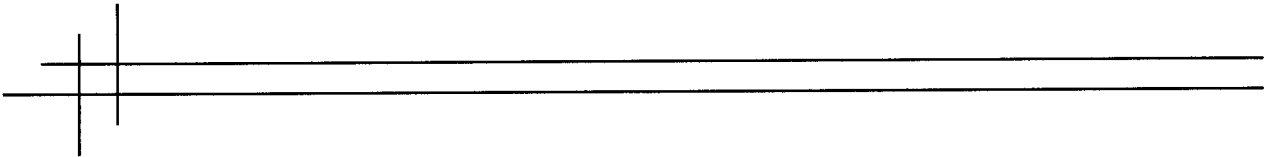




STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**

**ANNUAL FINANCIAL REPORT**  
June 30, 2008

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



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STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
Official Roster  
For the Year Ended June 30, 2008

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**BOARD OF EDUCATION**

Edwin Hernandez	President
Ellen Edersole	Secretary
Bruce Maldonado	Member
Cheryl Concha	Member
Joella Gallegos	Member

**SCHOOL OFFICIALS**

Greg Perry	Director
Domingo Sanchez	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223    Melrose, NM 88124

(505) 253-4313

Independent Auditor's Report

Mr. Hector Balderas  
State Auditor of the State of New Mexico  
Board Members of the VISTA GRANDE HIGH SCHOOL

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of VISTA GRANDE HIGH SCHOOL, (School) a component unit of Taos Municipal Schools, as of and for the year ended June 30, 2008, which collectively comprise the School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express opinions on these financial statement based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the School as of June 30, 2008, and the respective changes in financial position and the respective budgetary comparisons for capital project funds and the nonmajor fund 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 15, 2008, on our consideration of the School'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 School has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements and the combining and individual financial statements and budgetary comparisons presented as supplemental information.

Our audit was conducted for the purpose of forming opinions on the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*De'Ann Willoughby, CPA PC*

November 14, 2008

## **FINANCIAL SECTION**

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
 Statement of Net Assets  
 June 30, 2008

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 79,659
Due from Grantor	<u>195,709</u>
Total Current Assets	<u>275,368</u>
Total Assets	<u>275,368</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	<u>0</u>
Total Current Liabilities	<u>0</u>
Total Liabilities	<u>0</u>
<b>NET ASSETS</b>	
Restricted for:	
Capital Projects	80,891
Unrestricted	<u>194,477</u>
Total Net Assets	<u>\$ 275,368</u>

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



STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
Statement of Activities  
For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Instruction	\$ 624,663	\$ 9,728	\$ 425,226	\$ 0	\$ (189,709)
Support Services-Students	140,146	0	32,583	0	(107,563)
General Administration	12,019	0	2,333	0	(9,686)
School Administration	153,574	0	2,736	0	(150,838)
Central Services	96,714	0	2,525	0	(94,189)
Operation of Plant	185,644	0	198,549	0	12,905
Total Governmental Activities	<u>\$ 1,212,760</u>	<u>\$ 9,728</u>	<u>\$ 663,952</u>	<u>\$ 0</u>	<u>\$ (539,080)</u>
<b>General Revenues</b>					
State aid not restricted to specific purpose					812,325
General					2,098
Miscellaneous					<u>814,423</u>
Subtotal, General Revenues					
Change in Net Assets					275,343
Net Assets - beginning					<u>25</u>
Net Assets - ending					<u>\$ 275,368</u>

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

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
 GOVERNMENTAL FUNDS  
 Balance Sheet  
 June 30, 2008

	General Fund		
	Operational 11000	Instructional Materials 14000	Charter School 24146
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables	0		
Due From Grantor	0	0	144,583
Interfund Balances	116,498	42,588	0
<b>Total Assets</b>	<b>\$ 116,498</b>	<b>\$ 42,588</b>	<b>\$ 144,583</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balances	\$ 0	\$ 0	\$ 144,583
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>144,583</b>
<b>Fund Balances</b>			
Reserved for:			
Capital Projects	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	116,498	42,588	0
Special Revenue Funds	0	0	0
<b>Total Fund Balances</b>	<b>116,498</b>	<b>42,588</b>	<b>0</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 116,498</b>	<b>\$ 42,588</b>	<b>\$ 144,583</b>

