

**STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS**

**ANNUAL FISCAL
AND
COMPLIANCE AUDIT REPORT**

JUNE 30, 2008

**Randy W. Salas
Certified Public Accountant
7305 Helen Ct., SW
Albuquerque, New Mexico 87121**

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Table of Contents
For the Year Ended June 30, 2008

	<u>Page</u>
Official Roster.....	1
 FINANCIAL SECTION	
Independent Auditor's Report.....	2-3
Management's Discussion and Analysis.....	4-12
 BASIC FINANCIAL STATEMENTS	
Statement	
 Government-wide Financial Statements:	
1 Statement of Net Assets.....	13
2 Statement of Activities.....	14
 Fund Financial Statements:	
3 Balance Sheet - Governmental Funds.....	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Activities.....	16
4 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	18
5 Combining Statement of Balance Sheet - General Fund.....	19
6 Combining Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund.....	20
7 Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule - Combined General Fund.....	21-22
8 Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule - Enhancing Education Through Technology (E2T2 -C).....	23
9 Statement of Fiduciary Net Assets & Statement of Changes in Fiduciary Net Assets.....	24
Notes to the Financial Statement.....	25-38

**State of New Mexico
Wagon Mound Public Schools
Table of Contents
For the Year Ended June 30, 2008**

SUPPLEMENTAL INFORMATION

Combining Balance Sheet - Nonmajor Governmental Funds.....	39
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -Nonmajor Governmental Funds.....	40
Fund Descriptions	
Combining Balance Sheet Nonmajor Special Revenue Funds.....	41-44
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -Nonmajor Special Revenue Funds.....	45-48
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule - Special Revenue Funds	
Food Service.....	49
Athletics.....	50
Title I - IASA.....	51
Entitlement IDEA -B.....	52
Enhancing Education through Technology (E2T2-F).....	53
Comprehensive School Reform.....	54
Title V-Part A, Innovative Education.....	55
English Language Acquisition.....	56
Teacher/Principal Training & Recruiting.....	57
Safe & Drug Free Schools and Community.....	58
Reading First.....	59
Safe Routes to School.....	60
Rural Education Achievement Program.....	61
Microsoft Settlement Funds.....	62
Technology For Education - PED.....	63
Obesity Program - PED.....	64
Beginning Teacher Mentoring Program.....	65
Breakfast For Elementary Students.....	66
Libraries SB 301 - Go Bonds.....	67
Youth Conservation Corp.....	68
NMHU/RNNMG.....	69
Sun Safety.....	70

**State of New Mexico
Wagon Mound Public Schools
Table of Contents
For the Year Ended June 30, 2008**

SUPPLEMENTAL INFORMATION

Balance Sheet Nonmajor Debt Service Fund - Educational Technology Equipment.....	71
Statement of Revenues, Expenditures, and Changes in Fund Balance Nonmajor Debt Service Fund - Educational Technology Equipment.....	72
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule - Debt Service Funds	
General Obligation Bonds.....	73
Educational Technology Equipment.....	74
Combining Balance Sheet Nonmajor Capital Project Funds.....	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Project Funds.....	76
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule - Capital Project Funds	
Special Capital Outlay - Local.....	77
Special Capital Outlay - State.....	78
Capital Improvements SB-9.....	79

OTHER SUPPLEMENTARY INFORMATION

Schedule of Changes in Assets and Liabilities - All Agency Funds.....	80
Schedule of Bank Reconciliations.....	81-82
Schedule of Individual Deposits, Investments and Collateral Requirements.....	83
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards.....	84-85
Summary of Prior Year Audit Findings.....	86
Schedule of Findings and Responses.....	87-91
Exit Conference.....	92

**STATE OF NEW MEXICO
Wagon Mound Public Schools
For the Year Ended June 30, 2008**

OFFICIAL ROSTER

BOARD OF EDUCATION

<u>Name</u>	<u>Title</u>
Mr. Don Schutz	Chairman
Mrs. Camille Cornell	Vice-Chairwomen
Mr. J.D. Schmidt	Secretary
Mrs Frances Lovato	Member
Mr. Tony Rubin	Member

SCHOOL OFFICIALS

Albert Martinez	Superintendent
Teresa P. Casias	Business Manager

MEMBER
AMERICAN INSTITUTE OF CPA's
NEW MEXICO SOCIETY OF CPA's

OFFICE
ALBUQUERQUE, NEW MEXICO

RANDY W. SALAS
Certified Public Accountant
7305 Helen Ct., SW
Albuquerque, New Mexico 87121

Independent Auditor's Report

To the Board of Education of the
Wagon Mound Public School
Wagon Mound, New Mexico
and
Hector Balderas, State Auditor

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wagon Mound Public Schools (School), 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. I also have audited the financial statements of each of the School'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 School'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 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 School as of June 30, 2008, and the respective changes in financial position, thereof 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 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 School as of June 30, 2008 and the respective changes in financial position 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 6, 2008 on my consideration of the School's internal control over financial reporting and 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.

Management's discussion and analysis on pages 4 through 12 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

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 schedule of changes in assets and liabilities for the agency funds and the other supplementary information listed in the table of contents consisting of the schedules on pages 80 to 82 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Albuquerque, New Mexico
November 6, 2008

Randy W. Salas, CPA

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Management's Discussion and Analysis
For the Year Ended June 30, 2008
Unaudited

This section of Wagon Mound Public School's annual financial report presents our discussion and analysis of the District financial performance during the fiscal year that ended on June 30, 2008. Please read it in conjunction with the District's financial statements, which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for non-major governmental funds and fiduciary funds. The basic financial statements include two kinds of statements that present different views of the District.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds, each of which are added together and presented in single columns in the basic financial statements.

- The first two statements are government wide financial statements that provide both long term and short term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District government, reporting the District's operations in more detail than the government wide statements.

The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods.

Figure A-1 summaries of the major features of the District's financial statements, including the portion of the District government they cover and the type of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Wagon Mound Public Schools
 Management's Discussion and Analysis
 Year Ended June 30, 2008
 Unaudited

Figure A-1

Major Features of the Wagon Mound Public Schools Government-wide and Fund Financial Statements

Fund Statements

	<u>Government-Wide Statements</u>	<u>Governmental Funds</u>
Scope	Entire District (except Fiduciary funds)	The activities of the District that are not proprietary
Required Financial Statements	*Statement of net assets *Statement of Activities	*Balance sheet *Statement of Revenues expenditures and changes in fund balances
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/ Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of Inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year. Expenditures when goods or services have been received and payment is due during the year or soon thereafter

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net assets-the difference between the District's assets and liabilities- is one way to measure the District's financial health, or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non financial factors such as changes in the student enrollment.

Wagon Mound Public Schools
Management's Discussion and Analysis
Year Ended June 30, 2008
Unaudited

The government-wide financial statements of the District consist of the Governmental activities which include the basic services such as direct instruction, instructional support, general administration, operation of plant and food services. State equalization funding (based on student enrollment), as well as federal, and state grants, finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's most significant funds-not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. The District employs a governmental fund as follows:

- **Governmental funds**-Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end are available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Our analysis below focuses on the net assets (table 1) and changes in net assets (table 2) of the Schools District's governmental activities.

Table 1 provides a summary of the School District's net assets for 2008 compared to 2007:

Wagon Mound Public Schools
Management's Discussion and Analysis
Year Ended June 30, 2008
Unaudited

Table 1
Net Assets
Governmental Activities

	2008	2007	
Assets			
Current and other assets	419,957	546,939	(126,982)
Capital assets, net	5,690,336	6,059,823	(369,487)
Total assets	6,110,293	6,606,762	(496,469)
Liabilities			
Long -Term Liabilities	260,151	366,441	(106,290)
Other Liabilities	10,104	162,133	(152,029)
Total Liabilities	270,255	528,574	(258,319)
Net assets			
Invested in capital assets	5,440,336	5,734,823	(294,487)
Restricted	153,744	120,587	33,157
Unrestricted (Deficit)	245,958	222,778	23,180
Total net assets	5,840,038	6,078,188	(238,150)

Net assets of the School District's governmental activities decreased by (238,150) Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased by \$ 23,180 from the prior year.

The primary reason for the decrease of \$ 238,150 in total net assets was as a result of a decrease in total revenues of \$171,332.

Wagon Mound Public Schools
Management's Discussion and Analysis
Year Ended June 30, 2008
Unaudited

Table 2 shows the change in net assets for the fiscal year 2008, compared with 2007. Revenues for the School's governmental activities decreased by \$ 366,913 as a result of a decrease in the State Equalization Guarantee funds, as well as a decrease in operating and capital grants. While expenses decreased by \$ 195,581 as a result of a decrease in our support services.

In summary, the decrease in our revenues of \$366,913 exceeded our decrease in expenses of \$195,581 by \$171,332. This decrease in revenues coupled with the lag time for reimbursements has caused our district to experience some cash flow problems.

Table 2
Changes in Net Assets

Governmental Activities		2008	2007	(Decrease) Change
Revenues				
Program Revenues				
Charges for Services		17,260.00	2,821.00	14,439.00
Operating Grants		576,881.00	736,899.00	(160,018.00)
Capital Grants		162,320.00	207,364.00	(45,044.00)
General Revenue:				
Property Taxes		284,083.00	101,698.00	182,385.00
State Aid Formula Grant		2,447,285.00	2,603,839.00	(156,554.00)
Transfer In		43,484.00	238,822.00	(195,338.00)
Loss on Sale		(6,783.00)	0.00	(6,783.00)
Total Revenues		<u>3,524,530.00</u>	<u>3,891,443.00</u>	<u>(366,913.00)</u>
Expenditures				
Direct-Instruction		1,764,335.00	1,767,233.00	(2,898.00)
Support Services		752,043.00	1,600,265.00	(848,222.00)
Operation of Non-Instructional Services		802,257.00	146,704.00	655,553.00
Interest on Long Term Debt		11,244.00	14,694.00	(3,450.00)
Depreciation Expense		432,801.00	429,365.00	3,436.00
Total Expenditures		<u>3,762,680.00</u>	<u>3,958,261.00</u>	<u>(195,581.00)</u>
Excess (deficiency) of Revenues over Expenses		(238,150.00)	(66,818.00)	(171,332.00)
Increase (decrease) in Net Assets		<u>(238,150.00)</u>	<u>(66,818.00)</u>	

Wagon Mound Public Schools
Management's Discussion and Analysis
Year Ended June 30, 2008
Unaudited

The School District's Funds

As the School District completed the year, its governmental funds (as presented in the balance sheet on page 15) reported a combined balance of \$ 752,497 which is lower than last years total of \$841,308. The Educational Technology Equipment Fund showed a deficit fund balance of \$109,432. A temporary loan from the general fund was used to cover the deficit cash balance. The primary reasons for the increase in governmental activities fund balance are highlighted on pages 13 and 14.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the School District revised the budget several times. Adjustments were made to account for State, Local, and Federal Appropriations or Grant Awards, that were not identified when the budget was approved in May 2007. Other adjustments include changes to account for Prior Year Unliquidated Obligations, and adjustments to reflect audited cash balances. Finally, the District approved several budget line item transfers to prevent budget over-runs.

Capital Assets

The School District continues to be a participant in the Governor's New Mexico Laptop Initiative by receiving 24 Dell Laptops for 7th grade students totaling approximately \$38,400.

The purchase of a 2008 Ford Taurus was made possible by Legislative funds to upgrade the school district fleet. Total cost was \$21,457.

The School District made an emergency purchase of a School Bus through Transportation funds totaling \$36,800.

Purchase of an Electronic Scissor Lift was made possible through a Legislative Award. Total Project cost was \$11,839.

The district also applied for and received an award through the Federal Flow-through Unit at the NMPED for \$236,169. The purpose of the grant was a cooperative effort to upgrade technologies at Wagon Mound, Roy and Mosquero Schools. The Enhancing Education Through Technology grant will be fully liquidated in FY0809.

The School District was also able to purchase \$5,000 in weight room equipment.

The District was awarded Legislative monies to upgrade the telephone system and will complete the project in FY0809.

Wagon Mound Public Schools
Management's Discussion and Analysis
Year Ended June 30, 2008
Unaudited

PSCOC projects are financed through supplemental severance tax bonds and availability of these funds are contingent upon several bond sales throughout the fiscal year by the State Board of Finance.

This year's major additions included:

School Bus Purchase	36,800
Vehicle Purchase	21,457
Electronic Scissor Lift Purchase	11,839
Other Capital Assets as per above (current Fiscal Year 2007-2008)	5,000
 Classroom Equipment	
7 th grade Laptops	38,400
	\$ 113,496

Improvements to facilities and the surrounding areas will continue in 2008-2009 with partial funding from the State Highway and Transportation Division as support for Safe Routes To School.

Debt

At June 30, 2008 the School District had \$ 325,000 in bonds payable; \$ 75,000 due within the current year. Table 4 summarizes bonds outstanding.

