3,191)	2,805	5,996
Cash balance, beginning of year	<u>3,190</u>	<u>3,190</u>	<u>3,190</u>	<u>-</u>
Cash balance, end of year	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 5,995</u>	<u>\$ 5,996</u>
Reconciliation of Budgetary Basis to GAAP Basis Statement:				
Revenue - budgetary basis			\$ 17,661	
Current year receivable/other credits			814	
Prior year receivable/other debits			<u>-</u>	
Revenue - GAAP basis			<u>\$ 18,475</u>	
Expenditures - budgetary basis			\$ 14,856	
Current year payable/other debits			-	
Prior year payable/other credits			<u>-</u>	
Expenditures - GAAP basis			<u>\$ 14,856</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Major Special Revenue Fund - Caprock Wind - 29109
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance favorable (unfavor.)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Miscellaneous:				
Caprock Wind	\$ 86,000	\$ 86,000	\$ 86,256	\$ 256
Total revenues	<u>86,000</u>	<u>86,000</u>	<u>86,256</u>	<u>256</u>
Expenditures:				
Current operating:				
Direct instruction:				
Supplies and materials	20,000	20,000	8,023	11,977
Travel and training	15,000	15,000	1,587	13,413
Student support services:				
Purchased services	25,811	16,937	-	16,937
Capital outlay	<u>26,000</u>	<u>34,874</u>	<u>29,874</u>	<u>5,000</u>
Total expenditures	<u>86,811</u>	<u>86,811</u>	<u>39,484</u>	<u>47,327</u>
Excess (deficiency) revenues over expenditures	(811)	(811)	46,772	47,583
Cash balance, beginning of year	<u>-</u>	<u>-</u>	<u>66,324</u>	<u>66,324</u>
Cash balance, end of year	<u>\$ (811)</u>	<u>\$ (811)</u>	<u>\$ 113,096</u>	<u>\$ 113,907</u>
Reconciliation of Budgetary Basis to GAAP Basis Statement:				
Revenue - budgetary basis			\$ 86,256	
Current year receivable/other credits			-	
Prior year receivable/other debits			<u>-</u>	
Revenue - GAAP basis			<u>\$ 86,256</u>	
Expenditures - budgetary basis			\$ 39,484	
Current year payable/other debits			-	
Prior year payable/other credits			<u>-</u>	
Expenditures - GAAP basis			<u>\$ 39,484</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Statement of Fiduciary Assets and Liabilities - Agency Funds

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 36,173
Total assets	<u>\$ 36,173</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 36,173
Total assets	<u>\$ 36,173</u>

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

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The financial statements of San Jon Municipal School (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. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

The San Jon School District was established in 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.

All governmental funds of the District follow FASB Statements and Interpretations issued in or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

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

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

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is 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 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 – The 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 Funds are used to account for the resources for, and the payment of, principal, interest and related costs.

Capital Project Funds – The Capital Project Funds are 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.

The District reports the following major governmental funds:

General Funds:

Operational (11000)

To account for resources and expenditures traditionally associated with governmental entities, that are not required to be accounted for in another fund.

Teacherage (12000)

To account for revenues from the rental of school owned teacher housing. Expenditures from this account are for payment of utilities and maintenance of the rental units.

Transportation (13000)

To account for resources and expenditures associated with the transportation of student's to and from school.

Instructional Materials (14000)

To account for resources and expenditures associated with the purchase of textbooks and other instructional materials.

Major Special Revenue Funds:

Caprock Wind (29109)

To account for local revenue fund payments received from a private company in lue of property tax. This fund was created by the state just for San Jon Municipal School District.

Debt Service Funds:

Debt Service (41000)

The revenues are generated by a tax by a tax levy based upon property values. The expenditures are for the payment of general long-term debt principal and interest.

Capital Projects Funds:

Public School Capital Outlay (31200)

The revenues are derived from a state legislative grant. The expenditures are restricted to capital improvements.

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 the about 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 taxpayer 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 charges to users or applicants who purchase, use or directly benefit from the goods or services provided by the given function.

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 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for un-matured 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

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.

Entitlement and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

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, therefore are not accrued.

Other Financing Sources (Uses)

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

Basis of Budgeting

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

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

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the District Budget Planning Unit (SBPU) of the New Mexico Public Education Department (PED) 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 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 SBPU 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 SBPU 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 SBPU.
5. No school board or officer or employee of the District shall make any expenditure 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 SBPU.
7. Legal budget control for expenditures is by function.

8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of 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 provision of Chapter 6, Article 10, Paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan association 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:

1. 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
2. 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; or
3. in contracts with bank, 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 Senate Bill Nine 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.

Capital Assets

Capital assets, which include property, plant and equipment, computers, and software, are reported in the applicable governmental-wide financial statements. Such assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The District has no internally developed software, and the costs of library books are not considered to be material, therefore they are not capitalized and depreciated. 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 as constructed. Other costs incurred for repairs and maintenance are expensed as incurred. The District is a Phase 3 entity not required to report infrastructure assets prior to 7/1/2003 and has elected to report infrastructure prospectively beginning in the year 2008. To this point the District has acquired no new infrastructure. Capital expenditures made on school district's building construction projects by the New Mexico Public School Facilities Authority are appropriately included in the school district's capital assets disclosure and financial statements. 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:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 50 Years
Vehicles	2 - 15 Years
Equipment	2 - 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.

Deferred Revenue

The District reports deferred revenues on its Statement of Net Assets and Fund Balance Sheet. Deferred revenues arise when the 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 90 days of the fiscal year end.

Compensated Absences

The District contracts all employees on an annual basis. A terminated employee is paid through the date of dismissal in accordance with their contract. Due to this practice, there are no compensated absences accrued.

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 2. 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>Citizens Bank Tucumcari, NM</u>	<u>First National Tucumcari, NM</u>	<u>Type</u>
Total amount of deposits on June 30, 2006			
San Jon Municipal Schools	\$ 524,744	\$ -	Checking
San Jon Athletics	-	2,975	Checking
San Jon Activity Fund	33,602	-	Checking
Activity CD	5,500	-	CD
Total deposited	<u>563,846</u>	<u>\$ 2,975</u>	
Less FDIC coverage	<u>(105,500)</u>		
Total uninsured public funds	458,346		
50% collateral requirement (as per Section 6-10-17, NMSA 1978)	<u>229,173</u>		
Pledged securities			
U S Treasury Note	<u>200,000</u>		
Over (Under)	<u>\$ (29,173)</u>		

STATE OF NEW MEXICO
 San Jon Municipal School
 Notes To Financial Statement
 June 30, 2008

Pledged Collateral: US Treasury note, pledge receipt no. 160054084, maturity date 6/21/10, market value \$200,000, held at Frost National Bank in the District's name, San Antonio TX.