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

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
 GOVERNMENTAL FUNDS  
 Balance Sheet  
 June 30, 2008

	Charter School Planning <u>27112</u>	Library GO Bonds <u>27145</u>	After School Enrichment <u>28112</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 28,947	\$ 6,444	\$ 0
Receivables			
Due From Grantor	0	0	36,196
Interfund Balances	0	0	0
Total Assets	<u>\$ 28,947</u>	<u>\$ 6,444</u>	<u>\$ 36,196</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balances	\$ 0	\$ 0	\$ 36,196
Total Liabilities	<u>0</u>	<u>0</u>	<u>36,196</u>
<b>Fund Balances</b>			
Reserved for:			
Capital Projects	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	0	0	0
Special Revenue Funds	28,947	6,444	0
Total Fund Balances	<u>28,947</u>	<u>6,444</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 28,947</u>	<u>\$ 6,444</u>	<u>\$ 36,196</u>

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

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
 GOVERNMENTAL FUNDS  
 Balance Sheet  
 June 30, 2008

	<u>PSCOC 31200</u>	<u>Ed Tech Equipment 31900</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 0	\$ 44,268	\$ 79,659
Receivables			
Due From Grantor	14,930	0	195,709
Interfund Balances	0	36,623	195,709
Total Assets	<u>\$ 14,930</u>	<u>\$ 80,891</u>	<u>\$ 471,077</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Interfund Balances	\$ 14,930	\$ 0	\$ 195,709
Total Liabilities	<u>14,930</u>	<u>0</u>	<u>195,709</u>
<b>Fund Balances</b>			
Reserved for:			
Capital Projects	0	80,891	80,891
Unreserved, Undesignated, reported in:			
General Fund	0	0	159,086
Special Revenue Funds	0	0	35,391
Total Fund Balances	<u>0</u>	<u>80,891</u>	<u>275,368</u>
Total Liabilities and Fund Balances	<u>\$ 14,930</u>	<u>\$ 80,891</u>	<u>\$ 471,077</u>

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

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
June 30, 2008

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

Total Fund Balance - Governmental Funds	\$ <u>275,368</u>
Total net assets - governmental activities	\$ <u><u>275,368</u></u>

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

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2008

	General Fund		
	Operational 11000	Instructional Materials 14000	Charter School 24146
<b>Revenues</b>			
Fees	\$ 9,728	\$ 0	\$ 0
State & Local Grants	812,325	53,072	0
Federal Grants	0	0	349,149
Miscellaneous	2,098	0	0
Total Revenues	<u>824,151</u>	<u>53,072</u>	<u>349,149</u>
<b>Expenditures</b>			
Current			
Instruction	334,688	10,484	239,745
Support Services-Students	114,317	0	5,935
General Administration	9,686	0	2,333
School Administration	150,838	0	2,736
Central Services	94,189	0	2,525
Operation and Maintenance of Plant	3,935	0	95,900
Total Expenditures	<u>707,653</u>	<u>10,484</u>	<u>349,174</u>
Excess (Deficiency) of Revenues Over Expenditures	116,498	42,588	(25)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>25</u>
Fund Balance End of Year	<u>\$ 116,498</u>	<u>\$ 42,588</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
 GOVERNMENTAL FUNDS  
 Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 For the Year Ended June 30, 2008

	Charter School Planning 27112	Library GO Bonds 27145	After School Enrichment 28112
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	85,000	6,444	36,196
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>85,000</u>	<u>6,444</u>	<u>36,196</u>
<b>Expenditures</b>			
Current			
Instruction	22,844	0	16,902
Support Services-Students	600	0	19,294
General Administration	0	0	0
School Administration	0	0	0
Central Services	0	0	0
Operation and Maintenance of Plant	32,609	0	0
Total Expenditures	<u>56,053</u>	<u>0</u>	<u>36,196</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>			
	28,947	6,444	0
<b>Fund Balances at Beginning of Year</b>			
	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balance End of Year</b>			
	<u>\$ 28,947</u>	<u>\$ 6,444</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2008