	Table 4	
	Governmental Activities	
	2008	2007
General Obligation Bonds:		
Original amount \$ 350,000 issued 1999	\$200,000	225,000
Original amount \$ 375,000 issued 2000	50,000	100,000
Total	250,000	325,000

Long-term debt decreased by \$75,000 for the year ended June 30, 2008 and \$75,000 for the year ended June 30, 2007. Interest and administration expenditures were \$12,701 and \$16,151 respectively.

Wagon Mound Public Schools
Management's Discussion and Analysis
Year Ended June 30, 2008
Unaudited

No new debt has been issued by the School District within the last five years.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District has implemented and successfully completed its third year of a four day school week. The intent of the move is to increase instructional time and reduce operating costs. It also continues to incorporate combination classes to reduce costs wherever possible, but ensuring that instruction is not compromised. However, if enrollment does not increase as operating costs continue to rise, the District will have to look at conducting an examination of currently employed personnel to either meet the generated revenues, or to decrease the amount of Supplemental Emergency Funding that is requested.

Applying for and receiving several different Grants are also ways that the school has been able to alleviate reductions in personnel and programs. The District has been fortunate enough to be the recipient of several grants such as a series of Consolidated Grants, Obesity-Afterschool, Enhancing Education Through Technology, Rural Education Achievement Program, and the Elementary Fine Arts Grant, to name a few. In Fiscal Year 2008 the budgets for these grants totaled \$635,694. While each grant is written for a specific reason, as a whole, the grants help ease some of the Operational expenses by providing additional funds for salaries, classroom equipment, classroom supplies and programs that otherwise would not be funded.

The district's elected and administrative officials considered many factors when setting the fiscal year 2008 budget. Mandates regarding increases to Staff Professional Development and increases to the medical benefits program, increases to the Districts match for the Educational Retirement fund, increases to property and Liability insurance premiums, as well as increases to fixed costs, coupled with decreases to ESF distributions and decreases to Student Enrollment were all issues that were figured into the Fiscal Year 2008 General Fund Budget. Amounts available for appropriation in the General Fund budget were \$2,735,040, a four percent decrease over the Final 2007 budget of \$2,862,837. This decrease results from changes to personnel and program in the upcoming fiscal year as well as a decrease in student enrollment in the prior year. (Funding is based upon several factors as well as prior year's enrollment numbers.) A request for Emergency Supplemental Funding (ESF) totaling \$ 556,472 is included in the School District's Budget, although the District only received \$425,000 of that ESF request. The receipt of these funds coupled with a slow turnaround on Federal Flow-

**Wagon Mound Public Schools
Management's Discussion and Analysis
Year Ended June 30, 2008
Unaudited**

through Reimbursements has caused cash flow problems for the District. The decrease in the request for ESF is due to an increase in ESF requests state wide, and a lack of funding for those requests. District Administration will have to work together with all employees to keep expenses at a minimum.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office at 300 Park Ave., P.O. Box 158, Wagon Mound, New Mexico 87752

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board (GASB). The sets of statements include:

- * Government-Wide Financial Statements
- * Fund Financial Statements:
 - Governmental Funds
 - Statement Budgetary Comparison
 - Statement of Fiduciary Net Assets & Statement of Changes in Fiduciary Net Assets

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Statement of Net Assets
June 30, 2008**

Statement 1

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash on deposits	\$ 283,433
Due from other governments	131,111
Due from others	2,680
Inventories	2,733
Capital assets net of accumulated depreciation	5,690,336
Total Assets	6,110,293
LIABILITIES	
Accrued interest payable	3,338
Compensated absences	6,766
Long-term liabilities	
Bonds	250,000
Compensated absences	10,151
Total liabilities	270,255
NET ASSETS	
Investment in capital assets, net of related debt	5,440,336
Restricted for:	
Debt service	128,353
Textbooks	22,658
Inventories	2,733
Unrestricted	245,958
Total net assets	5,840,038
Total Liabilities and Net Assets	\$ 6,110,293

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

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Statement of Activities
Year Ended June 30, 2008

Statement 2

	Program	Revenues	Net (Expense)
Expense	Operating Grants and Services	Capital Grants and Contribution	Changes in Net Assets Governmental Activities
Governmental activities:			
Direct instruction	\$ -	\$ 313,222	\$ (1,451,113)
Support services	-	256,764	(495,279)
Operation of non- instructional services	17,260	6,895	(615,782)
Interest on long term debt	11,244	-	(11,244)
Depreciation expense - unallocated	432,801	-	(432,801)
Total governmental activities	\$ 3,762,680	\$ 576,881	\$ (3,006,219)
General revenues			
Property taxes, levied for debt service			284,083
State aid - formula grants			2,447,285
Transfer in			43,484
Loss on sale of capital assets			(6,783)
Total general revenues and transfers			2,768,069
Change in net assets			(238,150)
Net assets, beginning			6,078,188
Net assets, ending			\$ 5,840,038

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Balance Sheet
Governmental Funds
June 30, 2008

Statement 3

	<u>General Fund</u>	<u>Enhancing Education (E2T2 -C)</u>	<u>Debt Service General Obli- gation Bonds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash on deposit	\$ 41,381	\$ -	\$ 117,619	\$ 124,433	\$ 283,433
Interfund balances	20,176	90,258	-	222,106	332,540
Due from other governments	-	90,258	-	40,853	131,111
Due from other funds	-	-	-	-	-
Due from others	2,680	-	-	-	2,680
Inventories - supplies and materials	-	-	-	2,733	2,733
Total assets	<u>64,237</u>	<u>180,516</u>	<u>117,619</u>	<u>390,125</u>	<u>752,497</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	-	-	-
Interfund balances	20,176	90,258	-	222,106	332,540
Due to other funds	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>20,176</u>	<u>90,258</u>	<u>-</u>	<u>222,106</u>	<u>332,540</u>
Fund balances					
Reserved for:					
Debt service	-	-	117,619	10,734	128,353
Textbooks	22,658	-	-	-	22,658
Inventory	-	-	-	2,733	2,733
Unreserved					
Undesignated	21,403	-	-	-	21,403
Unreserved, reported in nonmajor:					
Special revenue funds	-	90,258	-	66,168	156,426
Capital project funds	-	-	-	88,384	88,384
Total fund balances	<u>44,061</u>	<u>90,258</u>	<u>117,619</u>	<u>168,019</u>	<u>419,957</u>
Total liabilities and fund balances	<u>\$ 64,237</u>	<u>\$ 180,516</u>	<u>\$ 117,619</u>	<u>\$ 390,125</u>	<u>\$ 752,497</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2008**

Total fund balances - governmental funds	\$	419,957
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p>		5,690,336
<p>Long-term liabilities, including bonds payable, are not due payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of :</p>		
Bonds payable		(250,000)
Accrued interest on bonds		(3,338)
Compensated absences		(16,917)
Total net assets - governmental activities	\$	<u>5,840,038</u>

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2008

	General Fund	Enhancing Education (E2T2 - C)	Debt Service Obligation Bonds	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 7,972	\$ -	\$ 111,362	\$ 164,749	\$ 284,083
Interest and rents	7,298	-	-	-	7,298
Intergovernmental	2,671,766	141,245	-	299,514	3,112,525
Charges for services	2,868	-	-	14,392	17,260
Miscellaneous	5,059	-	-	-	5,059
Total revenues	<u>2,694,963</u>	<u>141,245</u>	<u>111,362</u>	<u>478,655</u>	<u>3,426,225</u>
EXPENDITURES					
Current					
Direct instruction	1,442,074	111,189	-	211,072	1,764,335
Support services	750,270	-	-	26,297	776,567
Operation of non- instructional services	-	-	-	-	-
	589,662	8,284	1,113	75,082	674,141
Debt service					
Principal	-	-	75,000	-	75,000
Interest	-	-	12,700	-	12,700
Capital outlay	-	-	-	198,213	198,213
Total expenditures	<u>2,782,006</u>	<u>119,473</u>	<u>88,813</u>	<u>510,664</u>	<u>3,500,956</u>
Excess (deficiency) of revenues over expenditures	<u>(87,043)</u>	<u>21,772</u>	<u>22,549</u>	<u>(32,009)</u>	<u>(74,731)</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	20,176	90,258	-	91,236	201,670
Transfer out	-	(18,282)	-	(78,300)	(96,582)
Total other financing sources (uses)	<u>20,176</u>	<u>71,976</u>	<u>-</u>	<u>12,936</u>	<u>105,088</u>
Net change in fund balance	(66,867)	93,748	22,549	(19,073)	30,357
Fund balance - beginning	110,928	(3,490)	95,070	187,092	389,600
Fund balance - ending	<u>\$ 44,061</u>	<u>\$ 90,258</u>	<u>\$ 117,619</u>	<u>\$ 168,019</u>	<u>\$ 419,957</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2008

Total net change in fund balances - governmental funds	\$	30,357
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$ 432,801) exceeded capital outlay (\$ 70,097) in the current period.</p>		(362,704)
<p>Governmental funds report the cash proceeds from the sale of capital assets as revenue. However, in the statement of activities the sales proceeds of \$ 1,300 minus the adjusted basis of the asset (cost of \$ 88,352 less accumulated depreciation of \$ 80,269) of \$ 8,083 results in a loss.</p>		(6,783)
<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, certain operating expenses - compensated absences (sick leave and vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).</p>		24,524
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is the result of accrued interest on bonds payable.</p>		1,456
<p>Change in net assets of governmental activities</p>	\$	<u>(238,150)</u>

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Combining Statement of Fund Balance Sheets
General Fund
June 30, 2008

Statement 5

	Operational Fund	Pupil Transportation Fund	Instructional Materials Fund	Combined General Fund
ASSETS				
Cash on deposit	\$ -	\$ 18,723	\$ 22,658	\$ 41,381
Interfund balances	20,176	-	-	20,176
Due from other others	2,489	191	-	2,680
Due from governments	-	-	-	-
Inventories - supplies and materials	-	-	-	-
Total assets	\$ 22,665	\$ 18,914	\$ 22,658	\$ 64,237
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	-	-	-	-
Interfund balances	20,176	-	-	20,176
Due to other funds	-	-	-	-
Total liabilities	20,176	-	-	20,176
 Fund balances:				
Reserved for:				
Debt service	-	-	-	-
Textbooks	-	-	22,658	22,658
Inventory	-	-	-	-
Unreserved:				
Undesignated	2,489	18,914	-	21,403
Total fund balances	2,489	18,914	22,658	44,061
Total liabilities and fund balances	\$ 22,665	\$ 18,914	\$ 22,658	\$ 64,237

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

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS

Statement 6

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2008

	Operational Fund	Pupil Transportation Fund	Instructional Materials Fund	Combined General Fund
REVENUES				
Property taxes	\$ 7,972	\$ -	\$ -	\$ 7,972
Interest and rents	7,298	-	-	7,298
Intergovernmental	2,455,774	198,214	17,778	2,671,766
Charges for services	2,868	-	-	2,868
Miscellaneous	5,059	-	-	5,059
Total revenues	<u>2,478,971</u>	<u>198,214</u>	<u>17,778</u>	<u>2,694,963</u>
EXPENDITURES				
Current				
Direct instruction	1,434,607	-	7,467	1,442,074
Support services	563,351	186,919	-	750,270
Operation of non- instructional services	589,662	-	-	589,662
Total expenditures	<u>2,587,620</u>	<u>186,919</u>	<u>7,467</u>	<u>2,782,006</u>
Excess (deficiency) of revenues over expenditures	<u>(108,649)</u>	<u>11,295</u>	<u>10,311</u>	<u>(87,043)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	20,176	-	-	20,176
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>20,176</u>	<u>-</u>	<u>-</u>	<u>20,176</u>
Net change in fund balance	(88,473)	11,295	10,311	(66,867)
Fund balance - beginning	90,962	7,619	12,347	110,928
Fund balance - ending	<u>\$ 2,489</u>	<u>\$ 18,914</u>	<u>\$ 22,658</u>	<u>\$ 44,061</u>

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

STATE OF NEW MEXICO
 WAGON MOUND PUBLIC SCHOOLS
 Statement Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
 Combined General Fund
 For the Year Ended June 30, 2008