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, \$42,808 of the District's bank balance of \$354,513 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 29,173
Uninsured and collateral held by pledging bank's trust department not in District's name	<u>0</u>
Total	<u>\$ 29,173</u>

Note 3. Taxes Receivable

	General Fund	Debt Service Fund	SB-9 Fund	Totals
Property taxes receivable:				
Current	\$ 51	\$ 960	\$ 246	\$ 1,257
Delinquent	<u>1,218</u>	<u>4,121</u>	<u>18,333</u>	<u>23,672</u>
Total property taxes receivable	<u>\$ 1,269</u>	<u>\$ 5,081</u>	<u>\$ 18,579</u>	<u>\$ 24,929</u>

Note 4. 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:

	Deferred Property Tax	Totals
General Fund	\$ 1,218	1,218
Debt Service	4,121	4,121
SB-9	<u>18,333</u>	<u>18,333</u>
Total	<u>\$ 23,672</u>	<u>\$ 23,672</u>

Note 5. Transfers

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. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 6. Changes In Capital Assets

A summary of changes in capital assets follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 31,998	\$ -	\$ -	\$ 31,998
Construction in progress	336,986	-	-	336,986
Total capital assets not being depreciated	<u>\$ 368,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 368,984</u>
Capital assets being depreciated				
Buildings and improvements	\$ 8,117,685	\$ -	\$ -	\$ 8,117,685
Vehicles	182,714	29,874	-	212,588
Equipment	267,427	-	-	267,427
Total capital assets being depreciated	<u>8,567,826</u>	<u>29,874</u>	<u>-</u>	<u>8,597,700</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,133,862)	-	(192,971)	(2,326,833)
Vehicles	(119,320)	-	(18,156)	(137,476)
Equipment	(161,720)	-	(18,480)	(180,200)
Total accumulated depreciated	<u>(2,414,902)</u>	<u>-</u>	<u>(229,607)</u>	<u>(2,644,509)</u>
Total capital assets being depreciated, net	<u>6,152,924</u>	<u>29,874</u>	<u>(229,607)</u>	<u>5,953,191</u>
Governmental activity capital assets, net	<u>\$ 6,521,908</u>	<u>\$ 29,874</u>	<u>\$ (229,607)</u>	<u>\$ 6,322,175</u>

Depreciation expense was charged to governmental activities as follows:

Direct instruction	\$ 115,407
Instructional support	4,837
Administration	5,857
Operation / maintenance	25,120
Community service	15,568
Food service	20,484
Athletics	26,750
Non instructional support	9,048
Transportation	578
Other	2,007
REC	3,951
Total depreciation expense	<u>\$ 229,607</u>

Note 7. 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	Amount Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General Obligation Bond	\$ 250,000	\$ -	\$ (75,000)	\$ 175,000	\$ 75,000
Total bonds payable	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ (75,000)</u>	<u>\$ 175,000</u>	<u>\$ 75,000</u>

Payments on the general obligation bonds are made by the Debt Service Funds.

General Obligations 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>
1998	03-09-98	540,000	4.50 - 6.00%	\$ 40,000
1999	12-15-99	150,000	5.15% - 5.75%	75,000
2000	10-01-00	60,000	5.20% - 5.40%	60,000
				<u>\$ 175,000</u>

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 75,000	9,020	\$ 84,020
2010	80,000	5,505	85,505
2011	20,000	1,875	21,875
2012	-	540	540
2013	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 175,000</u>	<u>\$ 16,940</u>	<u>\$ 191,940</u>

Note 8. Pension Plan

Substantially all of the District's full-time employees participate in a public employees retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11 NMSA 1978). The Educational Retirement Board (ERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits and cost-of-living adjustment to plan members and beneficiaries. ERA issues a separate, publicly available financial report that included financial statements and required supplementary information. That report may be obtained by writing to ERA, PO Box 26129, Santa Fe, New Mexico 87505.

Funding Policy

Plan members are required to contribute 7.750% of their gross salary. San Jon Municipal School District is required to contribute 10.15% of the gross covered salary. The contributions requirements of plan members and San Jon Municipal School are established in Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. San Jon Municipal School's contribution to ERA for the year ended June 30, 2008, was \$119,298, and the employee's contribution was \$85,643 both are equal to the amount of required contributions for the year.

Note 9. Retiree Health Care Act Contributions

The Retiree Health Care (Act) (Chapter 10, Article 7C NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The Retiree Health Care Authority is the administrator of the plan. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or

optional plans, of benefits that can be purchase by funds flowing into the Retiree Health Care Fund and by co-payments or out-of-pocket payments of eligible retirees.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers are institutions of higher education, Districts, or other entities participating in the Public District Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Educational Retirement Act, Public Employees Retirement Act, Volunteer Firefighters Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act.

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

Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each employee contributes to the fund an employee contribution in an amount equal to .65 percent of the employee's salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employers NMRHCA effective date or is a former legislator. Participants may also enroll in optional plans of coverage.

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

For the fiscal year ended June 30, 2008, San Jon Municipal School District remitted \$14,235 in employer contributions and \$7,117 in employee contributions to the Retiree Health Care Authority.

Note 10. Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, error and omissions, 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). Amounts of settlements have not exceeded insurance coverage for the past three years. The District pays annual premiums 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

Note 11. Surety Bond

A surety bond as required by Section 12-6-7 NMSA 1978 Compilation and the New Mexico State Auditor Rule NMAC 2.2.2 covers the officials and certain employees of the District.

Note 12. Regional Education Cooperative

A joint powers agreement was entered into with the Regional Education Cooperative No. 6, (REC). The purpose of the agreement is to allow the submission of a consolidated application to the State Department

STATE OF NEW MEXICO
San Jon Municipal School
Notes To Financial Statement
June 30, 2008

of Education for certain funds granted to the State of New Mexico by the United States Department of Education under the Education of the Handicapped Act, Part B, PL 94-142 among others.

There are ten schools that participate in the REC; they are Dora, Elida, Floyd, Fort Sumner, San Jon, House, Logan, Melrose, San Jon, and Texico. The agreement became effective on July 1, 1995 and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The REC reimbursed a total of \$62,988 to San Jon Municipal School District for the year ending June 30, 2006. The District recognizes the revenue and expenditures in the financial statements

The REC is audited and reported separately from the District but the information is included in this report. The financial reporting information may be obtained at the Regional Education Cooperative No. 6 located at 1500 South Avenue K, Station 9, Portales, New Mexico 88130.