	PSCOC 31200	Ed Tech Equipment 31900	Total Governmental Funds
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 9,728
State & Local Grants	53,200	0	1,046,237
Federal Grants	0	0	349,149
Miscellaneous	0	80,891	82,989
Total Revenues	<u>53,200</u>	<u>80,891</u>	<u>1,488,103</u>
<b>Expenditures</b>			
Current			
Instruction	0	0	624,663
Support Services-Students	0	0	140,146
General Administration	0	0	12,019
School Administration	0	0	153,574
Central Services	0	0	96,714
Operation and Maintenance of Plant	53,200	0	185,644
Total Expenditures	<u>53,200</u>	<u>0</u>	<u>1,212,760</u>
Excess (Deficiency) of Revenues Over Expenditures	0	80,891	275,343
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>25</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 80,891</u>	<u>\$ 275,368</u>

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



STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balance  
to the Statement of Activities  
For the Year Ended June 30, 2008

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Net Change in Fund Balance-Governmental Funds	\$ <u>275,343</u>
Change in Net Assets of Governmental Activities	\$ <u><u>275,343</u></u>

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

## STATE OF NEW MEXICO

**VISTA GRANDE HIGH SCHOOL**

## GENERAL FUND-OPERATIONAL-11000

## Statement of Revenues, Expenditures, and Changes in Cash Balance -

## Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Fees	\$ 500	\$ 500	\$ 9,728	\$ 9,228
Miscellaneous	500	500	2,098	1,598
State Grant	1,098,438	1,098,438	812,325	(286,113)
Total Revenues	<u>1,099,438</u>	<u>1,099,438</u>	<u>824,151</u>	<u>(275,287)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	278,969	231,045	218,248	12,797
Employee Benefits	68,000	67,139	67,139	0
Professional & Tech Services	0	677	677	0
Purchased Services	92,000	27,851	27,851	0
Supplies	5,362	3,362	2,232	1,130
Supply Assets	2,000	18,540	18,540	0
Total Instruction	<u>446,331</u>	<u>348,614</u>	<u>334,687</u>	<u>13,927</u>
<b>Support Services-Students</b>				
Personnel Services	100,000	69,828	69,828	0
Employee Benefits	40,105	22,444	22,444	0
Other Purchased Services	29,000	26,815	22,045	4,770
Total Support Services-Students	<u>169,105</u>	<u>119,087</u>	<u>114,317</u>	<u>4,770</u>
<b>Support Services-General Administration</b>				
Professional & Tech Services	2,768	6,241	6,241	0
Purchased Services	1,050	1,952	1,952	0
Supplies	1,000	1,493	1,493	0
Total Support Services-General Administration	<u>4,818</u>	<u>9,686</u>	<u>9,686</u>	<u>0</u>
<b>Support Services-School Administration</b>				
Personnel Services	115,000	115,000	115,000	0
Employee Benefits	40,001	34,218	34,218	0
Purchased Services	0	1,620	1,620	0
Total Support Services-School Administration	<u>155,001</u>	<u>150,838</u>	<u>150,838</u>	<u>0</u>
<b>Central Services</b>				
Personnel Services	35,000	35,000	35,000	0
Employee Benefits	0	11,285	11,285	0
Professional & Tech Services	35,639	46,420	46,420	0
Purchased Services	0	1,484	1,484	0
Total Central Services	<u>\$ 70,639</u>	<u>\$ 94,189</u>	<u>\$ 94,189</u>	<u>\$ 0</u>

## STATE OF NEW MEXICO

**VISTA GRANDE HIGH SCHOOL**

## GENERAL FUND-OPERATIONAL-11000

## Statement of Revenues, Expenditures, and Changes in Cash Balance -

## Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Operation & Maintenance of Plant				
Professional & Tech Services	\$ 18,300	\$ 1,378	\$ 1,378	\$ 0
Purchased Property Services	17,956	91,781	1,751	90,030
Purchased Services	18,361	0	0	0
Supplies	2,000	1,195	805	390
Property	9,000	0		0
Total Operation & Maintenance of Plant	<u>65,617</u>	<u>94,354</u>	<u>3,934</u>	<u>90,420</u>
Total Expenditures	<u>911,511</u>	<u>816,768</u>	<u>707,651</u>	<u>109,117</u>
Excess (Deficiency) of Revenues Over Expenditures	187,927	282,670	116,500	(166,170)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 187,927</u>	<u>\$ 282,670</u>	<u>\$ 116,500</u>	<u>\$ (166,170)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 116,500	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 116,500</u>	