	Operational Original Budget	Final Budget	Fund Actual	Variance with		Pupil Original Budget	Transportation		Fund Actual	Variance with	
				Fund Final Positive (Negative)	Fund Final Positive (Negative)		Final Budget	Final Budget		Fund Final Positive (Negative)	Fund Final Positive (Negative)
REVENUES											
Property taxes	\$ 7,128	\$ 7,128	\$ 7,972	\$ 844	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and rents	9,051	9,051	7,298	(1,753)	-	-	-	-	-	-	-
Intergovernmental	2,658,569	2,714,661	2,455,774	(258,887)	176,047	229,146	198,214	30,932			
Charges for services	-	-	2,868	2,868	-	-	-	-			
Miscellaneous	4,200	4,200	5,059	859	-	-	-	-			
Total revenues	2,678,948	2,735,040	2,478,971	(256,069)	176,047	229,146	198,214	30,932			
EXPENDITURES											
Current											
Direct instruction	1,511,670	1,534,241	1,434,607	99,634	-	-	-	-			
Support services	1,119,211	1,138,789	563,351	575,438	176,047	229,146	186,919	42,227			
Operation of non- instructional services	48,067	62,010	589,662	(527,652)	-	-	-	-			
Total expenditures	2,678,948	2,735,040	2,587,620	147,420	176,047	229,146	186,919	42,227			
Excess (deficiency) of revenues over expenditures	-	-	(108,649)	(108,649)	-	-	11,295	11,295			
OTHER FINANCING SOURCES (USES)											
Transfer in	-	-	20,176	20,176	-	-	-	-			
Transfer out	-	-	-	-	-	-	-	-			
Total other financing sources (uses)	-	-	20,176	20,176	-	-	-	-			
Net change in fund balance	-	-	(88,473)	(88,473)	-	-	11,295	11,295			
Fund balance - beginning	-	-	90,962	90,962	-	-	7,619	7,619			
Fund balance - ending	\$ -	\$ -	\$ 2,489	\$ 2,489	\$ -	\$ -	\$ 18,914	\$ 18,914			

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS

Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Combined General Fund

For the Year Ended June 30, 2008

	Instructional Original		Materials Final		Fund Final		Variance with Final Budget Positive		General Final		Fund Final		Variance with Final Budget Positive	
	Budget	Actual	Budget	Actual	Budget	Actual	Positive	(Negative)	Budget	Actual	Budget	Actual	Positive	(Negative)
REVENUES														
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 7,128	\$ 7,128	\$ -	\$ -	\$ 7,128	\$ 7,128	\$ 7,972	\$ 7,972	\$ 844	\$ 844
Interest and rents	-	-	-	-	9,051	9,051	-	-	9,051	9,051	7,298	7,298	(1,753)	(1,753)
Intergovernmental	15,299	17,778	27,719	17,778	2,849,915	2,971,526	(9,941)	(9,941)	2,971,526	2,671,766	2,671,766	2,671,766	(299,760)	(299,760)
Charges for services	-	-	-	-	-	-	-	-	-	-	2,868	2,868	2,868	2,868
Miscellaneous	-	-	-	-	4,200	4,200	-	-	4,200	4,200	5,059	5,059	859	859
Total revenues	15,299	17,778	27,719	17,778	2,870,294	2,991,905	(9,941)	(9,941)	2,991,905	2,694,963	2,694,963	2,694,963	(296,942)	(296,942)
EXPENDITURES														
Current														
Direct instruction	14,060	7,467	26,407	7,467	1,525,730	1,560,648	18,940	18,940	1,560,648	1,442,074	1,442,074	1,442,074	118,574	118,574
Support services	1,239	-	1,312	-	1,296,497	1,369,247	1,312	1,312	1,369,247	750,270	750,270	750,270	618,977	618,977
Operation of non-instructional services	-	-	-	-	48,067	62,010	-	-	62,010	589,662	589,662	589,662	(527,652)	(527,652)
Total expenditures	15,299	7,467	27,719	7,467	2,870,294	2,991,905	20,252	20,252	2,991,905	2,782,006	2,782,006	2,782,006	209,899	209,899
Excess (deficiency) of revenues over expenditures	-	10,311	-	10,311	-	-	-	-	-	(87,043)	(87,043)	(87,043)	(87,043)	(87,043)
OTHER FINANCING SOURCES (USES)														
Transfer in	-	-	-	-	-	-	-	-	-	20,176	20,176	20,176	20,176	20,176
Transfer out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	20,176	20,176	20,176	20,176	20,176
Net change in fund balance	-	10,311	-	10,311	-	-	-	-	-	(66,867)	(66,867)	(66,867)	(66,867)	(66,867)
Fund balance - beginning	-	12,347	-	12,347	-	-	-	-	-	110,928	110,928	110,928	110,928	110,928
Fund balance - ending	\$ -	\$ 22,658	\$ -	\$ 22,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,061	\$ 44,061	\$ 44,061	\$ 44,061	\$ 44,061

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS

Statement 8

Statement Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Enhancing Education (E2T2-C)
For the Year Ended June 30, 2007

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u> <u>Postive</u> <u>Negative</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Interest and rents	-	-	-	-
Intergovernmental	-	245,728	141,245	(104,483)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>245,728</u>	<u>141,245</u>	<u>(104,483)</u>
EXPENDITURES				
Current				
Direct instruction	-	235,136	111,189	123,947
Support services	-	10,592	8,284	2,308
Operation of noninstructional services	-	-	-	-
Total expenditures	<u>-</u>	<u>245,728</u>	<u>119,473</u>	<u>126,255</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>21,772</u>	<u>21,772</u>
Other Financing Sources (Uses)				
Transfer in	-	-	90,258	90,258
Transfer out	-	-	(18,282)	(18,282)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>71,976</u>	<u>71,976</u>
Net change in fund balance	-	-	93,748	93,748
Fund balance - beginning	-	-	(3,490)	(3,490)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,258</u>	<u>\$ 90,258</u>

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

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Statement of Fiduciary Net Assets - Fiduciary Funds
Statement of Changes in Fiduciary Net Assets

Statement 9

STATEMENT OF NET ASSETS

June 30, 2008

	<u>Private</u> <u>Purpose</u> <u>Trust</u>	<u>Agency</u> <u>Funds</u>
	<u>Fund</u>	<u>Funds</u>
ASSETS		
Cash and Short-term Investment	\$ 14,490	\$ 35,074
Investment, at fair value -	-	-
Corporate stock	31,414	-
Total Assets	<u>45,904</u>	<u>35,074</u>
LIABILITIES		
Due to student groups	-	<u>35,074</u>
NET ASSETS		
Held in Trust for School Library	<u>\$ 45,904</u>	<u>\$ -</u>

STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended June 30, 2008

INVESTMENT INCOME

Net Appreciation (depreciation) in fair value of investments	\$ (13,641)	\$ -
Gain on sale of stock	2,676	-
Dividends	1,986	-
Total Investment income (loss)	<u>(8,979)</u>	<u>-</u>

DEDUCTIONS

Administrative expenses	-	-
Other deductions	-	-
Total Deductions	<u>-</u>	<u>-</u>

OTHER FINANCING SOURCES (USES)

Transfer in	-	-
Transfer out	(43,484)	-
Total other financing sources (uses)	<u>(43,484)</u>	<u>-</u>

Net increase (decrease)	(52,463)	-
Net Assets - Beginning of the year	98,367	-
Net Assets - End of year	<u>\$ 45,904</u>	<u>\$ -</u>

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

**STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Notes to Financial Statements**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Financial Reporting Entity
- B. Basis of Presentation
- C. Measurement Focus and Basis of Accounting
- D. Assets, Liabilities, and Equity
- E. Revenues, Expenditures, and Expenses

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

- A. Deposits and Investments Laws and Regulations
- B. Fund Equity Restrictions

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

- A. Interfund Receivables and Payables
- B. Capital Asset Activity
- C. Long-term Debt
- D. Budget to GAAP Reconciliation

NOTE 4. OTHER NOTES

- A. Employee Pension and Other Benefit Plans
- B. Risk Management
- C. Joint Venture

Note 1 – Summary of Significant Accounting Policies

The Wagon Mound Public School District (the “District”) has been in existence since the early nineteen hundreds and is currently operating under the provision of the Public School Code, Chapter 22, of the New Mexico statutes Annotated, 1978 and is governed by a five member board (the “Board”) each elected for four year terms by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in the Statement on Auditing Standards No. 69 of the American institute of Certified public Accountants; the Manual for Procedures for Uniform Accounting and Budgeting for New Mexico School Districts.

A. Financial Reporting Entity

The Board is elected by the public and it has the authority to make decisions, appoint superintendents and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board (“GAAP”) in its statement No. 14 “The Financial Reporting Entity” as amended by GASB 39 “Determining Whether Certain Organizations Are Component Units”. There are no component units included within the reporting entity.

The District has entered into a Memorandum of Understanding (agreement) with Rancho Valmora Inc., a New Mexico nonprofit corporation, to provide a free appropriate public education to students who have been placed at Rancho Valmora residential treatment facility, which is located in Mora County, New Mexico, within the Wagon Mound Public School District boundaries. Rancho Valmora does not qualify to be a component unit as defined by GASB Statement No. 4 and No.39 and does not qualify to be reported using the governmental format.

Rancho Valmora issues a separate, publicly available audited financial report. The report may be obtained by writing to Valmora Inc., P.O. Box 1, Valmora, NM 87750.

B. Basis of Presentation

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The District does not have any business-type activities.

Note 1 – Summary of Significant Accounting Policies (continued)

1. Government-Wide statements

In the government-wide statement of net assets, the governmental activities are presented and reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District's first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities shows the cost of program services and charges for services and grants offsetting those services. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (Direct instruction, instructional Support, Administration etc.). Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Indirect expenses are allocated to functions in the statement of activities on a percentage (1.73%) allowed by the Public Education Department based on time spent on grants and contracts by administrative personnel. The net costs by function are normally covered by general revenue (property taxes, state aid formula grants and operating grants and contributions etc.).

The government-wide financial statements of the District follow FASB Statements and interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

The District's fiduciary funds (which have been redefined and narrowed in scope) are presented in the fund financial statements by type (private purpose and agency). Since by definition these assets are being held for the benefit of a third Party (private parties and student groups) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

2. Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Note 1 – Summary of Significant Accounting Policies (continued)

1. Government-Wide statements

In the government-wide statement of net assets, the governmental activities are presented and reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District's first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities shows the cost of program services and charges for services and grants offsetting those services. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (Direct instruction, instructional Support, Administration etc.). Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Indirect expenses are allocated to functions in the statement of activities on a percentage (1.73%) allowed by the Public Education Department based on time spent on grants and contracts by administrative personnel.

The net costs by function are normally covered by general revenue (property taxes, state aid formula grants and operating grants and contributions etc.).

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

The District's fiduciary funds (which have been redefined and narrowed in scope) are presented in the fund financial statements by type (private purpose and agency). Since by definition these assets are being held for the benefit of a third Party (private parties and student groups) and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

2. Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Accounting

The District reports the following types of major funds:

1. General Fund:

- Operational Fund. This fund accounts for all financial resources of the District, except those required to be accounted for in another fund;
- Pupil Transportation fund. This fund accounts for the cost incurred to transport students to and from school;
- Instructional Materials Fund. This fund accounts for the cost incurred to provide instructional material to the students.

2. Special Revenue Fund:

- Enhancing Education (E2T2-C). The purpose of this program is to acquire technologies to integrate into school curriculum and increase student achievement. Funding is provided through a grant from the New Mexico Education Department.

4. Debt Service Fund

- General Obligation Debt Service Fund. This fund accounts for the resources accumulated and payments made for principal and interest on general long-term debt associated with costs incurred for major renovations and repairs to the Districts buildings.

The District reports the following fiduciary Fund.

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the District's programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. The fiduciary fund consist of the following two funds:

- Private Purpose Trust fund. This fund accounts for assets held by the District as an agent for the Wagon Mound Public Library Board of Directors. The intent of the donors was that principal and income of stock donated to the District could only be used for the School library;
- Agency Funds. This fund accounts for resources held by the District in a purely custodial capacity (assets equal liabilities). Agency funds typically involve the receipt, temporary investment, and remittance of fiduciary resources to student activity groups.

Note 1 – Summary of Significant Accounting Policies (continued)

Additionally, the District reports the following fund type(s)

Governmental Funds:

- Nonmajor Special Revenue Funds. The District accounts for resources restricted to, or designated for, a specific purpose by the district or a grantor in a special revenue fund. State and local financial assistance is accounted for in a special revenue fund, and sometimes unused balances must be returned to the grantor at the close of a specified project period.
- Nonmajor Debt Service Fund. The District accounts for resources accumulated and payments made for principal and interest on long-term debt in a debt service fund.
- Nonmajor Capital Project Funds. The District accounts for the costs of capital improvements, such as erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings in capital project funds

C. Measurement Focus and Basis of Accounting

The emphasis in fund financial statements is on the major funds in the governmental activities. Nonmajor funds by category are summarized into a single column. Governmental Accounting Standards Board Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The District's fiduciary funds are presented in the Schedule of Changes in Assets and Liabilities – All Agency Funds. Since by definition these assets are being held for the benefit of a third party (for individual, other governments, and/or other funds) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It related to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The government-wide statements use the economic resources measurement focus and the accrual basis of accounting, as does the fiduciary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1 – Summary of Significant Accounting Policies (continued)

2. Current Financial Resources Measurement Focus and the Modified accrual Basis of Accounting

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method , revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions un de capital leases are reported as other financing sources.