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Debt Service Fund - Debt Service Fund - 41000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
General revenues:				
Residential / non-residential taxes	\$ 87,745	\$ 87,745	\$ 79,267	\$ (8,478)
Miscellaneous:				
Interest	-	-	161	161
Total revenue	<u>87,745</u>	<u>87,745</u>	<u>79,428</u>	<u>(8,317)</u>
Expenditures:				
Current operating:				
General administration:				
Purchased services	878	910	909	1
Debt service:				
Reserve	700	668	-	668
Bond principal payment	75,000	75,000	75,000	-
Bond interest payment	12,745	12,745	12,745	-
Total expenditures	<u>89,323</u>	<u>89,323</u>	<u>88,654</u>	<u>669</u>
Excess (deficiency) revenues over expenditures	(1,578)	(1,578)	(9,226)	(7,648)
Other financing sources (uses):				
Transfers	9,227	9,227	9,227	-
Total other financing sources (uses)	<u>9,227</u>	<u>9,227</u>	<u>9,227</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	7,649	7,649	1	(7,648)
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	<u>\$ 7,649</u>	<u>\$ 7,649</u>	<u>\$ 1</u>	<u>\$ (7,648)</u>
Reconciliation of Budgetary Basis to GAAP Basis Statement:				
Revenue - budgetary basis			\$ 79,428	
Current year receivable/other credits			960	
Prior year receivable/other debits			(3,450)	
Revenue - GAAP basis			<u>\$ 76,938</u>	
Expenditures - budgetary basis			\$ 88,654	
Current year payable/other debits			-	
Prior year payable/other credits			-	
Expenditures - GAAP basis			<u>\$ 88,654</u>	

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

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

Capital Project Fund - Public School Capital Outlay - 31200
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Intergovernmental revenues:				
Critical capital outlay	\$ 97,201	\$ 97,201	\$ -	\$ (97,201)
Total revenue	97,201	97,201	-	(97,201)
Expenditures:				
Current operating:				
Capital outlay:				
Purchased services	97,201	97,201	-	97,201
Total expenditures	97,201	97,201	-	97,201
Excess (deficiency) revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Transfers		-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of Budgetary Basis to GAAP Basis Statement:				
Revenue - budgetary basis			\$ -	
Current year receivable/other credits			-	
Prior year receivable/other debits			-	
Revenue - GAAP basis			\$ -	
Expenditures - budgetary basis			\$ -	
Current year payable/other debits			-	
Prior year payable/other credits			-	
Expenditures - GAAP basis			\$ -	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Capital Project Fund - Senate Bill Nine - 31700
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
Revenue:				
Intergovernmental revenue:				
PED state flowthrough funds	\$ -	\$ 38,409	\$ 29,821	\$ (8,588)
General revenue:				
Residential/non-residential taxes	21,021	21,021	19,740	(1,281)
Total revenue	<u>21,021</u>	<u>59,430</u>	<u>49,561</u>	<u>(9,869)</u>
Expenditures:				
Current operating:				
Operation and maintenance of plant:				
Purchased services	13,211	38,496	13,434	25,062
Supplies and materials	13,820	26,944	11,724	15,220
Supply assets (under \$5,000)	4,000	4,000	3,115	885
Total expenditures	<u>31,031</u>	<u>69,440</u>	<u>28,273</u>	<u>41,167</u>
Excess (deficiency) revenues over expenditures	(10,010)	(10,010)	21,288	31,298
Cash balance, beginning of year	<u>8,095</u>	<u>8,095</u>	<u>8,095</u>	<u>-</u>
Cash balance, end of year	<u>\$ (1,915)</u>	<u>\$ (1,915)</u>	<u>\$ 29,383</u>	<u>\$ 31,298</u>
Reconciliation of Budgetary Basis to GAAP Basis Statement:				
Revenue - budgetary basis			\$ 49,561	
Current year receivable/other credits			246	
Prior year receivable/other debits			<u>(742)</u>	
Revenue - GAAP basis			<u>\$ 49,065</u>	
Expenditures - budgetary basis			\$ 28,273	
Current year payable/other debits			701	
Prior year payable/other credits			<u>(281)</u>	
Expenditures - GAAP basis			<u>\$ 28,693</u>	

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

SUPPLEMENTARY INFORMATION RELATED TO NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Food Service (21000)

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

Athletics (22000)

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

IASA 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.

Title V Innovation Education Program Strategies (24150)

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

Rural Education Achievement Program (25233)

To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

CYFD Preschool (28121)

To account for revenues and expenditures used in providing special education and related services to preschool children with disabilities ages 3 to 5, and at the state's discretion, in providing a free appropriate public education to two-year-old children with disabilities who will reach the age three during the school year. The fund was created by grant provisions.

Computerized Learning (25355)

To account for funds received from a state grant provided to use computer technology to accumulate and report test scores. Funding provided by a state grant.

Technology for Education Act (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).

Pre K Initiative (27149)

To account for funds to identify, screen, and evaluate children who may have a developmental delay. (P.L. 94-142 and P.L. 99-457).

Legislative Appropriations (27165)

To account for funds received from New Mexico State Legislature. (NM Legislative).

Pre K (27165)

To account for funds to identify, screen, and evaluate children who may have a developmental delay. (P.L. 94-142 and P.L. 99-457).

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School Based Home Center (29130)

To account for resources administered by New Mexico Department of Health. Funded by a contract with new Mexico Department of Health.

SBHC Value Options (29131)

To account for resources administered by New Mexico Department of Health. Funded by a contract with new Mexico Department of Health.

Libraries (27170)

Laws 2004, Chapter 117, appropriates funds "to acquire supplementary library books, equipment, and library resources for public school and juvenile detention libraries statewide."

REC Special Revenue Funds:

IDEA-B – Discretionary (24107)

To account for federal funds appropriated by Individuals with Disabilities Education Improvement Act of 2004 reauthorization.

IDEA-B – Entitlement (24106)

To account for federal funds appropriated by Individuals with Disabilities Education Improvement Act of 2004 reauthorization.

IDEA-B – Preschool (24109)

To account for federal funds appropriated by Individuals with Disabilities Education Improvement Act of 2004 reauthorization.

Title IIA Teacher/Principal Training and Recruiting (24154)

To account for a federal grant designed for preparing, training, and recruiting high quality teachers and principals to provide grants to State educational agencies to increase student academic achievement.

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
 Combining Balance Sheet

	Food Service 21000	Athletics 22000	IASA Title I 24101	Title V Innovation Education Program Strat 24150
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,818	\$ 2,975	\$ -	\$ -
Accounts receivable	331	-	22,680	120
Total assets	<u>\$ 3,149</u>	<u>\$ 2,975</u>	<u>\$ 22,680</u>	<u>\$ 120</u>
<u>LIABILITIES</u>				
Cash deficit	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>				
Undesignated, reported in Special Revenue	<u>3,149</u>	<u>2,975</u>	<u>22,680</u>	<u>120</u>
Total fund balance	<u>3,149</u>	<u>2,975</u>	<u>22,680</u>	<u>120</u>
Total liabilities and fund balance	<u>\$ 3,149</u>	<u>\$ 2,975</u>	<u>\$ 22,680</u>	<u>\$ 120</u>

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

Rural Education Achievement Program 25233	CYFD 28121	Computerized Learning 27123	Technology for Education 27117	PreK Initiative 27149	Legislative Appropriation 27165
\$ 3,035	\$ -	\$ 400	\$ 7,460	\$ -	\$ 1
-	-	-	-	3,851	10,265
<u>\$ 3,035</u>	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ 7,460</u>	<u>\$ 3,851</u>	<u>\$ 10,266</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
3,035	-	400	7,460	3,851	10,266
<u>3,035</u>	<u>-</u>	<u>400</u>	<u>7,460</u>	<u>3,851</u>	<u>10,266</u>
<u>\$ 3,035</u>	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ 7,460</u>	<u>\$ 3,851</u>	<u>\$ 10,266</u>