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

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 79,574	\$ 79,574	\$ 53,072	\$ (26,502)
Total Revenues	<u>79,574</u>	<u>79,574</u>	<u>53,072</u>	<u>(26,502)</u>
Expenditures				
Instruction				
Supplies	79,574	79,574	10,484	69,090
Total Instruction	<u>79,574</u>	<u>79,574</u>	<u>10,484</u>	<u>69,090</u>
Total Expenditures	<u>79,574</u>	<u>79,574</u>	<u>10,484</u>	<u>69,090</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	42,588	42,588
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 42,588</u>	<u>\$ 42,588</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 42,588	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 42,588</u>	

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

## STATE OF NEW MEXICO

## VISTA GRANDE HIGH SCHOOL

## SPECIAL REVENUE FUND-CHARTER SCHOOL-24146

## Statement of Revenues, Expenditures, and Changes in Cash Balance -

## Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 354,585	\$ 354,585	\$ 265,806	\$ (88,779)
Total Revenues	<u>354,585</u>	<u>354,585</u>	<u>265,806</u>	<u>(88,779)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Other Purchased Services	55,070	26,222	26,222	0
Supplies	299,522	282,759	274,894	7,865
Total Instruction	<u>354,592</u>	<u>308,981</u>	<u>301,116</u>	<u>7,865</u>
<b>Support Services-Students</b>				
Other Purchased Services	0	5,935	5,935	0
Total Support Services-Students	<u>0</u>	<u>5,935</u>	<u>5,935</u>	<u>0</u>
<b>Support Services-General Administration</b>				
Other Purchased Services	0	2,333	2,333	0
Total Support Services-General Administration	<u>0</u>	<u>2,333</u>	<u>2,333</u>	<u>0</u>
<b>Support Services-School Administration</b>				
Other Purchased Services	0	2,736	2,736	0
Total Support Services-School Administration	<u>0</u>	<u>2,736</u>	<u>2,736</u>	<u>0</u>
<b>Central Services</b>				
Professional & Tech Services	0	1,789	1,789	0
Purchased Services	0	102	102	0
Supplies	0	633	633	0
Total Central Services	<u>0</u>	<u>2,524</u>	<u>2,524</u>	<u>0</u>
<b>Operation &amp; Maintenance of Plant</b>				
Purchased Services	0	95,900	95,752	148
Total Operation & Maintenance of Plant	<u>0</u>	<u>95,900</u>	<u>95,752</u>	<u>148</u>
Total Expenditures	<u>354,592</u>	<u>418,409</u>	<u>410,396</u>	<u>8,013</u>
Excess (Deficiency) of Revenues Over Expenditures	(7)	(63,824)	(144,590)	(80,766)
Cash Balance Beginning of Year	<u>7</u>	<u>7</u>	<u>7</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ (63,817)</u>	<u>\$ (144,583)</u>	<u>\$ (80,766)</u>

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
 SPECIAL REVENUE FUND-CHARTER SCHOOL-24146  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2008

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Reconciliation of Budgetary Basis to GAAP Basis	
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis	\$ (144,590)
Net Change in Due from Grantor	(83,343)
Net Change in Utility Deposit	150
Net Change in Employee Advances	564
Net Change in Accounts Payable	59,935
Net Change in Loan from an Individual	2,000
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis	<u>\$ (165,284)</u>

