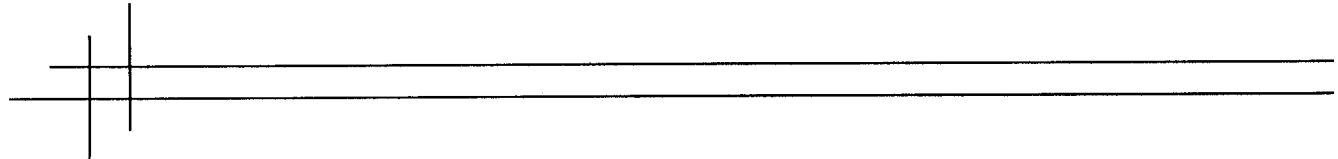




**FRIENDS OF ANANSI CHARTER SCHOOL
RANCHOS DE TAOS, NEW MEXICO**

ANNUAL FINANCIAL REPORT
June 30, 2008

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



FRIENDS OF ANANSI CHARTER SCHOOL
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For the Year Ended June 30, 2008

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FRIENDS OF ANANSI CHARTER SCHOOL

Official Roster

June 30, 2008

EXECUTIVE COMMITTEE

Eric Ames	President
Ann Marie Woolridge	Secretary
Sanjay Poovadan	Treasurer
Andrew Cox	Member

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(505) 253-4313

Independent Auditor's Report

Mr. Hector H. Balderas
State Auditor of the State of New Mexico
Members of the Board of Friends of Anansi Charter School

Mr. Balderas and Members of the Board

We have audited the accompanying balance sheet of Friends of the Anansi Charter School (Foundation), as of June 30, 2008 and the related statements of income, expenses and changes in Equity and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above, present fairly in all material respects, the financial position of Friends of Anansi Charter School as of June 30, 2008 and the results of its operations and cash flows, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 14, 2008 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

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

De'Aun Willoughby CPA PC

November 14, 2007

FRIENDS OF ANANSI CHARTER SCHOOL

Balance Sheet

June 30, 2008

ASSETS

Current Assets

Cash and cash equivalents

\$ 7,894

Total Current Assets

7,894

Restricted Cash

Construction

100

Total Restricted Cash

100

Total Assets

\$ 7,994

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable

\$ 0

Total Current Liabilities

0

Total Liabilities

0

Equity

Restricted for:

Capital Projects

100

Unrestricted

7,894

Total Equity

7,994

Total Liabilities and Equity

\$ 7,994

The accompanying notes are an integral part of these financial statements

FRIENDS OF ANANSI CHARTER SCHOOL
Statement of Income, Expenses and Changes in Equity
For the Year Ended June 30, 2008

Campaign Results	
Donations	\$ 13,645
Unrestricted Contributions	5,758
	<u>19,403</u>
Other Revenues	
Interest Income	14
Miscellaneous	1,598
Total Other Revenues	<u>1,612</u>
 Total Revenues	 <u>21,015</u>
Expenses	
Contract Services	12,952
Student Field Trips	3,069
Supplies & Materials	183
Miscellaneous	2,381
Total Expense	<u>18,585</u>
 Net Income	 2,430
 Net Assets at Beginning of Year	 <u>5,564</u>
 Net Assets at End of Year	 \$ <u><u>7,994</u></u>

The accompanying notes are an integral part of these financial statements

FRIENDS OF ANANSI CHARTER SCHOOL

Statement of Cash Flows

For the Year Ended June 30, 2008

Cash Flows from Operating Activities	
Operating Income (Loss)	\$ 2,430
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities	
Depreciation	<u>3,069</u>
Net Cash Provided by Operating Activities	<u>5,499</u>
Net Increase (Decrease) in Cash	5,499
Cash and Cash Equivalents at Beginning of Year	<u>2,495</u>
Cash and Cash Equivalents at End of Year	<u>\$ 7,994</u>
Cash and Cash Equivalents	\$ 7,894
Restricted Cash	<u>100</u>
Total Cash	<u>\$ 7,994</u>

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

The accompanying notes are an integral part of these financial statements

NOTE A: ORGANIZATION

The Foundation has been in existence since August 2007 and is currently operating under the provisions of a 501(c) 3 nonprofit organization by the authority of the Internal Revenue Service. The Foundation operates with a local advisory board form of organization for the purpose of providing supporting funds to the Anansi Charter School.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Foundation's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principals generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Use of Estimates

Management uses estimates and assumptions, such as depreciation, in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results may differ from those estimates.

Cash and Cash Equivalents

The Foundation considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The cash and cash equivalents included only demand deposits with banks.

Fixed Assets and Depreciation

Property and equipment are recorded at acquisition for cost and are depreciated using the straight-line basis over the useful life of 50 years for the building.

Long-Term Liabilities

The Foundation borrowed long-term financing for the purpose of financing the construction of a school building for the Anansi Charter School. Funding to service the debt is provided by rent charges for the facilities.

Restricted Cash

Restricted cash reported on the statement of net assets are contributions made for specific purposes. The money is earmarked for such purposes and should be spent accordingly.

NOTE C: CASH AND INVESTMENTS

Centinel Bank	Balance Per Bank 06-30-08	Reconciled Balance	Type
The Friends of Anansi Charter School	\$ 7,994	\$ 7,994	Checking
TOTAL Deposited	<u>7,994</u>	<u>\$ 7,994</u>	
Uninsured Amount	<u>\$ 7,994</u>		

Custodial Credit Risk-Deposits

	Bank Balance
TOTAL Deposited	\$ 7,994
Less: FDIC Coverage	<u>7,994</u>
Uninsured Amount	<u>0</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Foundation does not have a deposit policy for custodial credit risk. As of June 30, 2008 none of the Foundation's bank balance of \$7,994 was exposed to custodial credit risk.

NOTE D: RELATED PARTY TRANSACTIONS

The Foundation meets the criteria of GASB Statement No. 14 and is a component unit of the Anansi Charter School.

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(505) 253-4313

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

Mr. Hector H. Balderas
State Auditor of the State of New Mexico
Members of the Board of Friends of Anansi Charter School

Mr. Balderas and Members of the Board

We have audited the financial statements of the Friends of Anansi Charter School (Foundation). We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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, a combination of control deficiencies, that adversely affects the Foundation'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 Foundation's financial statements that is more than inconsequential will not be prevented or detected by the Foundation'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 Foundation's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of the audit, and that, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management and the Office of the State Auditor, and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

De'Ann Willoughby, CPA PC

November 14, 2007

STATE OF NEW MEXICO
FRIENDS OF ANANSI CHARTER SCHOOL
Schedule of Findings and Responses
For the Year Ended June 30, 2008

Prior Year Audit Findings

There was no previous year findings.

Current Year Audit Findings

There are no current year audit findings.

Financial Statement Preparation

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

Exit Conference

An exit conference was held November 14, 2008. Those present were Ann Marie Wooldridge, Member, and De'Aun Willoughby-CPA.