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
 Combining Balance Sheet

	PreK 27169	Library 27170	<i>School</i> Student Based Health Center 29130	SBHC Value Options 29131
ASSETS				
Cash and cash equivalents	\$ 1	\$ -	\$ 116,908	\$ 20,392
Accounts receivable	707	2,845	3,230	-
Total assets	\$ 708	\$ 2,845	\$ 120,138	\$ 20,392
LIABILITIES				
Cash deficit	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
FUND BALANCE				
Undesignated, reported in Special Revenue	708	2,845	120,138	20,392
Total fund balance	708	2,845	120,138	20,392
Total liabilities and fund balance	\$ 708	\$ 2,845	\$ 120,138	\$ 20,392

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

<u>REC IDEA-B Discretionary</u>	<u>REC IDEA-B Entitlement</u>	<u>REC IDEA-B Preschool</u>	<u>REC Teacher/ Principal Training and Recruiting</u>	<u>Total</u>
\$ 1 9,441	\$ - -	\$ - -	\$ 1 -	\$ 153,992 53,470
<u>\$ 9,442</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 207,462</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
9,442	-	-	1	207,462
<u>9,442</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>207,462</u>
<u>\$ 9,442</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 207,462</u>

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2008

	Food Service 21000	Athletics 22000	IASA Title I 24101	Title V Innovation Education Program Strat 24150
Revenues:				
Charges for Service	\$ 16,689	\$ 10,614	\$ -	\$ -
Intergovernmental Revenue	43,245	-	62,751	1,161
Total revenues	59,934	10,614	62,751	1,161
Expenditures:				
Current operating:				
Direct instruction	-	-	53,241	-
Instructional support	-	-	-	1,161
Operation and maintenance of plant	-	-	-	-
Food service	58,434	-	-	-
Athletics	-	13,779	-	-
Total expenditures	58,434	13,779	53,241	1,161
Excess (deficiency) revenues over expenditures	1,500	(3,165)	9,510	-
Other financing sources (uses):				
Transfers in/(out)	-	-	2,310	(968)
Total other financing sources (uses)	-	-	2,310	(968)
Net change in fund balances	1,500	(3,165)	11,820	(968)
Fund balance, beginning	1,649	6,140	10,860	1,088
Restatement	-	-	-	-
Fund balance, beginning restated	1,649	6,140	10,860	1,088
Fund balance, ending	\$ 3,149	\$ 2,975	\$ 22,680	\$ 120

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

Rural Education Achievement Program 24333	CYFD 25335	Computerized Learning 27123	Technology for Education 27117	PreK Initiative 27149	Legislative Appropriation 27165
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,671	(1)	-	9,185	15,741	10,265
<u>13,671</u>	<u>(1)</u>	<u>-</u>	<u>9,185</u>	<u>15,741</u>	<u>10,265</u>
10,636	-	-	-	15,742	10,265
-	-	-	280	-	-
-	-	-	1,445	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,636</u>	<u>-</u>	<u>-</u>	<u>1,725</u>	<u>15,742</u>	<u>10,265</u>
3,035	(1)	-	7,460	(1)	-
-	(6,204)	-	-	3,852	10,266
<u>-</u>	<u>(6,204)</u>	<u>-</u>	<u>-</u>	<u>3,852</u>	<u>10,266</u>
3,035	(6,205)	-	7,460	3,851	10,266
-	6,205	400	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>6,205</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 3,035</u>	<u>\$ -</u>	<u>\$ 400</u>	<u>\$ 7,460</u>	<u>\$ 3,851</u>	<u>\$ 10,266</u>

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2008

	PreK 27169	Library 27170	Student Based Health Center 29130	SBHC Value Options 29131
Revenues:				
Charges for Service	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenue	7,474	2,845	160,000	25,000
Total revenues	<u>7,474</u>	<u>2,845</u>	<u>160,000</u>	<u>25,000</u>
Expenditures:				
Current operating:				
Direct instruction	-	-	-	-
Instructional support	7,474	6,647	39,862	4,608
Operation and maintenance of plant	-	-	-	-
Food service	-	-	-	-
Athletics	-	-	-	-
Total expenditures	<u>7,474</u>	<u>6,647</u>	<u>39,862</u>	<u>4,608</u>
Excess (deficiency) revenues over expenditures	-	(3,802)	120,138	20,392
Other financing sources (uses):				
Transfers in/(out)	708	6,647	-	-
Total other financing sources (uses)	<u>708</u>	<u>6,647</u>	<u>-</u>	<u>-</u>
Net change in fund balances	708	2,845	120,138	20,392
Fund balance, beginning	-	-	-	-
Prior -	-	-	-	-
Fund balance, beginning restated	-	-	-	-
Fund balance, ending	<u>\$ 708</u>	<u>\$ 2,845</u>	<u>\$ 120,138</u>	<u>\$ 20,392</u>

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

<u>REC IDEA-B Discretionary</u>	<u>REC IDEA-B Entitlement</u>	<u>REC IDEA-B Preschool</u>	<u>REC Teacher/ Principal Training and Recruiting</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 27,303
33,168	21,954	4,407	14,756	425,622
<u>33,168</u>	<u>21,954</u>	<u>4,407</u>	<u>14,756</u>	<u>452,925</u>
-	21,954	4,407	1,955	118,200
33,168	-	-	11,329	104,529
-	-	-	-	1,445
-	-	-	-	58,434
-	-	-	-	13,779
<u>33,168</u>	<u>21,954</u>	<u>4,407</u>	<u>13,284</u>	<u>296,387</u>
-	-	-	1,472	156,538
9,442	-	-	(1,471)	24,582
<u>9,442</u>	<u>-</u>	<u>-</u>	<u>(1,471)</u>	<u>24,582</u>
9,442	-	-	1	181,120
-	-	-	-	26,342
-	-	-	-	-
-	-	-	-	26,342
<u>\$ 9,442</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 207,462</u>

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Special Revenue Fund - Food Service - 21000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Charges for services:				
Fees-adults / food services	\$ 4,800	\$ 4,800	\$ 2,546	\$ (2,254)
Fees-students / food services	15,000	15,000	13,812	(1,188)
Intergovernmental revenue:				
PED federal flow through grants:	37,000	37,000	43,097	6,097
Total revenues	<u>56,800</u>	<u>56,800</u>	<u>59,455</u>	<u>2,655</u>
Expenditures:				
Current operating:				
Food services:				
Salaries	13,619	13,619	13,619	-
Employee benefits	13,460	13,121	12,960	161
Supplies and materials	30,142	31,708	31,707	1
Total expenditures	<u>57,221</u>	<u>58,448</u>	<u>58,286</u>	<u>162</u>
Excess (deficiency) revenues over expenditures	(421)	(1,648)	1,169	2,817
Cash balance, beginning of year	<u>1,649</u>	<u>1,649</u>	<u>1,649</u>	<u>-</u>
Cash balance, end of year	<u>\$ 1,228</u>	<u>\$ 1</u>	<u>\$ 2,818</u>	<u>\$ 2,817</u>