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

## STATE OF NEW MEXICO

**VISTA GRANDE HIGH SCHOOL**SPECIAL REVENUE FUND-CHARTER SCHOOL PLANNING-27112  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 85,000	\$ 85,000	\$ 0
Total Revenues	<u>0</u>	<u>85,000</u>	<u>85,000</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Other Purchased Services	0	950	0	950
Supplies	0	23,375	7,664	15,711
Supply Assets	0	17,177	15,180	1,997
Total Instruction	<u>0</u>	<u>41,502</u>	<u>22,844</u>	<u>18,658</u>
<b>Support Services-Students</b>				
Other Purchased Services	0	6,300	600	5,700
Supplies	0	3,800	0	3,800
Total Support Services-Students	<u>0</u>	<u>10,100</u>	<u>600</u>	<u>9,500</u>
<b>Operation &amp; Maintenance of Plant</b>				
Supplies	0	3,342	2,553	789
Supply Assets	0	30,056	30,056	0
Total Operation & Maintenance of Plant	<u>0</u>	<u>33,398</u>	<u>32,609</u>	<u>789</u>
Total Expenditures	<u>0</u>	<u>85,000</u>	<u>56,053</u>	<u>28,947</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	28,947	28,947
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 28,947</u>	<u>\$ 28,947</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 28,947	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 28,947	

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

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
SPECIAL REVENUE FUND-LIBRARY GO BOND-27145  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 6,444	\$ 6,444	\$ 0
Total Revenues	<u>0</u>	<u>6,444</u>	<u>6,444</u>	<u>0</u>
<b>Expenditures</b>				
Support Services-Students				
Supplies	0	6,444	0	6,444
Total Support Services-Students	<u>0</u>	<u>6,444</u>	<u>0</u>	<u>6,444</u>
Total Expenditures	<u>0</u>	<u>6,444</u>	<u>0</u>	<u>6,444</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	6,444	6,444
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,444</u>	<u>\$ 6,444</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,444	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 6,444</u>	

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



## STATE OF NEW MEXICO

**VISTA GRANDE HIGH SCHOOL**

## SPECIAL REVENUE FUND-AFTER SCHOOL ENRICHMENT-28112

## Statement of Revenues, Expenditures, and Changes in Cash Balance -

## Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 0	\$ 40,000	\$ 0	\$ (40,000)
Total Revenues	<u>0</u>	<u>40,000</u>	<u>0</u>	<u>(40,000)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	14,540	14,540	0
Employee Benefits	0	2,362	2,362	0
Total Instruction	<u>0</u>	<u>16,902</u>	<u>16,902</u>	<u>0</u>
<b>Support Services-Students</b>				
Other Purchased Services	0	13,419	9,615	3,804
Supplies	0	9,679	9,679	0
Total Support Services-Students	<u>0</u>	<u>23,098</u>	<u>19,294</u>	<u>3,804</u>
Total Expenditures	<u>0</u>	<u>40,000</u>	<u>36,196</u>	<u>3,804</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(36,196)	(36,196)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (36,196)</u>	<u>\$ (36,196)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (36,196)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (36,196)</u>	

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

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

**Financial Reporting Entity**

The School has been in existence since August 2007 and is currently operating under the provisions of the Public School Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The School operates with a local board of education - superintendent form of government and provides a supervised program of instruction designed to educate students at the secondary level.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School is considered a component unit, since its budget is approved by Taos Municipal Schools elected officials. GASB Statement No. 14 defines a component unit as who is not fiscally independent meaning that the School may not, 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 School has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected School 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 School has a significant relationship.

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

There is only one fund, a special revenue governmental fund. The Special Revenue Fund is the operating account.

### **Governmental Funds**

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

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

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

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

### **Major Funds**

The School reports the following major governmental funds:

#### **GENERAL FUND (11000)(14000)**

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

#### **SPECIAL REVENUE FUND**

##### **Charter School - 24146**

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, Charter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of the Federal grant provisions.

##### **Charter School Planning - 27112**

To account for a program funded by a state grant to supplement the regular instructional program for charter schools. The fund was created by the authority of state grant provisions.

**Library GO Bonds - 27145**

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

**After School Enrichment - 28112**

To account for revenues and expenditures from a state grant to provide services for students after school hours. The fund was created by the authority of state grant provisions.

**CAPITAL PROJECTS**

**PSCOC - 31200**

To provide financial assistance for the payment of premises rent.

**Ed Tech Equipment - 31900**

To account for the School's share of a bond issue to provide technology equipment for the students.