3. Budgetary Data

Budget Policy

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

- a. The local board of education adopts a proposed operating budget for the fiscal year commencing July 1. The operating budgets include proposed expenditures and the means of financing them. A budget is adopted for the general governmental funds types and the special revenue fund types.
- b. The budgets are then approved by the School Budget and Finance Analysis Unit of the Public Education department (PED).
- c. The local board of education is authorized to transfer budgeted amounts between series levels within any fund. Transfers between funds must be approved by PED, and any revisions that alter the total expenditures of any fund must be approved by the PED. Budgets for the General, Special Revenue, and capital Projects Funds are adopted on the cash basis which is not consistent with generally accepted accounting principles. Budgetary comparisons have been presented in the report on the basis of the legally adopted budget, however the difference between this basis and generally accepted accounting principles is considered to be immaterial. The expenditure for each budget may not legally exceed the appropriation for each series or function of the budget. However, these levels may be amended by approval by the PED, and a transfer is permissible from another series within a fund. Appropriations lapse at year-end with any unspent cash balance being available for expenditure and appropriated in the subsequent year's budget.

Note 1 – Summary of Significant Accounting Policies (continued)

4. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of format budgetary integration in the General Fund and Special Revenue Funds. Encumbrances lapse at year-end and, therefore, are not presented in these financial statements.

D. Assets, Liabilities, and Equity

1. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, time deposits, and certificates of deposit.

2. Taxes Receivable

Mora County levies and collects the property taxes on real property for Wagon Mound Public schools on November 10 and April 10. Taxes become delinquent on December 10 and May 10 of each year and liens are filed by Mora County on property that is delinquent for three years. Property taxes collected and held by the county at year end on behalf of the District are included in due from other governments.

3. Due from Other Governments

This amount represents accounts receivable for cost incurred on the various contracts and grants (programs) implemented by the District and submitted for reimbursement from the federal and state funding sources.

4. Inventory

Inventory of U.S.D.A. Commodities is shown at estimated value and purchased inventories are shown at cost, which approximates market using first in/first out (FIFO) method. Inventories in the special revenue fund consist of cafeteria inventories. The cost is recorded as expenditure at the time individual inventory items are consumed. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources", even though they are a component of net current assets.

Note 1 – Summary of Significant Accounting Policies (continued)

4. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of format budgetary integration in the General Fund and Special Revenue Funds. Encumbrances lapse at year-end and, therefore, are not presented in these financial statements.

D. Assets, Liabilities, and Equity

1. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, time deposits, and certificates of deposit.

2. Taxes Receivable

Mora County levies and collects the property taxes on real property for Wagon Mound Public schools on November 10 and April 10. Taxes become delinquent on December 10 and May 10 of each year and liens are filed by Mora County on property that is delinquent for three years. Property taxes collected and held by the county at year end on behalf of the District are included in due from other governments.

3. Due from Other Governments

This amount represents accounts receivable for cost incurred on the various contracts and grants (programs) implemented by the District and submitted for reimbursement from the federal and state funding sources.

4. Inventory

Inventory of U.S.D.A. Commodities is shown at estimated value and purchased inventories are shown at cost, which approximates market using first in/first out (FIFO) method. Inventories in the special revenue fund consist of cafeteria inventories. The cost is recorded as expenditure at the time individual inventory items are consumed. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources", even though they are a component of net current assets.

Note 1 – Summary of Significant Accounting Policies (continued)

5. Capital Assets

The School District now capitalizes only chattels and equipment that cost over \$5,000 in compliance with HB 1074 (Section 12-6-10 NMSA 1978). The District still maintains an asset listing of items that cost \$5,000 or less, for asset safeguarding and management purposes. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Capital assets, which include land improvements, building improvements and equipment, are reported in the applicable governmental activities in the District’s Government-wide financial statements. Other costs incurred for repair and maintenance are ex-pended as incurred. In addition, the District has made major improvements to its buildings through assistance from the State of New Mexico Public School Facilities Authority. These major building improvements and renovations have been included in the District’s capital asset inventory.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

- Land improvements 20 Years
- Building and improvements 20-50 Years
- Vehicles and equipment 5-10 Years
- Furniture and fixtures 7 Years

The School District does not own any infrastructure assets such as road, bridges, underground pipe etc. Although, the District has entered capital assets and computed depreciation, the capital inventory listing has not been reconciled since land has not been recorded.

E. Revenues, Expenditures, and Expenses

!. Payroll Checks

Pursuant to the instructions contained in the manual for Procedures for Uniform-Accounting and Budgeting for New Mexico School Districts, The School District issued certain payroll checks subsequent to the year ended June 30, 2008. These warrants are recorded and included in the financial statements as expenditures and reductions of cash.

Note 2 – Stewardship, Compliance, and Accountability

A. Deposits and Investment Laws and Regulations

1. Surety Bond

The officials and certain employees of the School District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

2. Cash deposits

As of June 30, 2008 the carrying amount of the School's bank deposits was negative \$ (2,891) and the respective bank balances totaled \$ 254,685. Of the total bank balance, \$ 100,000 was insured through the Federal depository insurance Corporation (FDIC). The remaining \$ 254,685 was collateralized by Community 1st Bank Las Vegas with pledged securities in the amount of \$ 224,964 (see Schedule of Individual deposits, Investments and collateral on page 83).

Actual Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits (in excess of FDIC insurance) may not be returned to us. As of June 30, 2008, the District was not exposed to custodial risk.

Policy

The District does not have a deposit policy for custodial risk.

3. Investments

Investments of the District consist of donated General Electric Common Stock and a certificate of deposit. The investment at June 30, 2008 of common stock totaled \$ 45,056 and the certificate of deposit was \$ 3,347. In the 1950's when the Village of Wagon Mound's Public Library was closed the Village donated all library assets to the District's school library. In the assets donated were 11 shares of General Electric common stock. The District has maintained the stock and put the dividends into a library fund to purchase additional books. The District now owns 1,177 shares with a fair market value of \$ 31,414.

Actual Risk

The common stock of the District is openly traded on the stock market. As of June 30, 2008 the District was exposed to market rate risk on its total investment of \$ 45,056.

Note 2 – Stewardship, Compliance, and Accountability (continued)

3. Investments (continued)

Policy

The District does not have an investment policy for market rate risk.

In addition, the General Electric Stock owned by the District is not allowed by state statute. The Board of Finance of the District may temporarily invest money held in demand deposits not immediately needed for the operation of the District. Such temporary investments shall be made only in securities which are issued by the state or by the United States Government, or by their departments or agencies, and which are either direct obligations of the state or the United States or are backed by the full faith and credit of those governments (22-8-40(H) NMSA 1978).

B. Fund Equity Restrictions

Fund Financial Statements – Fund Balances

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources. Cafeteria inventories, textbook credits, and amounts for debt service at June 30, 2008 are reported as reservations of fund balances.

Government – Wide statements – Net Assets

The District's government-wide Statement of Net Assets reports net assets in three parts:

- Investment in capital assets which represents capital assets acquired by the District minus any depreciation claimed throughout the years net of related debt;
- Restricted net assets represent resources available that have been specially identified for an intended purpose as legally enforceable by enabling legislation;
- Unrestricted net assets are resources available that can be used at the discretion of the Board of Directors of the District.

State of New Mexico
Wagon Mound Public Schools
Notes to Financial Statements
For the Year Ended June 30, 2008

Note 3 – Detail Notes on Transaction Classes/Accounts

A. Interfund Receivables and Payables:

Individual fund interfund receivable and payable balances as of June 30, 2008 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General fund	Nonmajor special revenue fund	\$ 222,106
	Major special revenue funds	90,258
	Major general fund	<u>20,176</u>
		<u>\$ 332,540</u>

All interfund balances are due to negative cash balances within the various funds. All interfund balances are expected to be repaid during the fiscal year ended June 30, 2009.

B. Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance <u>June30, 2007</u>	Increase	Decrease	Ending Ending <u>June30, 2008</u>
Governmental Activities				
Capital assets being depreciated				
Land improvements	\$ 213,375			\$ 213,375
Building and improvements	5,546,938			5,546,938
Vehicles and equipment	494,057	70,097	88,352	475,802
Furniture and fixtures	<u>2,790,346</u>			<u>2,790,346</u>
Total capital assets being depreciated	<u>9,044,716</u>	<u>70,097</u>	<u>88,352</u>	<u>9,026,461</u>
Less accumulated depreciation for:				
Land improvements	310,390	29,746		340,136
Building and improvements	2,387,518	353,350	81,569	2,659,299
Vehicles and equipment	113,358	44,236		157,594
Furniture and fixtures	<u>173,627</u>	<u>5,469</u>		<u>179,096</u>
Total accumulated depreciation	<u>2,984,893</u>	<u>432,801</u>	<u>81,569</u>	<u>3,336,125</u>
Governmental activities capital assets, net	<u>\$ 6,059,823</u>	<u>362,704</u>	<u>6,783</u>	<u>\$ 5,690,336</u>

Although the District has made huge progress in complying with GASB Statement No. 34, the capital asset inventory listing has not been reconciled. The reason for this is that the cost of land whose cost cannot be reasonably determined has not been recorded. The District is in the process of determining the best way of valuing its land so it can be recorded.

State of New Mexico
Wagon Mound Public Schools
Notes to Financial Statements
For the Year Ended June 30, 2008

Note 3 – Detail Notes on Transaction Classes/Accounts (continued)

C. Long-term Debt

Long-term liability activity for the year ended June 30, 2008 was as follows:

	Beginning Balance <u>June 30, 2007</u>	Increase	Decrease	Ending Balance <u>June 30, 2008</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Bonds payable:					
Issued 4-15-1999	\$ 225,000	25,000	200,000	50,000	\$ 50,000
Issued 1-15-2000	<u>100,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total bonds payable	<u>325,000</u>	<u>75,000</u>	<u>250,000</u>	<u>100,000</u>	<u>100,000</u>
Other liabilities					
Compensated absences	<u>41,441</u>	<u>18,685</u>	<u>43,208</u>	<u>16,917</u>	<u>6,766</u>
Long-term liabilities	<u>\$ 366,441</u>	<u>18,685</u>	<u>118,208</u>	<u>266,917</u>	<u>\$ 106,766</u>

Payments on the General Obligation bonds of the School District's governmental activities are made by the debt Service Fund. Compensated absences are paid out of the general fund.

The School District compensates employees for accumulated vacation upon termination of employment. The amount of annual vacation is dependent on the employee's length of service. Non-vesting sick leave benefits are not accrued as employees are not paid for unused sick leave at termination of employment.

Debt service requirements on long-term debt at June 30, 2008 is as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 100,000	8,713	108,713
2010	50,000	5,375	55,375
2011	50,000	3,225	53,225
2012	<u>50,000</u>	<u>1,075</u>	<u>51,075</u>
Total	<u>\$ 250,000</u>	<u>18,388</u>	<u>268,388</u>

Note 3 – Detail Notes on Transaction Classes/Accounts (continued)

D. Reconciliation of the results of operations for the year ended June 30, 2008 from the modified accrual (GAAP) basis to the Non-GAAP budgetary basis.

	General Fund	Enhancing Education (E2T2-C)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses:		
GAAP Basis	\$ (87,043)	\$ 21,722
Adjustments:		
Net adjustment for revenue accrual		(90,258)
Net adjustment for expenditure accrual	(1,071)	(3,441)
Net adjustment for transfer in	<u>20,176</u>	
Budget Basis	<u>\$ (67,938)</u>	<u>\$ (71,977)</u>

Note 4 – Other Notes

1. Pension Plan - Educational Retirement Board

Plan Description. Substantially all of Wagon Mound Public School’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 member (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.

Funding Policy. Plan members are required to contribute 7.83% of their gross salary. The Wagon Mound Public School 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 Wagon Mound Public School are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Wagon Mound Public School’s contributions to ERB for the fiscal years ending June 30, 2008, 2007, and 2006, were \$ 221,972, \$ 214,186, and \$ 191,180, respectively, which equal the amount of the required contributions for each fiscal year.

Note 4 – Other Notes (continued)

2. – Post-Employment Benefits – State Retiree Health Care Plan

Plan Description. The Wagon Mound Public School 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 make 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 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 NER, Suite 104, Albuquerque, NM 87107.

Funding Policy. 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.

Note 4 – Other Notes (continued)

The Retiree Health Care Act (section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employer 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 Wagon Mound Public School's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$ 22,934, \$ 24,104 and \$ 20,832, respectively, which equal the required contributions for each year.

B. Risk Management

Risks of loss include:

1. Loss of buildings, contents, equipment and vehicles;
2. Liability for general, automotive, civil rights and other miscellaneous liabilities;
3. Workers' compensation;
4. Mechanical and other perils to boilers, heating, and air conditioning.

These risks are handled by participation in the New Mexico public schools Insurance Authority (NMPSIA), a public entity risk pool. Wagon Mound Public Schools and ninety (90) additional members participate in the NMPSIA. Self-insured retention is the responsibility of the pool and is the first \$250,000 of property, liability, or worker' compensation loss.