Reconciliation of Budgetary Basis to GAAP Basis Statement:

Revenue - budgetary basis	\$ 59,455
Current year receivable/other credits	3,981
Prior year receivable/other debits	<u>(3,502)</u>
Revenue - GAAP basis	<u>\$ 59,934</u>
Expenditures - budgetary basis	\$ 58,286
Current year payable/other debits	3,650
Prior year payable/other credits	<u>(3,502)</u>
Expenditures - GAAP basis	<u>\$ 58,434</u>

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Special Revenue Fund - Athletics - 22000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Charges for services:				
Fees - activities	\$ 12,000	\$ 12,000	\$ 10,614	\$ (1,386)
Total revenues	<u>12,000</u>	<u>12,000</u>	<u>10,614</u>	<u>(1,386)</u>
Expenditures:				
Current operating:				
Athletics:				
Purchased services	7,600	15,600	12,790	2,810
Travel and training	<u>10,000</u>	<u>2,000</u>	<u>989</u>	<u>1,011</u>
Total expenditures	<u>17,600</u>	<u>17,600</u>	<u>13,779</u>	<u>3,821</u>
Excess (deficiency) revenues over expenditures	(5,600)	(5,600)	(3,165)	2,435
Cash balance, beginning of year	<u>6,140</u>	<u>6,140</u>	<u>6,140</u>	<u>-</u>
Cash balance, end of year	<u>\$ 540</u>	<u>\$ 540</u>	<u>\$ 2,975</u>	<u>\$ 2,435</u>

Reconciliation of Budgetary Basis to GAAP Basis Statement:

Revenue - budgetary basis	\$ 10,614
Current year receivable/other credits	-
Prior year receivable/other debits	<u>-</u>
Revenue - GAAP basis	<u>\$ 10,614</u>
Expenditures - budgetary basis	\$ 13,779
Current year payable/other debits	-
Prior year payable/other credits	<u>-</u>
Expenditures - GAAP basis	<u>\$ 13,779</u>

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Special Revenue Fund - IASA Title I - 24101
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Intergovernmental revenue:				
IASA Title I	\$ 51,826	\$ 59,197	\$ 50,931	\$ (8,266)
Total revenue	51,826	59,197	50,931	(8,266)
Expenditures:				
Current operating:				
Salaries	24,633	19,299	19,278	21
Employee benefits	8,647	9,652	7,844	1,808
Supplies and materials	5,946	15,817	14,563	1,254
Travel and training	12,600	14,429	11,556	2,873
Total expenditures	51,826	59,197	53,241	5,956
Excess (deficiency) revenues over expenditures	-	-	(2,310)	(2,310)
Other financing sources (uses):				
Transfers in (out)	-	-	2,310	2,310
Total other financing sources (uses)	-	-	2,310	2,310
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of Budgetary Basis to GAAP Basis Statement:				
Revenue - budgetary basis			\$ 50,931	
Current year receivable/other credits			22,680	
Prior year receivable/other debits			(10,860)	
Revenue - GAAP basis			\$ 62,751	
Expenditures - budgetary basis			\$ 53,241	
Current year payable/other debits			-	
Prior year payable/other credits			-	
Expenditures - GAAP basis			\$ 53,241	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Special Revenue Fund - Title V Innovation Education Program Strategies - 24150
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Intergovernmental revenue:				
Title V Innovation Ed Program Strat.	\$ 1,197	\$ 1,161	\$ 2,129	\$ 968
Total revenue	<u>1,197</u>	<u>1,161</u>	<u>2,129</u>	<u>968</u>
Expenditures:				
Current operating:				
Instructional support:				
Purchased services	200	-	-	
Supplies and materials	293	582	582	
Travel and training	704	579	579	-
Total expenditures	<u>1,197</u>	<u>1,161</u>	<u>1,161</u>	<u>-</u>
Excess (deficiency) revenues over expenditures	-	-	968	968
Other financing sources (uses):				
Transfers in (out)		-	(968)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(968)</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	-	968
Cash balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Reconciliation of Budgetary Basis to GAAP Basis Statement:

Revenue - budgetary basis	\$ 2,129
Current year receivable/other credits	120
Prior year receivable/other debits	<u>(1,088)</u>
Revenue - GAAP basis	<u>\$ 1,161</u>
Expenditures - budgetary basis	\$ 1,161
Current year payable/other debits	-
Prior year payable/other credits	<u>-</u>
Expenditures - GAAP basis	<u>\$ 1,161</u>

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Special Revenue Fund - Rural Education Achievement Program - 25233
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Intergovernmental revenue:				
Rural Education Achievement Program	\$ 13,671	\$ 13,671	\$ 13,671	\$ -
Total revenue	13,671	13,671	13,671	-
Expenditures:				
Current operating:				
Direct instruction:				
Salaries	760	760	760	-
Employee benefits	155	155	149	6
Supplies and materials	12,756	12,756	9,727	3,029
Total expenditures	13,671	13,671	10,636	3,035
Excess (deficiency) revenues over expenditures	-	-	3,035	3,035
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ 3,035	\$ 3,035
Reconciliation of Budgetary Basis to GAAP Basis Statement:				
Revenue - budgetary basis			\$ 13,671	
Current year receivable/other credits			-	
Prior year receivable/other debits			-	
Revenue - GAAP basis			\$ 13,671	
Expenditures - budgetary basis			\$ 10,636	
Current year payable/other debits			-	
Prior year payable/other credits			-	
Expenditures - GAAP basis			\$ 10,636	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Special Revenue Fund - CYFD Preschool - 28121
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance favorable (unfavor.)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Intergovernmental revenue:				
CYFD Preschool	\$ 6,203	\$ -	\$ 6,203	\$ 6,203
Total revenue	<u>6,203</u>	<u>-</u>	<u>6,203</u>	<u>6,203</u>
Expenditures:				
Current operating:				
Direct instruction:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
Supplies and materials	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues over expenditures	6,203	-	6,203	6,203
Other financing sources (uses):				
Transfers in (out)	-	-	(6,204)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(6,204)</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	6,203	-	(1)	6,203
Cash balance, beginning of year	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Cash balance, end of year	<u>\$ 6,204</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

Reconciliation of Budgetary Basis to GAAP Basis Statement:

Revenue - budgetary basis	\$ 6,203
Current year receivable/other credits	-
Prior year receivable/other debits	<u>(6,204)</u>
Revenue - GAAP basis	<u>\$ (1)</u>
Expenditures - budgetary basis	\$ -
Current year payable/other debits	-
Prior year payable/other credits	<u>-</u>
Expenditures - GAAP basis	<u>\$ -</u>