**Measurement Focus and Basis of Accounting**

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

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

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

**Program Revenues**

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

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

Governmental Funds

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

Revenues

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

Expenditures

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

Other Financing Sources (Uses)

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

Basis of Budgeting

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

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

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

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the School for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the School shall contain headings and details as prescribed by law.

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
Notes to the Financial Statements  
June 30, 2008

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2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the School for the ensuing fiscal year.
3. The "operating" budget will be used by the School until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The School shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBFAU.
5. No board member or officer or employee of the School shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the School and approved by the SBFAU.
7. Legal budget control for expenditures is by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the School 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 School'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 School is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

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

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

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

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

#### Receivables and Payables

Receivables include grants due from federal government agencies related to the grant agreement. Payables represent routine monthly bills for services rendered and products purchased.

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

There are no capital assets in the School.

#### 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.

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

Fund Balances of Fund Financial Statements

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

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

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

Compensated Absences

The School 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 B: CASH**

The School 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.

<b>Centinel</b>	Balance Per Bank 06-30-08	Reconciled Balance	Type
<u>Name of Account</u>	<u>\$</u>	<u>\$</u>	
Vista Grande High School	90,941	79,658	Checking
TOTAL Deposited	90,941	79,658	
Less: FDIC Coverage	(90,941)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	\$ 0		



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

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

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

Federal Agencies	\$	144,583
State Agencies		51,126
Total	\$	<u>195,709</u>

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

The composition of interfund balances is as follows:

Receivable Fund	Payable Funds			Totals
	Charter School	After School Enrichment	PSCOC	
Operational	\$ 116,498	\$ 0	\$ 0	\$ 116,498
Instructional Materials	28,085	14,503	0	42,588
Ed Tech Equipment	0	21,693	14,930	36,623
Totals	<u>\$ 116,498</u>	<u>\$ 36,196</u>	<u>\$ 14,930</u>	<u>\$ 195,709</u>

**NOTE I: PENSION PLAN**

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

Plan members are required to contribute 7.42% of their gross salary. The District is required to contribute 10.9% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal year ending June 30, 2008 was \$74,978, which equal the amount of the required contributions for each fiscal year.

**NOTE J: RETIREE HEALTH CARE ACT CONTRIBUTIONS**

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

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

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

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

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

Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature

The School's contributions to the RHCA for the years ended June 30, 2008 was \$7,808, which equal the required contributions for each year.

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

**NOTE E: INSURANCE COVERAGE**

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

- Workers Compensation Insurance
- General Liability Insurance
- Auto Liability Insurance
- Property Insurance
- Equipment Breakdown Coverage Insurance
- Mandatory Catastrophic Student Accident Insurance

**NOTE F: SURETY BOND**

Vista Grande does not have a Surety Bond.

**NOTE G: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS**

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

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

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

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

## STATE OF NEW MEXICO

**VISTA GRANDE HIGH SCHOOL**

CAPITAL PROJECTS-PSCOC-31200

Statement of Revenues, Expenditures, and Changes in Cash Balance -

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 53,200	\$ 53,200	\$ 38,270	\$ (14,930)
Total Revenues	<u>53,200</u>	<u>53,200</u>	<u>38,270</u>	<u>(14,930)</u>
<b>Expenditures</b>				
Operation & Maintenance of Plant				
Purchased Services	53,200	53,200	53,200	0
Total Operation & Maintenance of Plant	<u>53,200</u>	<u>53,200</u>	<u>53,200</u>	<u>0</u>
Total Expenditures	<u>53,200</u>	<u>53,200</u>	<u>53,200</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(14,930)	(14,930)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (14,930)</u>	<u>\$ (14,930)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (14,930)	
Net Change in Due from Grantor			<u>14,930</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

## STATE OF NEW MEXICO

**VISTA GRANDE HIGH SCHOOL**

## CAPITAL PROJECTS-ED TECH EQUIPMENT-31900

## Statement of Revenues, Expenditures, and Changes in Cash Balance -

## Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Share of Bond Issue	\$ 0	\$ 0	\$ 80,961	\$ 80,961
Total Revenues	<u>0</u>	<u>0</u>	<u>80,961</u>	<u>80,961</u>
<b>Expenditures</b>				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	80,961	80,961
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 80,961</u>	<u>\$ 80,961</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 80,961</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 80,961</u>	