C. Joint Venture

Wagon Mound public Schools participates along with five other school districts in the Regional Center cooperative No. 4. Members include Pecos Independent Schools, Santa Rosa Consolidated Schools, Wagon Mound public Schools, Las Vegas City Schools, West Las Vegas Schools and Mora independent Schools. Six member superintendents comprise the Council of superintendents, the governing body, and West Las Vegas Schools serves as fiscal agent. A director manages the daily operations. Regional Center Cooperative No.4 issues a separate, publicly available audited financial report. The report may be obtained by writing to the Regional Center Cooperative No.4, P.O. Box 927, Las Vegas, NM 87701.

SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Combining Fund Balance Sheets
Nonmajor Governmental Funds
June 30, 2008

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds (Statement 3)
ASSETS				
Cash on deposit	\$ 30,776	\$ 10,734	\$ 82,923	124,433
Interfund balances	222,106	-	-	222,106
Due from other funds	-	-	-	-
Due from governments	35,392	-	5,461	40,853
Inventories - supplies and materials	2,733	-	-	2,733
Total assets	\$ 291,007	\$ 10,734	\$ 88,384	\$ 390,125
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	-	-	-	-
Interfund balances	222,106	-	-	222,106
Due to other funds	-	-	-	-
Total liabilities	222,106	-	-	222,106
Fund balances:				
Reserved for:				
Debt service	-	10,734	-	10,734
Inventory	2,733	-	-	2,733
Unreserved:				
Undesignated	66,168	-	88,384	154,552
Total fund balances	68,901	10,734	88,384	168,019
Total liabilities and fund balances	\$ 291,007	\$ 10,734	\$ 88,384	\$ 390,125

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

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds (Statement 4)
REVENUES				
Property taxes	\$ -	\$ 609	\$ 164,140	\$ 164,749
Intergovernmental	294,052	-	5,462	299,514
Charges for services	14,392	-	-	14,392
Total revenues	308,444	609	169,602	478,655
EXPENDITURES				
Current				
Direct instruction	211,072	-	-	211,072
Support services	26,297	-	-	26,297
Operation of non-instructional service	75,058	6	18	75,082
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay				
Capital outlay	-	-	198,213	198,213
Total expenditures	312,427	6	198,231	510,664
Excess (deficiency) of revenues over expenditures	(3,983)	603	(28,629)	(32,009)
OTHER FINANCING SOURCES (USES)				
Transfer in	47,752	-	43,484	91,236
Transfer out	(75,782)	-	(2,518)	(78,300)
Total other financing sources (uses)	(28,030)	-	40,966	12,936
Net change in fund balance	(32,013)	603	12,337	(19,073)
Fund balance - beginning	100,914	10,131	76,047	187,092
Fund balance - ending	\$ 68,901	\$ 10,734	\$ 88,384	\$ 168,019

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

SPECIAL REVENUE FUND

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

FOOD SERVICE - The Food Service Fund is utilized to account for income relating to food service programs. This fund receives Federal funds. Federal funds consist of the National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. Authority for creation of this fund is NMSA 22-13-13.

ATHLETIC ACTIVITY - This fund is used to account for revenues generated at athletic activities throughout the District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is the New Mexico State Department of Education School District Policies and Procedures Manual.

TITLE I - IASA - To account for operations and maintenance of meeting the special educational needs of educationally deprived children. Federal Grant Provision. PL 103-382

IDEA B - ENTITLEMENT/DISCRETIONARY/COMPETITIVE - The purpose of these program is to help maximize the resources in meeting the objectives of handicapped children. The federal revenues are received and administered by the New Mexico Department of Education. PL 105-17

ENHANCING EDUCATION (E2T2-F) - To provide computers for classroom teachers on ST3 teams to facilitate training of other teachers. Funding authority is New Mexico Department of Education.

COMPREHENSIVE SCHOOL REFORM - To provide training and travel funds for teachers to attend workshops relating to Professional Development Courses in Reading. Funding is provided from a grant from the New Mexico Education Department.

ENHANCING EDUCATION (E2TE-C) - The purpose of this program is to acquire technologies to integrate into school curriculum and increase student achievement. Funding is provided through a grant from the New Mexico Education Department.

EDUCATIONAL TECHNOLOGY EQUIPMENT - This fund accounts for the cost of implementing a Cisco LAN wireless network which allows the students to use laptop computers throughout the school by hooking up to the high school network.

READING FIRST - This grant was issued by the New Mexico Public Education Department (PED) to continue implementation of the Reading First Program to include staff professional development, instructional and learning technologies.

TITLE V - PART A INNOVATIVE EDUCATION - This grant provides a media specialist to keep the library open during school hours and assist students with the use of the library and resources. Funding authority is the State Department of Education. P.L. 107-110

ENGLISH LANGUAGE AND ACADEMIC ACHIEVEMENT - This grant was issued by New Mexico Department of Education through a consortium effort with Questa Schools. It is designed to ensure that English Language Learners make progress in attaining English Proficiency.

TEACHER/PRINCIPAL TRAINING & RECRUITING - To account for grant funds to be used for supplemental reading and math programs in support of ESEA Chapter I Programs. Funding authority is the State Department of Education. PL100-297

SAFE & DRUG FREE SCHOOLS AND COMMUNITY - This grant provides funding for substance abuse education, prevention, and intervention programs. Funding authority is the State Department of Children, Youth and Families. PL 103-382

GENERAL EDUCATION PROJECTS - This fund accounts for curriculum modules that are technology driven, standards based and created by teachers. These modules are digitized and distributed over the internet. Funding is through a grant from New Mexico State University.

BILINGUAL EDUCATION GRANT - Improves the teaching and learning of all students through professional development activities in the core academic subjects to help ensure that teachers, administrators and other staff have access to sustained and intensive high-quality professional development that is aligned to challenging state contest standards and challenging state student performance standards. Legislation: Improving America's Schools Act, 1994, PL 103-382

COMMUNITY ACADEMY SCIENCE - National Science Foundation provides grants to rural minority school districts in order to bring parents, students, community people and teachers together on a regular basis outside the classroom to experience hands-on science and mathematics activities. Ultimate goal is to prepare students to be college ready by graduation so that they have a full range of post-secondary choices.

CENTER FOR LEARNING OPPORTUNITIES - The grant will coordinate a menu of activities and services in a safe, nurturing environment where students, their families, and community members can learn together and play together in order to strengthen family structures and contribute to a stronger, healthier community. Funding source is the U.S. Department of Education.

RURAL EDUCATION ACHIEVEMENT PROGRAM - This grant award issued by the United States Department of Education under the Rural Education Achievement Program (REAP) is intended to assist the District in raising student academic achievement and meeting the State's definition of adequate yearly progress.

MICROSOFT SETTLEMENT FUNDS - These funds are used to supplement teacher salaries for regular education programs. Funding is through a settlement suit.

Youth Conservation Corps - The fund provides for youth participation to complete facility improvements at the school and the village of Wagon Mound. Funding is through a grant from the New Mexico Youth Conservation Corp.

TECHNOLOGY FOR EDUCATION - PED - To account for grant funds to provide for updating and additions of computer labs and software at several school locations. Funding authority is the New Mexico Department of Education. 22-15A-1 NMSA 1978

OBESITY PROGRAM - PED - To implement an After School Physical Activity and Nutrition Program in the Elementary School. To include a snack prepared for the students by the students along with various physical activities. Funds to be provided through the Public Education Department.

TANF - FULL DAY KINDERGARTEN - The grant provides for temporary assistance to needy families to support the fourth year of implementation of the Full Day Kindergarten (FDK) Literacy Readiness Program. PL 104-193

BEGINNING TEACHER MENTORING - This grant was issued by New Mexico Department of Education. The intent of the grant is to provide support for the School District mentoring program. Teachers that have less than three years teaching experience and who currently hold a level IA, or Level IC, ICS, and IS teaching licence are tracked for a few years to see if the teacher mentoring program helped retain them in the profession.

COORDINATED APPROACH TO CHILD HEALTH - To fund a research based physical activity and nutrition diabetes prevention program for elementary school children (3rd through 5th grade students and their families). Funding is through the New Mexico Department of Health.

PRIVATE DIRECT GRANTS CATEGORICAL - To account for resources to plan, coordinate and implement technology education in the District. Funding through Grant Provisions.

McCUNE CHARITABLE FOUNDATION - To provide after school program to raise reading performance levels. Funding is provided by a grant from the McCune Foundation.

SAFE ROUTES TO SCHOOL - Funds were provided to implement and develop a safe route to school action plan. Funding is through a grant with the New Mexico Department of Transportation.

LIBRARIES SB 301 GO BONDS - Funds are provided for library facility improvement or acquisition and to acquire library books and library resources to support library programs. Funding is through a bond issue approved by New Mexico voters and administered by the Public Education Department.

SUN SAFETY EDUCATION - This program will effectively promote sun protection for children to reduce their risk of later developing skin cancer. Funding is through a program from the New Mexico Department of Health Comprehensive Cancer Program.

<u>IDEA - B Discretionary</u>	<u>IDEA - B Competitive</u>	<u>Enhancing Education (E2T2 - F)</u>	<u>Educational Technology Equipment</u>	<u>Reading First</u>	<u>Title V-Part A Innovative Education</u>
\$ 3,364	\$ 459	\$ -	\$ -	\$ -	\$ -
-	-	1,173	109,432	5,259	405
-	-	1,173	-	4,919	6
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,364</u>	<u>459</u>	<u>2,346</u>	<u>109,432</u>	<u>10,178</u>	<u>411</u>
-	-	-	-	-	-
-	-	1,173	109,432	5,259	405
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,173</u>	<u>109,432</u>	<u>5,259</u>	<u>405</u>
-	-	-	-	-	-
3,364	459	-	-	4,919	6
<u>3,364</u>	<u>459</u>	<u>-</u>	<u>-</u>	<u>4,919</u>	<u>6</u>
\$ <u>3,364</u>	\$ <u>459</u>	\$ <u>2,346</u>	\$ <u>109,432</u>	\$ <u>10,178</u>	\$ <u>411</u>

<u>Bilingual Education Grant</u>	<u>Community Academy Science</u>	<u>Center for Learning Opportunities</u>	<u>Rural Educat- ion Achieve- ment Program</u>	<u>Youth Conservation Corp</u>	<u>Technology For Education - PED</u>
\$ 5,515	\$ 335	\$ 384	\$ -	\$ -	\$ 179
-	-	-	2,256	8,699	-
-	-	-	2,256	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,515</u>	<u>335</u>	<u>384</u>	<u>4,512</u>	<u>8,699</u>	<u>179</u>
-	-	-	-	-	-
-	-	-	2,256	8,699	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,256	8,699	-
-	-	-	-	-	-
5,515	335	384	2,256	-	179
<u>5,515</u>	<u>335</u>	<u>384</u>	<u>2,256</u>	<u>-</u>	<u>179</u>
<u>\$ 5,515</u>	<u>\$ 335</u>	<u>\$ 384</u>	<u>\$ 4,512</u>	<u>\$ 8,699</u>	<u>\$ 179</u>

REGN ALLIANCE NMSU	Private Dir Grants Categorical	McCune Charitable Foundation	Safe Routes To School NMDOT	Breakfast For Elementary Students
\$ 10	\$ 457	\$ 184	\$ -	-
-	-	-	1,166	534
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>10</u>	<u>457</u>	<u>184</u>	<u>1,166</u>	<u>534</u>
-	-	-	-	-
-	-	-	1,166	534
-	-	-	-	-
-	-	-	-	-
-	-	-	1,166	534
-	-	-	-	-
10	457	184	-	-
10	457	184	-	-
<u>\$ 10</u>	<u>\$ 457</u>	<u>\$ 184</u>	<u>\$ 1,166</u>	<u>534</u>

STATE OF NEW MEXICO
Wagon Mound Public Schools
Combining Balance Sheets
Nonmajor Special Revenue Funds
June 30, 2008

	<u>Libraries</u> <u>SB 301</u> <u>Go Bonds</u>	<u>Sun</u> <u>Safety</u>	<u>Total</u> <u>Special</u> <u>Revenue Funds</u>
ASSETS			
Cash on deposit	\$ -	\$ -	\$ 30,776
Interfund balances	5,372	899	222,106
Due from other governments	3,604	-	35,392
Due from other funds	-	-	-
Due from others	-	-	-
Inventories	-	-	2,733
Total assets	<u>8,976</u>	<u>899</u>	<u>291,007</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	-	-	-
Interfund balaces	5,372	899	222,106
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>5,372</u>	<u>899</u>	<u>222,106</u>
Fund Balances			
Reserved for:			
Inventory	-	-	2,733
Undesignated (deficit)	3,604	-	66,168
Total fund balances	<u>3,604</u>	<u>-</u>	<u>68,901</u>
Total liabilities and fund balances	<u>\$ 8,976</u>	<u>\$ 899</u>	<u>\$ 291,007</u>