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Special Revenue Fund - Computerized Learning - 27123
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Intergovernmental revenue:				
State flow through grants	\$ -	\$ -	\$ -	\$ -
Total revenue	-	-	-	-
Expenditures:				
Current operating:				
Direct instruction:				
Supplies and materials	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) revenues over expenditures	-	-	-	-
Cash balance, beginning of year	400	400	400	-
Cash balance, end of year	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ -</u>
Reconciliation of Budgetary Basis to GAAP Basis Statement:				
Revenue - budgetary basis			\$ -	
Current year receivable/other credits			-	
Prior year receivable/other debits			-	
Revenue - GAAP basis			<u>\$ -</u>	
Expenditures - budgetary basis			\$ -	
Current year payable/other debits			-	
Prior year payable/other credits			-	
Expenditures - GAAP basis			<u>\$ -</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Special Revenue Fund - Technology for Education - 27117
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Intergovernmental revenue:				
State flow through grants	\$ 4,050	\$ 4,050	\$ 9,185	\$ 5,135
Total revenue	4,050	4,050	9,185	5,135
Expenditures:				
Current operating:				
Instructional support:				
Supplies and materials	280	280	280	-
Operation and maintenance of plant:				
Purchased services	3,770	3,770	1,445	2,325
Total expenditures	4,050	4,050	1,725	2,325
Excess (deficiency) revenues over expenditures	-	-	7,460	7,460
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of Budgetary Basis to GAAP Basis Statement:				
Revenue - budgetary basis			\$ 9,185	
Current year receivable/other credits			-	
Prior year receivable/other debits			-	
Revenue - GAAP basis			\$ 9,185	
Expenditures - budgetary basis			\$ 1,725	
Current year payable/other debits			-	
Prior year payable/other credits			-	
Expenditures - GAAP basis			\$ 1,725	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Special Revenue Funds - PreK Initiative - 27149
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Intergovernmental revenues:				
State flow through grants	\$ 15,749	\$ 15,749	\$ 11,890	\$ (3,859)
Total revenues	<u>15,749</u>	<u>15,749</u>	<u>11,890</u>	<u>(3,859)</u>
Expenditures:				
Current operating:				
Direct instruction:				
Salaries	12,855	12,855	12,855	-
Employee benefits	2,556	2,558	2,552	6
Supplies and materials	338	336	335	1
Total expenditures	<u>15,749</u>	<u>15,749</u>	<u>15,742</u>	<u>7</u>
Excess (deficiency) revenues over expenditures	-	-	(3,852)	(3,852)
Other financing sources (uses):				
Transfers	-	-	3,852	-
Total other financing sources (uses)	-	-	<u>3,852</u>	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	-	(3,852)
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Reconciliation of Budgetary Basis to GAAP Basis Statement:

Revenue - budgetary basis	\$ 11,890
Current year receivable/other credits	-
Prior year receivable/other debits	<u>3,851</u>
Revenue - GAAP basis	<u>\$ 15,741</u>
Expenditures - budgetary basis	\$ 15,742
Current year payable/other debits	-
Prior year payable/other credits	<u>-</u>
Expenditures - GAAP basis	<u>\$ 15,742</u>

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Special Revenue Fund - Legislative Appropriation - 27165
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
State sources:				
Legislative appropriation	\$ 10,909	\$ 10,909	\$ -	\$ (10,909)
Total revenue	10,909	10,909	-	(10,909)
Expenditures:				
Current operating:				
Direct instruction:				
Purchased services	10,909	7,692	7,048	644
Supply assets	-	3,217	3,217	-
Total expenditures	10,909	10,909	10,265	644
Excess (deficiency) revenues over expenditures	-	-	(10,265)	(10,265)
Other financing sources (uses):				
Transfers in (out)	-	-	10,266	10,266
Total other financing sources (uses)	-	-	10,266	10,266
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	1	1
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ 1	\$ 1
Reconciliation of Budgetary Basis to GAAP Basis Statement:				
Revenue - budgetary basis			\$ -	
Current year receivable/other credits			10,265	
Prior year receivable/other debits			-	
Revenue - GAAP basis			\$ 10,265	
Expenditures - budgetary basis			\$ 10,265	
Current year payable/other debits			-	
Prior year payable/other credits			-	
Expenditures - GAAP basis			\$ 10,265	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Special Revenue Fund - PreK - 27169
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u></u>
Revenue:				
Intergovernmental revenue:				
State flow through grants	\$ 7,540	\$ 7,540	\$ 6,767	\$ (773)
Total revenue	<u>7,540</u>	<u>7,540</u>	<u>6,767</u>	<u>(773)</u>
Expenditures:				
Current operating:				
Instructional support:				
Supplies and materials	990	990	924	66
Travel and training	599	599	599	-
Supply assets	<u>5,951</u>	<u>5,951</u>	<u>5,951</u>	<u>-</u>
Total expenditures	<u>7,540</u>	<u>7,540</u>	<u>7,474</u>	<u>66</u>
Excess (deficiency) revenues over expenditures	-	-	(707)	(707)
Other financing sources (uses):				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>708</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>708</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	1	(707)
Cash balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

Reconciliation of Budgetary Basis to GAAP Basis Statement:

Revenue - budgetary basis	\$ 6,767
Current year receivable/other credits	707
Prior year receivable/other debits	<u>-</u>
Revenue - GAAP basis	<u>\$ 7,474</u>
Expenditures - budgetary basis	\$ 7,474
Current year payable/other debits	-
Prior year payable/other credits	<u>-</u>
Expenditures - GAAP basis	<u>\$ 7,474</u>

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Special Revenue Fund - Libraries - 27170
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Intergovernmental revenue:				
State flow through grant	\$ 9,235	\$ 9,235	\$ -	\$ (9,235)
Total revenue	<u>9,235</u>	<u>9,235</u>	<u>-</u>	<u>(9,235)</u>
Expenditures:				
Current operating:				
Instructional support:				
Supplies and materials	<u>9,235</u>	<u>9,235</u>	<u>6,647</u>	<u>2,588</u>
Total expenditures	<u>9,235</u>	<u>9,235</u>	<u>6,647</u>	<u>2,588</u>
Excess (deficiency) revenues over expenditures	-	-	(6,647)	(6,647)
Other financing sources (uses):				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>6,647</u>	<u>6,647</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,647</u>	<u>6,647</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	-	-
Cash balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Reconciliation of Budgetary Basis to GAAP Basis Statement:

Revenue - budgetary basis	\$ -
Current year receivable/other credits	2,845
Prior year receivable/other debits	<u>-</u>
Revenue - GAAP basis	<u>\$ 2,845</u>
Expenditures - budgetary basis	\$ 6,647
Current year payable/other debits	-
Prior year payable/other credits	<u>-</u>
Expenditures - GAAP basis	<u>\$ 6,647</u>