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

**OTHER SUPPLEMENTAL INFORMATION**

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
 Cash Reconciliations - All Funds  
 For the Year Ended June 30, 2008

	<u>Operational</u> 11000	<u>Instructional</u> <u>Materials</u> 14000	<u>Federal</u> <u>Projects</u> 24000
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 0	\$ 0	\$ 7
Balance 6/30/07	<u>0</u>	<u>0</u>	<u>7</u>
Add: 2007-08			
Revenues	824,151	53,072	265,806
Transfers	0	0	0
Loans from other funds	0	0	0
TOTAL Cash Available	<u>824,151</u>	<u>53,072</u>	<u>265,813</u>
Less: 2007-08			
Expenditures	707,653	10,484	410,396
Transfers	0	0	0
Loan to other funds	0	0	0
	<u>707,653</u>	<u>10,484</u>	<u>410,396</u>
TOTAL Cash 6/30/08	<u>\$ 116,498</u>	<u>\$ 42,588</u>	<u>\$ (144,583)</u>

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

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
Cash Reconciliations - All Funds  
For the Year Ended June 30, 2008

	State Flowthrough <u>27000</u>	State Direct <u>28000</u>	PSCOC <u>31200</u>
Net Cash in Bank 6/30/07			
Cash in Bank	\$ 0	\$ 0	\$ 0
Balance 6/30/07	<u>0</u>	<u>0</u>	<u>0</u>
Add: 2007-08			
Revenues	91,444	0	38,270
Transfers	0	0	0
Loans from other funds	0	0	0
TOTAL Cash Available	<u>91,444</u>	<u>0</u>	<u>38,270</u>
Less: 2007-08			
Expenditures	56,053	36,196	53,200
Transfers	0	0	0
Loan to other funds	0	0	0
	<u>56,053</u>	<u>36,196</u>	<u>53,200</u>
TOTAL Cash 6/30/08	<u>\$ 35,391</u>	<u>\$ (36,196)</u>	<u>\$ (14,930)</u>

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



STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
 Cash Reconciliations - All Funds  
 For the Year Ended June 30, 2008

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	<u>Ed Tech Equipment 31900</u>	Totals
Net Cash in Bank 6/30/07		
Cash in Bank	\$ 0	\$ 7
Balance 6/30/07	<u>0</u>	<u>7</u>
 Add: 2007-08		
Revenues	80,891	1,353,634
Transfers	0	0
Loans from other funds	0	0
TOTAL Cash Available	<u>80,891</u>	<u>1,353,641</u>
 Less: 2007-08		
Expenditures	0	1,273,982
Transfers	0	0
Loan to other funds	0	0
	<u>0</u>	<u>1,273,982</u>
		0
 TOTAL Cash 6/30/08	<u>\$ 80,891</u>	<u>\$ 79,659</u>

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

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  
Board Members of the VISTA GRANDE HIGH SCHOOL

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue fund of the Vista Grande High School (School) as of and for the year ended June 30, 2008, and have issued our report thereon dated November 15, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School'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 Charter's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School'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 School'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 School's financial statements that is more than inconsequential will not be prevented or detected by the School'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 School'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 School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

*De'Ann Willoughby CPA PC*

November 14, 2008

STATE OF NEW MEXICO  
**VISTA GRANDE HIGH SCHOOL**  
Schedule of Findings and Responses  
For the Year Ended June 30, 2008

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<b>Prior Year Audit Findings</b>		<b><u>STATUS</u></b>
07-01	<b>Over Expended Budget-Compliance</b>	Resolved
07-02	<b>Purchase Orders Were Not Issued Until June-Compliance</b>	Resolved
07-03	<b>Advances Made to Contracted Personnel-Internal Control</b>	Resolved
07-04	<b>Late Audit Report-Compliance</b>	Resolved
07-05	<b>Preparation of the Audit Report</b>	Resolved

**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 on November 14, 2008. Those in attendance Edwin Fernandez, President, Greg Perry, Director, Domingo Sanchez, Business Manager and De'Aun Willoughby, CPA.