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

Safe Routes To School NMDOT	Discretionary IDEA - B	Competitive IDEA - B	Enhancing Education (E2T2 - F)	Comprehensive School Reform	Libraries SB 301 Go Bonds
\$ 4,357	\$ 57	\$ -	\$ 2,432	\$ 2,091	\$ 3,604
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,357</u>	<u>57</u>	<u>-</u>	<u>2,432</u>	<u>2,091</u>	<u>3,604</u>
523	-	-	1,173	-	5,372
5,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,523</u>	<u>-</u>	<u>-</u>	<u>1,173</u>	<u>-</u>	<u>5,372</u>
<u>(1,166)</u>	<u>-</u>	<u>-</u>	<u>1,259</u>	<u>2,091</u>	<u>(1,768)</u>
1,166	-	-	-	-	5,372
-	-	-	(86)	(28,496)	-
<u>1,166</u>	<u>-</u>	<u>-</u>	<u>(86)</u>	<u>(28,496)</u>	<u>5,372</u>
-	57	-	1,173	(26,405)	3,604
-	3,307	459	-	26,405	-
<u>\$ -</u>	<u>\$ 3,364</u>	<u>\$ 459</u>	<u>\$ 1,173</u>	<u>\$ -</u>	<u>\$ 3,604</u>

Safe & Drug Free Schools & Community	Reading First	Bilingual Education Grant	Community Academy Science	Center For Learning Opportunities	Rural Educat- ion Achieve- ment Program
\$ 1,569	\$ 37,920	\$ -	\$ -	\$ -	\$ 9,324
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,569</u>	<u>37,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,324</u>
1,980	3,083	-	-	-	7,578
-	-	-	-	-	-
-	-	-	-	-	-
37	5,469	-	-	-	-
<u>2,017</u>	<u>8,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,578</u>
(448)	29,368	-	-	-	1,746
1,027	5,259	-	-	-	2,256
(598)	(33,235)	-	-	-	-
<u>429</u>	<u>(27,976)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,256</u>
(19)	1,392	-	-	-	4,002
359	3,527	5,515	335	384	(1,746)
<u>\$ 340</u>	<u>\$ 4,919</u>	<u>\$ 5,515</u>	<u>\$ 335</u>	<u>\$ 384</u>	<u>\$ 2,256</u>

<u>Beginning Teacher Mentoring</u>	<u>Breakfast For Elementary Students</u>	<u>Coordinated Approach To Child Health</u>	<u>REGN ALLIANCE NMSU</u>	<u>Private Dir Grants Categorical</u>
\$ 3,436	\$ 534	\$ 1	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
<u>3,436</u>	<u>534</u>	<u>1</u>	<u>-</u>	<u>-</u>
2,346	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	1,067	-	-	-
<u>2,346</u>	<u>1,067</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,090	(533)	1	-	-
649	533	-	-	-
-	-	-	-	-
<u>649</u>	<u>533</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,739	-	1	-	-
(1,090)	-	1	10	457
<u>\$ 649</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 10</u>	<u>\$ 457</u>

STATE OF NEW MEXICO
Wagon Mound Public Schools
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2008

	<u>Sun</u> <u>Safety</u>	<u>McCune</u> <u>Charitable</u> <u>Foundation</u>	<u>Total</u> <u>Special Reven</u> <u>Funds</u>
REVENUES			
Intergovernmental	-	\$ -	\$ 294,052
Charges for services	-	-	14,392
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>308,444</u>
EXPENDITURES			
Current			
Instruction	702	-	211,072
Support services	197	-	26,297
Operation of non-	-	-	-
instructional services	-	-	75,058
Total expenditures	<u>899</u>	<u>-</u>	<u>312,427</u>
Excess (deficiency) of			
revenues over expenditures	<u>(899)</u>	<u>-</u>	<u>(3,983)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	899	-	47,752
Transfer out	-	-	(75,782)
Total other financing			
Sources (uses)	<u>899</u>	<u>-</u>	<u>(28,030)</u>
Net change in fund balance	-	-	(32,013)
Fund balance - beginning	-	184	100,914
Fund balance - ending	<u>-</u>	<u>\$ 184</u>	<u>\$ 68,901</u>

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

**Statement of Revenues and Expenditures (Non-GAAP Budgetary Basis) Budget and Actual -
Special Revenue Funds**

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Food Service
For The Year Ended June 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 36,400	\$ 36,400	\$ 32,401	\$ (3,999)
Charges for services	2,700	2,700	3,071	371
Miscellaneous	300	300	286	(14)
Total revenues	<u>844</u>	<u>844</u>	<u>844</u>	<u>(3,642)</u>
OTHER FINANCING SOURCES				
Prior year cash balance	7,759	7,759	-	(7,759)
Transfer in	-	-	-	-
Total revenues and other financing sources	<u>47,159</u>	<u>47,159</u>	<u>35,758</u>	<u>(11,401)</u>
EXPENDITURES				
Direct instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	<u>47,159</u>	<u>47,159</u>	<u>37,227</u>	<u>9,932</u>
Total expenditures	<u>47,159</u>	<u>47,159</u>	<u>37,227</u>	<u>9,932</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(1,469)</u>	<u>(1,469)</u>
Budget Basis	-	-	(1,469)	(1,469)
Adjustment:				
Accounts receivable	-	-	-	-
Accounts payable	-	-	(199)	(199)
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,668)</u>	<u>\$ (1,668)</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Athletics
For The Year Ended June 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 7,675	\$ 7,675	\$ 9,482	\$ 1,807
Charges for services	1,600	1,600	-	(1,600)
Miscellaneous	59	59	53	(6)
Total revenues	<u>9,334</u>	<u>9,334</u>	<u>9,535</u>	<u>201</u>
OTHER FINANCING SOURCES				
Prior year cash balance	766	766	-	(766)
Transfer in	-	-	-	-
Total revenues and other financing sources	<u>10,100</u>	<u>10,100</u>	<u>9,535</u>	<u>(565)</u>
EXPENDITURES				
Direct instruction	-	-	-	-
Support services	10,100	10,100	9,803	297
Operation of non-instructional services	-	-	-	-
Total expenditures	<u>10,100</u>	<u>10,100</u>	<u>9,803</u>	<u>297</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(268)</u>	<u>(268)</u>
Budget Basis	-	-	(268)	(268)
Adjustment:				
Accounts receivable	-	-	1,500	1,500
Accounts payable	-	-	84	84
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,316</u>	<u>\$ 1,316</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Title I - IASA
For The Year Ended June 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 148,970	\$ 148,805	\$ 165,269	\$ 16,464
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>148,970</u>	<u>148,805</u>	<u>165,269</u>	<u>16,464</u>
OTHER FINANCING SOURCES				
Prior year cash balance	24,000	24,000	-	(24,000)
Transfer in	-	-	-	-
Total revenues and other financing sources	<u>172,970</u>	<u>172,970</u>	<u>165,269</u>	<u>(7,536)</u>
EXPENDITURES				
Direct instruction	153,840	153,675	143,948	9,727
Support services	19,130	19,130	19,008	122
Operation of non-instructional services	-	-	-	-
Total expenditures	<u>172,970</u>	<u>172,805</u>	<u>162,956</u>	<u>9,849</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>2,313</u>	<u>2,313</u>
Budget Basis	-	-	2,313	2,313
Adjustment:				
Accounts receivable	-	-	(16,762)	(16,762)
Accounts payable	-	-	-	-
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,449)</u>	<u>\$ (14,449)</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Entitlement IDEA - B
For The Year Ended June 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 22,119	\$ 22,119	\$ 18,189	\$ (3,930)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>22,119</u>	<u>22,119</u>	<u>18,189</u>	<u>(3,930)</u>
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	<u>22,119</u>	<u>22,119</u>	<u>18,189</u>	<u>(3,930)</u>
EXPENDITURES				
Direct instruction	-	-	-	-
Support services	22,119	22,119	21,079	1,040
Operation of non-instructional services	-	-	-	-
Total expenditures	<u>22,119</u>	<u>22,119</u>	<u>21,079</u>	<u>1,040</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(2,890)</u>	<u>(2,890)</u>
Budget Basis	-	-	(2,890)	(2,890)
Adjustment:				
Accounts receivable	-	-	9	9
Accounts payable	-	-	-	-
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,881)</u>	<u>\$ (2,881)</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Enhancing Education (E2T2-F)
For The Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ 1,173	\$ 1,259	\$ (86)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>1,173</u>	<u>1,259</u>	<u>(86)</u>
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	<u>-</u>	<u>1,173</u>	<u>1,259</u>	<u>(86)</u>
EXPENDITURES				
Direct instruction	-	-	-	-
Support services	-	1,173	1,173	-
Operation of non-instructional services	-	-	-	-
Total expenditures	<u>-</u>	<u>1,173</u>	<u>1,173</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(86)</u>	<u>(86)</u>
Budget Basis	-	-	(86)	(86)
Adjustment:				
Accounts receivable	-	-	1,173	1,173
Accounts payable	-	-	-	-
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,259</u>	<u>\$ 1,259</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Comprehensive School Reform
For The Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ 1,882	\$ 30,526	\$ 28,644
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>1,882</u>	<u>30,526</u>	<u>28,644</u>
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	<u>-</u>	<u>1,882</u>	<u>30,526</u>	<u>28,644</u>
EXPENDITURES				
Direct instruction	-	-	-	-
Support services	-	1,882	1,882	-
Operation of non-instructional services	-	-	-	-
Total expenditures	<u>-</u>	<u>1,882</u>	<u>1,882</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>28,644</u>	<u>28,644</u>
Budget Basis	-	-	28,644	28,644
Adjustment:				
Accounts receivable	-	-	-	-
Accounts payable	-	-	(28,644)	(28,644)
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Title V - Part A Innovation Education
For The Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 1,249	\$ 1,361	\$ 992	\$ (369)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>1,249</u>	<u>1,361</u>	<u>992</u>	<u>(369)</u>
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	<u>1,249</u>	<u>1,361</u>	<u>992</u>	<u>(369)</u>
EXPENDITURES				
Direct instruction	1,227	1,339	1,273	66
Support services	22	22	22	-
Operation of non-instructional services	-	-	-	-
Total expenditures	<u>1,249</u>	<u>1,361</u>	<u>1,295</u>	<u>66</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(303)</u>	<u>(303)</u>
Budget Basis	-	-	(303)	(303)
Adjustment:				
Accounts receivable	-	-	-	-
Accounts payable	-	-	(50)	(50)
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (353)</u>	<u>\$ (353)</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - English Language Acquisition
For The Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 3,990	\$ 3,303	\$ 558	\$ (2,745)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>3,990</u>	<u>3,303</u>	<u>558</u>	<u>(2,745)</u>
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	<u>3,990</u>	<u>3,303</u>	<u>558</u>	<u>(2,745)</u>
EXPENDITURES				
Direct instruction	3,990	3,303	2,995	308
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Total expenditures	<u>3,990</u>	<u>3,303</u>	<u>2,995</u>	<u>308</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(2,437)</u>	<u>(2,437)</u>
Budget Basis	-	-	(2,437)	(2,437)
Adjustment:				
Accounts receivable	-	-	2,995	2,995
Accounts payable	-	-	-	-
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 558</u>	<u>\$ 558</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Teacher/Principal Training & Recruiting
For The Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 13,267	\$ 13,398	\$ 14,785	\$ 1,387
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>13,267</u>	<u>13,398</u>	<u>14,785</u>	<u>1,387</u>
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	<u>13,267</u>	<u>13,398</u>	<u>14,785</u>	<u>1,387</u>
EXPENDITURES				
Direct instruction	13,037	13,168	13,054	114
Support services	230	230	230	-
Operation of non-instructional services	-	-	-	-
Total expenditures	<u>13,267</u>	<u>13,398</u>	<u>13,284</u>	<u>114</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,501</u>	<u>1,501</u>
Budget Basis	-	-	1,501	1,501
Adjustment:				
Accounts receivable	-	-	-	-
Accounts payable	-	-	(1,927)	(1,927)
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (426)</u>	<u>\$ (426)</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Safe & Drug Free Schools & Community
For The Year Ended June 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 2,067	\$ 2,179	\$ 1,730	\$ (449)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>2,067</u>	<u>2,179</u>	<u>1,730</u>	<u>(449)</u>
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	<u>2,067</u>	<u>2,179</u>	<u>1,730</u>	<u>(449)</u>
EXPENDITURES				
Direct instruction	2,031	2,143	2,123	20
Support services	36	36	36	-
Operation of non-instructional services	-	-	-	-
Total expenditures	<u>2,067</u>	<u>2,179</u>	<u>2,159</u>	<u>20</u>
Excess (deficiency) of revenues over expenditures	-	-	(429)	(429)
Budget Basis	-	-	(429)	(429)
Adjustment:				
Accounts receivable	-	-	340	340
Accounts payable	-	-	(259)	(359)
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (448)</u>	<u>\$ (448)</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Reading First
For The Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental	\$ 30,568	\$ 60,528	\$ 75,376	\$ 14,848
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	30,568	60,528	75,376	14,848
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	30,568	60,528	75,376	14,848
EXPENDITURES				
Direct instruction	28,756	49,653	41,931	7,722
Support services	1,812	10,875	5,469	5,406
Operation of non-instructional services	-	-	-	-
Total expenditures	30,568	60,528	47,400	13,128
Excess (deficiency) of revenues over expenditures	-	-	27,976	27,976
Budget Basis	-	-	27,976	27,976
Adjustment:				
Accounts receivable	-	-	4,919	4,919
Accounts payable	-	-	(3,527)	(3,527)
GAAP Basis	\$ -	\$ -	\$ 29,368	\$ 29,368