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

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

Special Revenue Fund - School Based Health Center - 29130
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Miscellaneous:				
Administration Categorical	\$ 60,000	\$ 60,000	\$ 156,770	\$ 96,770
Total revenue	60,000	60,000	156,770	96,770
Expenditures:				
Current operating:				
Instructional support:				
Salaries	21,750	21,750	21,750	-
Employee benefits	8,179	8,179	6,792	1,387
Purchased services	23,760	23,760	8,426	15,334
Supplies and materials	5,561	5,561	2,241	3,320
Travel and training	750	750	653	97
Total expenditures	60,000	60,000	39,862	20,138
Excess (deficiency) revenues over expenditures	-	-	116,908	116,908
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ 116,908	\$ 116,908
Reconciliation of Budgetary Basis to GAAP Basis Statement:				
Revenue - budgetary basis			\$ 156,770	
Current year receivable/other credits			3,230	
Prior year receivable/other debits			-	
Revenue - GAAP basis			\$ 160,000	
Expenditures - budgetary basis			\$ 39,862	
Current year payable/other debits			-	
Prior year payable/other credits			-	
Expenditures - GAAP basis			\$ 39,862	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Special Revenue Fund - SBHC Value Options - 29131
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
State sources:				
State direct grants	\$ 30,000	\$ 30,000	\$ 25,000	\$ (5,000)
Total revenue	<u>30,000</u>	<u>30,000</u>	<u>25,000</u>	<u>(5,000)</u>
Expenditures:				
Current operating:				
Instructional support:				
Salaries	2,500	2,500	2,500	-
Employee benefits	498	498	495	3
Purchased services	20,000	20,000	1,275	18,725
Supplies and materials	<u>7,002</u>	<u>7,002</u>	<u>338</u>	<u>6,664</u>
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>4,608</u>	<u>25,392</u>
Excess (deficiency) revenues over expenditures	-	-	20,392	20,392
Cash balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,392</u>	<u>\$ 20,392</u>
Reconciliation of Budgetary Basis to GAAP Basis Statement:				
Revenue - budgetary basis			\$ 25,000	
Current year receivable/other credits			-	
Prior year receivable/other debits			<u>-</u>	
Revenue - GAAP basis			<u>\$ 25,000</u>	
Expenditures - budgetary basis			\$ 4,608	
Current year payable/other debits			-	
Prior year payable/other credits			<u>-</u>	
Expenditures - GAAP basis			<u>\$ 4,608</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

REC Special Revenue Fund - IDEA-B Discretionary- 24107
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Intergovernmental revenue:				
IDEA-B Discretionary	\$ 33,244	\$ 33,244	\$ 23,727	\$ (9,517)
Total revenue	<u>33,244</u>	<u>33,244</u>	<u>23,727</u>	<u>(9,517)</u>
Expenditures:				
Current operating:				
Instructional support:				
Personnel services	19,545	19,545	19,545	-
Employee benefits	12,500	12,249	12,173	76
Supplies and materials	1,199	-	-	-
Supply assets	-	1,450	1,450	-
Total expenditures	<u>33,244</u>	<u>33,244</u>	<u>33,168</u>	<u>76</u>
Excess (deficiency) revenues over expenditures	-	-	(9,441)	(9,441)
Other financing sources (uses):				
Transfers in (out)	-	-	9,442	9,442
Total other financing sources (uses)	-	-	9,442	9,442
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	1	1
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

Reconciliation of Budgetary Basis to GAAP Basis Statement:

Revenue - budgetary basis	\$ 23,727
Current year receivable/other credits	9,441
Prior year receivable/other debits	-
Revenue - GAAP basis	<u>\$ 33,168</u>
Expenditures - budgetary basis	\$ 33,168
Current year payable/other debits	-
Prior year payable/other credits	-
Expenditures - GAAP basis	<u>\$ 33,168</u>

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

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

REC Special Revenue Fund - IDEA-B Entitlement - 24106
 Statement of Revenues, Expenditures, and Changes in Cash
 Balance - Budget and Actual (Non - GAAP Budgetary Basis)
 For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Intergovernmental:				
IDEA-B Entitlement	\$ 21,988	\$ 21,988	\$ 21,954	\$ (34)
Total revenue	21,988	21,988	21,954	(34)
Expenditures:				
Current operating:				
Direct instruction:				
Salaries	17,652	17,652	17,652	-
Employee benefits	4,325	4,325	4,302	23
Supplies and materials	11	11	-	11
Total expenditures	21,988	21,988	21,954	34
Excess (deficiency) revenues over expenditures	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -

Reconciliation of Budgetary Basis to GAAP Basis Statement:

Revenue - budgetary basis	\$ 21,954
Current year receivable/other credits	-
Prior year receivable/other debits	-
Revenue - GAAP basis	\$ 21,954
Expenditures - budgetary basis	\$ 21,954
Current year payable/other debits	-
Prior year payable/other credits	-
Expenditures - GAAP basis	\$ 21,954

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

REC Special Revenue Fund - IDEA-B Preschool - 24109
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Intergovernmental revenue:				
IDEA-B Preschool	\$ 4,410	\$ 4,407	\$ 4,407	\$ -
Total revenue	4,410	4,407	4,407	-
Expenditures:				
Current operating:				
Direct instruction:				
Salaries	3,678	3,678	3,678	-
Employee benefits	732	729	729	-
Total expenditures	4,410	4,407	4,407	-
Excess (deficiency) revenues over expenditures	-	-	-	-
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of Budgetary Basis to GAAP Basis Statement:				
Revenue - budgetary basis			\$ 4,407	
Current year receivable/other credits			-	
Prior year receivable/other debits			-	
Revenue - GAAP basis			\$ 4,407	
Expenditures - budgetary basis			\$ 4,407	
Current year payable/other debits			-	
Prior year payable/other credits			-	
Expenditures - GAAP basis			\$ 4,407	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

REC Special Revenue Fund - Title IIA Teacher/Principal Training and Recruiting - 24154
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2008

	Budgeted Amounts		Actual	Variance favorable (unfavor.)
	Original	Final		
Revenue:				
Intergovernmental revenue:				
Teacher/principal training&recruiting	\$ 11,446	\$ 13,441	\$ 14,756	\$ 1,315
Total revenue	11,446	13,441	14,756	1,315
Expenditures:				
Current operating:				
Direct instruction:				
Travel and training	-	1,995	1,955	40
Instructional support:				
Salaries	9,500	9,500	9,500	-
Employee benefits	1,897	1,897	1,829	68
Purchased services	49	49	-	49
Total expenditures	11,446	13,441	13,284	157
Excess (deficiency) revenues over expenditures	-	-	1,472	1,472
Other financing sources (uses):				
Transfers in (out)	-	-	(1,471)	(1,471)
Total other financing sources (uses)	-	-	(1,471)	(1,471)
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	1	1
Cash balance, beginning of year	-	-	-	-
Cash balance, end of year	\$ -	\$ -	\$ 1	\$ 1

Reconciliation of Budgetary Basis to GAAP Basis Statement:

Revenue - budgetary basis	\$ 14,756
Current year receivable/other credits	-
Prior year receivable/other debits	-
Revenue - GAAP basis	\$ 14,756
Expenditures - budgetary basis	\$ 13,284
Current year payable/other debits	-
Prior year payable/other credits	-
Expenditures - GAAP basis	\$ 13,284

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

Supplemental Agency Funds

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

Agency Funds
 Statement of Changes in Assets and Liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>ASSETS</u>				
Student activity groups	\$ 35,801	\$ 60,803	\$ (60,431)	\$ 36,173
Total assets	<u>\$ 35,801</u>	<u>\$ 60,803</u>	<u>\$ (60,431)</u>	<u>\$ 36,173</u>
<u>LIABILITIES</u>				
Funds handled on behalf of:				
Student activity groups	\$ 35,801	\$ 60,803	\$ (60,431)	\$ 36,173
Total liabilities	<u>\$ 35,801</u>	<u>\$ 60,803</u>	<u>\$ (60,431)</u>	<u>\$ 36,173</u>

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Agency Funds - Activity
Statement of Changes in Assets and Liabilities
June 30, 2008

	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS				
General	\$ 5,979	\$ 9,510	\$ 13,847	\$ 1,642
Annual	2,334	3,590	2,059	3,865
Class of : 2007	462	-	294	168
Class of : 2008	419	383	667	135
Class of : 2009	2,947	3,180	3,642	2,485
Class of : 2010	3,593	303	-	3,896
Class of : 2011	1,515	224	40	1,699
Class of : 2012	806	172	213	765
Class of : 2013	2,106	201	-	2,307
Class of : 2014	447	139	-	586
Class of : 2015	1,205	271	-	1,476
Class of : 2016	1,000	147	-	1,147
Class of : 2017	438	164	-	602
Class of : 2018	424	163	-	587
Class of : 2019	189	57	-	246
Class of 2020	-	126	-	126
100+ Student Meals	530	-	-	530
Cheerleaders	712	1,853	1,689	876
Library	102	1,670	1,204	568
National Honor Society	1	43	44	-
BPA	-	9,482	9,001	481
Special Travel	631	836	1,061	406
Student Council	1,329	1,045	1,013	1,361
FFA	2,705	19,081	21,756	30
Science	76	612	235	453
Concessions	351	2,051	1,954	448
Basketball	-	5,500	1,712	3,788
CD	5,500	-	-	5,500
Total assets	\$ 35,801	\$ 60,803	\$ 60,431	\$ 36,173
LIABILITIES				
Due to student groups	\$ 35,801	\$ 60,803	\$ 60,431	\$ 36,173
Total liabilities	\$ 35,801	\$ 60,803	\$ 60,431	\$ 36,173

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

Cash Reconciliation

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOL

Cash Reconciliation - All Funds
For the year ended June 30, 2008

	<u>General 11000-14000</u>	<u>Debt 41000</u>	<u>PSCO 31200</u>	<u>SB-9 31700</u>
Cash in bank, beginning of year	\$ 109,348	\$ -	\$ -	\$ 8,095
Total cash	109,348	-	-	8,095
Add:				
Revenues	1,966,191	79,428	-	49,561
Other financing sources	<u>-</u>	<u>9,227</u>	<u>-</u>	<u>-</u>
Total cash available	2,075,539	88,655	-	57,656
Less:				
Expenditures	1,907,599	88,654	-	28,273
Other financing use+A1798	<u>33,809</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash balance, end of year	<u>\$ 134,131</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 29,383</u>
Balance per bank	\$ 207,928	\$ 1	\$ -	\$ 29,383
Deduct outstanding checks	<u>(73,797)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash, end of year	<u>\$ 134,131</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 29,383</u>

<u>Food 21000</u>	<u>Athletics 22000</u>	<u>Federal 24101-25233</u>	<u>State 27117-29131</u>	<u>REC</u>
\$ 1,649	\$ 6,140	\$ -	\$ 66,726	\$ -
1,649	6,140	-	66,726	-
59,455	10,614	66,731	302,071	64,845
-	-	1,342	15,269	7,971
61,104	16,754	68,073	384,066	72,816
58,286	13,779	65,038	125,807	72,814
-	-	-	-	-
<u>\$ 2,818</u>	<u>\$ 2,975</u>	<u>\$ 3,035</u>	<u>\$ 258,259</u>	<u>\$ 2</u>
\$ 6,495	\$ 2,975	\$ 15,779	\$ 262,032	\$ 3,126
(3,677)	-	(12,744)	(3,773)	(3,124)
<u>\$ 2,818</u>	<u>\$ 2,975</u>	<u>\$ 3,035</u>	<u>\$ 258,259</u>	<u>\$ 2</u>

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOL

Cash Reconciliation - All Funds
 For the year ended June 30, 2008

	All Governmental Funds Totals	Activities
Cash in bank, beginning of year	<u>\$ 191,958</u>	<u>\$ 35,801</u>
Total cash	191,958	35,801
Add:		
Revenues	2,598,896	-
Other financing sources	<u>33,809</u>	<u>-</u>
Total cash available	2,824,663	35,801
Less:		
Expenditures	2,360,250	-
Other financing uses	<u>33,809</u>	<u>-</u>
Total cash balance, end of year	<u><u>\$ 430,604</u></u>	<u><u>\$ 35,801</u></u>
Balance per bank	\$ 527,719	\$ 35,801
Deduct outstanding checks	<u>(97,115)</u>	<u>-</u>
Net cash, end of year	<u><u>\$ 430,604</u></u>	<u><u>\$ 35,801</u></u>

Compliance Section

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Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*

Mr. Hector H. Balderas
State Auditor of the State of New Mexico
Board Members of the San Jon Municipal School District

Mr. Martinez and Members of the Board

I have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of the district as of and for the year ended June 30, 2008, and have issued my report thereon dated November 14, 2008. I conducted my 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 my audit, I considered the District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my 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, I 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.

My 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. I did not identify any deficiencies in internal control over financial reporting that I 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, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my test disclosed one

Mr. Hector H. Balderas
State Auditor of the State of New Mexico
Board Members of San Jon Municipal School District
Page 2

instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and responses as findings 08-1.

I noted certain matters that are required to be reported under *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and responses as findings 08-1.

The district's responses to the findings identified in my audit are described in the accompanying schedule of findings and responses. I did not audit the district's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of management, the school board members, the State Auditor, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.



Sandra Rush, CPA
November 14, 2008

STATE OF NEW MEXICO
San Jon Municipal School

Schedule of Findings and Responses
June 30, 2008

Prior Year Audit Findings

There are no prior year findings.

Current Year Audit Findings

2008-1 Audit Report Late

Condition

The June 30, 2008 audit report was not filed timely as required by the State Auditors Rule NMAC 2.2.2.9.A.

Criteria

In accordance with State Auditor Rule NMAC 2.2.2.9.A, the audited financial statements and other required documents are due by November 15, annually.

Cause

The audited financial statements and the required documents were not submitted by November 15, 2008.

The auditor did not receive a signed contract until November 10, 2008. Also the auditor became ill and was allowed to work only a limited number of hours per day until follow up appointment on May 5, 2009.

Effect

The District is not in compliance with State Auditor Rule NMAC 2.2.2.9.A, for the fiscal year ended June 30, 2008.

Recommendation

The audit report should be submitted to the State Auditor by the November 15 deadline.

Response

The District agrees.

Financial Statement Preparation

The financial statements were prepared by District personnel with assistance from Sandra Rush, CPA.

Exit Conference

The contents of this report were discussed with, Gary Salazar, Superintendent, Tim Foster, Board Vice-President, Stacey Kent, staff, and Sandra Rush, CPA, in an exit conference on November 11, 2008.