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Safe Routes to School
For The Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ 15,000	\$ 4,357	\$ (10,643)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	15,000	4,357	(10,643)
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	-	15,000	4,357	(10,643)
EXPENDITURES				
Direct instruction	-	9,998	523	9,475
Support services	-	5,002	5,000	2
Operation of non-instructional services	-	-	-	-
Total expenditures	-	15,000	5,523	9,477
Excess (deficiency) of revenues over expenditures	-	-	(1,166)	(1,166)
Budget Basis	-	-	(1,166)	(1,166)
Adjustment:				
Accounts receivable	-	-	-	-
Accounts payable	-	-	-	-
GAAP Basis	\$ -	\$ -	\$ (1,166)	\$ (1,166)

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Rural Education Achievement Program
For The Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental	\$ -	\$ 13,710	\$ 7,069	\$ (6,641)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	13,710	7,069	(6,641)
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	-	13,710	7,069	(6,641)
EXPENDITURES				
Direct instruction	-	13,710	9,324	4,386
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Total expenditures	-	13,710	9,324	4,386
Excess (deficiency) of revenues over expenditures	-	-	(2,255)	(2,255)
Budget Basis	-	-	(2,255)	(2,255)
Adjustment:				
Accounts receivable	-	-	4,001	4,001
Accounts payable	-	-	-	-
GAAP Basis	\$ -	\$ -	\$ 1,746	\$ 1,746

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Microsoft Settlement Funds
For The Year Ended June 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ 6,336	\$ -	\$ (6,336)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>6,336</u>	<u>-</u>	<u>(6,336)</u>
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	<u>-</u>	<u>6,336</u>	<u>-</u>	<u>(6,336)</u>
EXPENDITURES				
Direct instruction	-	6,336	6,336	-
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Total expenditures	<u>-</u>	<u>6,336</u>	<u>6,336</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(6,336)</u>	<u>(6,336)</u>
Budget Basis	-	-	(6,336)	(6,336)
Adjustment:				
Accounts receivable	-	-	-	-
Accounts payable	-	-	-	-
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,336)</u>	<u>\$ (6,336)</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Technology for Education
For The Year Ended June 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ 6,320	\$ 7,536	\$ 1,216
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	6,320	7,536	1,216
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	-	6,320	7,536	1,216
EXPENDITURES				
Direct instruction	-	6,320	6,141	179
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Total expenditures	-	6,320	6,141	179
Excess (deficiency) of revenues over expenditures	-	-	1,395	1,395
Budget Basis	-	-	1,395	1,395
Adjustment:				
Accounts receivable	-	-	-	-
Accounts payable	-	-	(1,820)	(1,820)
GAAP Basis	\$ -	\$ -	\$ 3,215	\$ 3,215

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Obesity Program
For The Year Ended June 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ 18,799	\$ 2,097	\$ (16,702)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	18,799	2,097	(16,702)
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	-	18,799	2,097	(16,702)
EXPENDITURES				
Direct instruction	-	18,799	12,843	5,956
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Total expenditures	-	18,799	12,843	5,956
Excess (deficiency) of revenues over expenditures	-	-	(10,746)	(10,746)
Budget Basis	-	-	(10,746)	(10,746)
Adjustment:				
Accounts receivable	-	-	5,688	5,688
Accounts payable	-	-	-	-
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,058)</u>	<u>\$ (5,058)</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Beginning Teacher Mentoring
For The Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental	\$ -	\$ 3,877	\$ 2,787	\$ (1,090)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	3,877	2,787	(1,090)
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	-	3,877	2,787	(1,090)
EXPENDITURES				
Direct instruction	-	3,877	3,436	441
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Total expenditures	-	3,877	3,436	441
Excess (deficiency) of revenues over expenditures	-	-	(649)	(649)
Budget Basis	-	-	(649)	(649)
Adjustment:				
Accounts receivable	-	-	1,739	1,739
Accounts payable	-	-	-	-
GAAP Basis	\$ -	\$ -	\$ 1,090	\$ 1,090

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Breakfast for Elementary Students
For The Year Ended June 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental	\$ 1,067	\$ 1,067	\$ 534	\$ (533)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>1,067</u>	<u>1,067</u>	<u>534</u>	<u>(533)</u>
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	<u>1,067</u>	<u>1,067</u>	<u>534</u>	<u>(533)</u>
EXPENDITURES				
Direct instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	<u>1,067</u>	<u>1,067</u>	<u>1,067</u>	<u>-</u>
Total expenditures	<u>1,067</u>	<u>1,067</u>	<u>1,067</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(533)</u>	<u>(533)</u>
Budget Basis	-	-	(533)	(533)
Adjustment:				
Accounts receivable	-	-	-	-
Accounts payable	-	-	-	-
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (533)</u>	<u>\$ (533)</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Libraries SB 301 - Go Bonds
For The Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ 9,150	\$ -	\$ (9,150)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>9,150</u>	<u>-</u>	<u>(9,150)</u>
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	<u>-</u>	<u>9,150</u>	<u>-</u>	<u>(9,150)</u>
EXPENDITURES				
Direct instruction	-	-	-	-
Support services	-	9,150	5,372	3,778
Operation of non-instructional services	-	-	-	-
Total expenditures	<u>-</u>	<u>9,150</u>	<u>5,372</u>	<u>3,778</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(5,372)</u>	<u>(5,372)</u>
Budget Basis	-	-	(5,372)	(5,372)
Adjustment:				
Accounts receivable	-	-	3,604	3,604
Accounts payable	-	-	-	-
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,768)</u>	<u>\$ (1,768)</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Youth Conservation Corp
For The Year Ended June 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ 35,459	\$ -	\$ (35,459)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>35,459</u>	<u>-</u>	<u>(35,459)</u>
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	<u>-</u>	<u>35,459</u>	<u>-</u>	<u>(35,459)</u>
EXPENDITURES				
Direct instruction	-	-	-	-
Support services	-	35,459	8,699	26,760
Operation of non-instructional services	-	-	-	-
Total expenditures	<u>-</u>	<u>35,459</u>	<u>8,699</u>	<u>26,760</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(8,699)</u>	<u>(8,699)</u>
Budget Basis	-	-	(8,699)	(8,699)
Adjustment:				
Accounts receivable	-	-	-	-
Accounts payable	-	-	-	-
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,699)</u>	<u>\$ (8,699)</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - NMHU/RNNMG
For The Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Intergovernmental	\$ -	\$ 500	\$ 600	\$ -
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	500	500	-
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	-	500	500	-
EXPENDITURES				
Direct instruction	-	-	-	-
Support services	-	500	500	-
Operation of non-instructional services	-	-	-	-
Total expenditures	-	500	500	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Budget Basis	-	-	-	-
Adjustment:				
Accounts receivable	-	-	-	-
Accounts payable	-	-	-	-
GAAP Basis	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Special Revenue Fund - Sun Safety
For The Year Ended June 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental	\$ -	\$ 1,000	\$ -	\$ (1,000)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	1,000	-	(1,000)
OTHER FINANCING SOURCES				
Prior year cash balance	-	-	-	-
Transfer in	-	-	-	-
Total revenues and other financing sources	-	1,000	-	(1,000)
EXPENDITURES				
Direct instruction	-	801	702	99
Support services	-	199	197	2
Operation of non-instructional services	-	-	-	-
Total expenditures	-	1,000	899	101
Excess (deficiency) of revenues over expenditures	-	-	(899)	(899)
Budget Basis	-	-	(899)	(899)
Adjustment:				
Accounts receivable	-	-	-	-
Accounts payable	-	-	-	-
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (899)</u>	<u>\$ (899)</u>

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

Debt Service Fund

The Debt Service Fund is used to account for resources accumulated and payments made for principal and interest on long-term debt incurred by the District.

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Balance Sheet
Nonmajor Debt Service Fund - Educational Technology Equipment
June 30, 2008

	Debt Service Fund
ASSETS	
Cash on deposit	\$ 10,734
Investments	-
Due from other funds	-
Due from others	-
Inventories - supplies and materials	-
Total assets	\$ 10,734
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	-
Due to other funds	-
Deferred revenue	-
Total liabilities	-
 Fund balances:	
Reserved for:	
Debt service	10,734
Inventory	-
Unreserved:	
Undesignated (deficit)	-
Total fund balance	10,734
Total liabilities and fund balance	\$ 10,734

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

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Fund - Educational Technology Equipment
For the Year Ended June 30, 2008

	<u>Debt Service Fund</u>
REVENUES	
Property taxes	\$ 609
Intergovernmental	-
	<u>609</u>
EXPENDITURES	
Current	
Direct instruction	-
Support services	-
Operation of non- instructional services	6
Debt service	
Principal	-
Interest	-
Capital outlay	-
Total expenditures	<u>6</u>
Excess (deficiency) of revenues over expenditures	<u>603</u>
OTHER FINANCING SOURCES (USES)	
Transfer in	-
Transfer out	-
Total other financing sources (uses)	<u>-</u>
Net change in fund balance	603
Fund balance - beginning	10,131
Fund balance - ending	<u>\$ 10,734</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Debt Service Fund - General Obligation Bonds
For The Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Property taxes	\$ 87,700	\$ 87,700	\$ 111,362	\$ 23,662
Intergovernmental	-	-	-	-
Total revenues	<u>87,700</u>	<u>87,700</u>	<u>111,362</u>	<u>23,662</u>
OTHER FINANCING SOURCES				
Prior year cash balance	88,591	88,591	-	(88,591)
Total revenues and other financing sources	<u>176,291</u>	<u>176,291</u>	<u>111,362</u>	<u>(64,929)</u>
EXPENDITURES				
Direct instruction	-	-	-	-
Support services	877	993	1,113	(120)
Operation of non-instructional services	-	-	-	-
Debt service reserve	87,714	87,598	-	87,598
Bond principal payment	75,000	75,000	75,000	-
Bond interest payment	12,700	12,700	12,700	-
Total expenditures	<u>176,291</u>	<u>176,291</u>	<u>88,813</u>	<u>87,478</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>22,549</u>	<u>22,549</u>
Budget Basis	-	-	22,549	22,549
Adjustments:				
Accounts receivable	-	-	-	-
Accounts payable	-	-	-	-
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,549</u>	<u>\$ 22,549</u>

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Nonmajor Debt Service Fund - Educational Technology Equipment Bonds
For The Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ 609	\$ 609
Intergovernmental	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>609</u>	<u>609</u>
OTHER FINANCING SOURCES				
Prior year cash balance	10,414	10,414	-	(10,414)
Total revenues and other financing sources	<u>10,414</u>	<u>10,414</u>	<u>609</u>	<u>(9,805)</u>
EXPENDITURES				
Direct instruction	-	-	-	-
Support services	-	6	6	(120)
Operation of non-instructional services	-	-	-	-
Debt service reserve	10,414	10,408	-	10,408
Bond principal payment	-	-	-	-
Bond interest payment	-	-	-	-
Total expenditures	<u>10,414</u>	<u>10,414</u>	<u>6</u>	<u>10,408</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>603</u>	<u>603</u>
Budget Basis	-	-	603	603
Adjustments:				
Accounts receivable	-	-	-	-
Accounts payable	-	-	-	-
GAAP Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 603</u>	<u>\$ 603</u>

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

Capital Project Funds

The Capital Project Fund is used to account for the costs of capital improvements, such as erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings.

STATE OF NEW MEXICO
Wagon Mound Public Schools
Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2008

	Special Capital Outlay - Local	Special Capital Outlay - State	Public School Capital Outlay	Public School Capital Outlay SB - 9	Public School Capital Outlay 20%	Public School Capital Outlay - Capital Project	Total Nonmajor Capital Project Funds
ASSETS							
Cash on Deposit	\$ 29,438	\$ 28,093	\$ 18,339	\$ 5,722	\$ 1,331	\$ 82,923	
Interfund balances	.	.	.	.	.	.
Due from other funds	.	.	.	.	.	.
Due from governments	.	.	.	5,461	.	.	5,461
Total Assets	<u>29,438</u>	<u>28,093</u>	<u>18,339</u>	<u>11,183</u>	<u>1,331</u>	<u>88,384</u>	
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	.	.	.	.	.	.
Interfund balances	.	.	.	.	.	.
Due to other Funds	.	.	.	.	.	.
Total liabilities							
FUND BALANCES							
Undesignated	29,438	28,093	18,339	11,183	1,331	88,384	
Total fund balances	<u>29,438</u>	<u>28,093</u>	<u>18,339</u>	<u>11,183</u>	<u>1,331</u>	<u>88,384</u>	
Total Liabilities and Fund Balances	<u>\$ 29,438</u>	<u>\$ 28,093</u>	<u>\$ 18,339</u>	<u>\$ 11,183</u>	<u>\$ 1,331</u>	<u>\$ 88,384</u>	

STATE OF NEW MEXICO
Wagon Mound Public Schools
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Nonmajor Capital Project Funds
For the Year Ended June 30, 2008

	Special Capital Outlay - Local	Special Capital Outlay - State	Public School Capital Outlay	Public School Capital Outlay SB - 9	Public School Capital Outlay 20%	Total Nonmajor Capital Project Funds
REVENUES						
Property taxes	\$.	\$ 162,320	\$.	\$ 1,820	\$.	\$ 164,140
Intergovernmental	.	.	.	5,462	.	5,462
Total revenues	.	162,320	.	7,282	.	169,602
EXPENDITURES:						
Current						
Administration	.	.	.	18	.	18
Instructional support	.	.	.	.	.	.
Capital Outlay	63,935	96,595	.	37,683	.	198,213
Total expenditures	63,935	96,595	.	37,701	.	198,231
Excess (deficiency) of revenues over expenditures	(63,935)	65,725	.	(30,419)	.	(28,629)
OTHER FINANCING SOURCES (USES)						
Transfer in	43,484	.	.	.	.	43,484
Transfer out	.	(2,518)	.	.	.	(2,518)
Total other financing sources (uses)	43,484	(2,518)	.	.	.	40,966
Net change in fund balance	(20,451)	63,207	.	(30,419)	.	12,337
Fund balance - beginning	49,889	(35,114)	18,339	41,602	1,331	76,047
Fund Balance - ending	\$ 29,438	\$ 28,093	\$ 18,339	\$ 11,183	\$ 1,331	\$ 88,384

**Statement of Revenues and Expenditures (Non-GAAP Budgetary Basis) Budget and Actual
Capital Project Funds**

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Capital Project Fund - Special Capital Outlay - Local
For The Year Ended June 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
OTHER FINANCING SOURCES				
Prior year cash balances	-	43,878	-	(43,878)
Transfer in	-	43,493	43,483	(10)
Total revenue and other financing sources	-	87,371	43,483	(43,888)
EXPENDITURES				
Direct instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Facilities acquisitions and construction	-	87,371	63,934	23,437
Total expenditures	-	87,371	63,934	23,437
Excess (deficiency) of revenues over expenditures	-	-	(20,451)	(20,451)
Budget basis	-	-	(20,451)	(20,451)
Adjustments:				
Accounts receivable	-	-	-	-
Accounts payable	-	-	-	-
GAAP basis	\$ -	\$ -	\$ (20,451)	\$ (20,451)

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

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Capital Project Fund - Special Capital Outlay - State
For The Year Ended June 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	75,000	75,000	162,320	87,320
Miscellaneous	-	-	-	-
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>162,320</u>	<u>87,320</u>
OTHER FINANCING SOURCES				
Prior year cash balances	41,699	41,699	-	(41,699)
Transfer in	-	-	-	-
Total revenue and other financing sources	<u>116,699</u>	<u>116,699</u>	<u>162,320</u>	<u>(45,621)</u>
EXPENDITURES				
Direct instruction	-	-	-	-
Support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Facilities acquisitions and construction	-	-	-	-
Total expenditures	<u>116,699</u>	<u>116,699</u>	<u>131,709</u>	<u>(15,010)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>30,611</u>	<u>30,611</u>
Budget basis	-	-	30,611	30,611
Adjustments:				
Accounts receivable	-	-	35,114	35,114
Accounts payable	-	-	-	-
GAAP basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,725</u>	<u>\$ 65,725</u>

STATE OF NEW MEXICO
Wagon Mound Public Schools
Statement of Revenues and Expenditures Budget and Actual and Budgetary Comparison Schedule
Capital Project Fund - Capital Improvements SB-9
For The Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Property taxes	\$ 33,319	\$ 33,319	\$ 1,820	\$ (31,499)
Intergovernmental	29,159	29,159	-	(29,159)
Miscellaneous	-	-	-	-
Total revenues	<u>62,478</u>	<u>62,478</u>	<u>1,820</u>	<u>(60,658)</u>
OTHER FINANCING SOURCES				
Prior year cash balances	1,033	1,033	-	(1,033)
Transfer in	-	-	-	-
Total revenue and other financing sources	<u>63,511</u>	<u>63,511</u>	<u>1,820</u>	<u>(61,691)</u>
EXPENDITURES				
Direct instruction	-	-	-	-
Support services	-	-	18	(18)
Operation of non-instructional services	-	-	-	-
Facilities acquisitions and construction	63,511	63,511	37,683	25,828
Total expenditures	<u>63,511</u>	<u>63,511</u>	<u>37,701</u>	<u>25,810</u>
Excess (deficiency) of revenues over expenditures	-	-	(35,881)	(35,881)
Budget basis	-	-	(35,881)	(35,881)
Adjustments:				
Accounts receivable	-	-	5,462	5,462
Accounts payable	-	-	-	-
GAAP basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,419)</u>	<u>\$ (30,419)</u>

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

OTHER SUPPLEMENTARY INFORMATION

Statement of Changes in Assets and Liabilities - All Agency Funds

To account for collections and disbursements made on behalf student clubs, organizations and activities.

STATE OF NEW MEXICO
Wagon Mound Public Schools
Schedule of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2008

	<u>Balance</u> <u>June 30, 2007</u>	<u>Receipts</u> <u>and</u> <u>Transfers</u>	<u>Expenditures</u> <u>and</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2008</u>
ASSETS				
Cash and Short Term Investment	\$ 38,656	\$ 42,398	\$ 45,980	\$ 35,074
	<u>38,656</u>	<u>42,398</u>	<u>45,980</u>	<u>35,074</u>
LIABILITIES				
Due to Other Funds	-	-	-	-
Due to Other Groups	<u>38,656</u>	<u>42,398</u>	<u>45,980</u>	<u>35,074</u>
	<u>38,656</u>	<u>42,398</u>	<u>45,980</u>	<u>35,074</u>
Admin. Fund	163	905	-	1,068
Act II Annual	4,571	9,830	13,576	825
Art Fund	208	-	-	208
Act II Book Club	108	-	-	108
Cheerleaders	219	-	62	157
Booster	321	459	779	1
Drama	349	93	29	413
Mecha	107	-	-	107
NHS	170	-	-	170
Elem Field Trip	184	-	-	184
Pre-Vocational	1,198	-	-	1,198
Ski-Club	844	25	150	719
Student Council	1,369	553	1,695	227
Girls Sports	4	600	-	604
Raffle Fund	346	2,160	2,319	187
Class of 2008	6,245	14,568	20,813	-
Class of 2009	3,305	3,290	915	5,680
Class of 2010	3,407	1,066	785	3,688
Class of 2011	418	1,217	-	1,635
Class of 2012	346	1,257	-	1,603
Class of 2013	-	246	-	246
Class of 2015	65	-	-	65
Activity I	11,407	6,084	4,857	12,634
Certificates of Deposit	3,302	45	-	3,347
Total Liabilities	<u>\$ 38,656</u>	<u>\$ 42,398</u>	<u>\$ 45,980</u>	<u>\$ 35,074</u>

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

<u>Non-Budgeted Activity</u>	<u>Federal Flow- through Fund</u>	<u>Federal Direct Fund</u>	<u>Local Grant Fund</u>	<u>State Flow- through Fund</u>	<u>State Direct Funds</u>
\$ 47,858 89,164	\$ (116,865)	\$ (24,662)	\$ 6,336	\$ 6,011	\$ 11
<u>137,022</u>	<u>(116,865)</u>	<u>(24,662)</u>	<u>6,336</u>	<u>6,011</u>	<u>11</u>
44,384	365,739	11,425	.	12,953	500
.
<u>181,406</u>	<u>248,874</u>	<u>(13,237)</u>	<u>6,336</u>	<u>18,964</u>	<u>511</u>
(45,981)	(383,255)	(14,847)	(6,336)	(28,859)	(9,598)
.	66	.	.	.	(500)
.	(275)	.	.	.	.
(54,447)	.	.	.	.	.
<u>80,978</u>	<u>(134,590)</u>	<u>(28,084)</u>	<u>.</u>	<u>(9,895)</u>	<u>(9,587)</u>
(34,761)	.	.	.	.	.
<u>46,217</u>	<u>(134,590)</u>	<u>(28,084)</u>	<u>.</u>	<u>(9,895)</u>	<u>(9,587)</u>
47,046	(134,590)	(28,084)	.	(9,895)	(9,587)
.
.
(829)	.	.	.	.	.
<u>\$ 46,217</u>	<u>\$ (134,590)</u>	<u>\$ (28,084)</u>	<u>\$.</u>	<u>\$ (9,895)</u>	<u>\$ (9,587)</u>

<u>SB-9</u>	<u>Ed. Tech Equipment Act</u>	<u>Public School Capital Outlay - 20%</u>	<u>Debt Service Gen. Obligation</u>	<u>Debt Service Ed. Tech Equipment</u>	<u>Total</u>
\$ 41,602	\$ (109,432)	\$ 1,331	\$ 95,070	\$ 10,131	\$ 151,789
					89,164
<u>41,602</u>	<u>(109,432)</u>	<u>1,331</u>	<u>95,070</u>	<u>10,131</u>	<u>240,953</u>
1,820	.	.	111,362	609	3,545,799
.	.	.	.	.	95
<u>43,422</u>	<u>(109,432)</u>	<u>1,331</u>	<u>206,432</u>	<u>10,740</u>	<u>3,786,847</u>
(37,700)	.	.	(88,813)	(6)	(3,671,918)
.	.	.	.	.	17,665
.	.	.	.	.	(46,277)
.	.	.	.	.	(54,447)
<u>5,722</u>	<u>(109,432)</u>	<u>1,331</u>	<u>117,619</u>	<u>10,734</u>	<u>31,870</u>
.	.	.	.	.	(34,761)
<u>5,722</u>	<u>(109,432)</u>	<u>1,331</u>	<u>117,619</u>	<u>10,734</u>	<u>(2,891)</u>
5,722	(109,432)	1,331	117,619	10,734	354,685
.
.
.	.	.	.	.	(357,576)
<u>\$ 5,722</u>	<u>\$ (109,432)</u>	<u>\$ 1,331</u>	<u>\$ 117,619</u>	<u>\$ 10,734</u>	<u>\$ (2,891)</u>

STATE OF NEW MEXICO
WAGON MOUND PUBLIC SCHOOLS
Schedule of Individual Deposits, Investments and Collateral
June 30, 2008

<u>Account</u>	<u>Totals</u>	
Operational Account	(1) \$ 298,085	
Hot Lunch	(1) 8,327	
Athletics	(1) 1,227	
Activity I	(1) 27,124	
Activity II	(1) 19,922	
Number 2 High School - CD	(2) 3,347	
Common Stock	(3) 31,414	
Total	389,446	
Reconciling Items	(392,337)	
Reconciled Bank Balance	\$ (2,891)	
General Fund	\$ 21,205	
Special Revenue Funds	(281,588)	
Debt Service Fund	128,353	
Capital Project Funds	82,923	
Agency Fund	46,216	
Total Per Balance Sheet	\$ (2,891)	
<u>Cusdodial Credit Risk is defined as the risk that the government's deposits may not be returned to it in the event of a bank failure.</u>		
Bank Deposit Collateral Requirements:		
Total Amount of Deposits in Bank	\$ 354,685	
Less: FDIC Coverage	100,000	
Total Uninsured Public Funds	254,685	
50% Collateral Requirements (Section 6-10-17, NMSA 1978)	127,343	
Pledged Collateral held by the pledging bank's trust department in the School District's name	224,964	
Uninsured and uncollateralized	\$ -	
Pledged Securities	Market Value	
<u>Community 1st Bank Las Vegas</u>		
Type of Security and Security Number:	Cusip No.	
	Matures	
FGPC E00948	31294KBR5 02-01-16	20,326
FMAR 180068 G	31336RTZ3 08-01-31	37,580
FMAR 180118 G	31336RVK3 08-01-31	7,717
FNMS RE558556	31386BQH0 11-01-30	62,558
FNAR WD633719	31389SAU8 03-01-32	45,408
FNAR WS731086	31402KF33 12-01-33	51,375
Total		\$ 224,964

The above pledged securities are located at Community 1st Bank Las Vegas, 517 Sixth Street, Las Vegas, NM 87701.

- (1) Checking accounts
- (2) Certificate of deposit
- (3) Common stock

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

MEMBER
AMERICAN INSTITUTE OF CPA's
NEW MEXICO SOCIETY OF CPA's

OFFICE
ALBUQUERQUE, NEW MEXICO

RANDY W. SALAS
Certified Public Accountant
7305 Helen Ct., SW
Albuquerque, New Mexico 87121

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With Governmental
Auditing Standards**

To the Board of Education of
the Wagon Mound Public School
Wagon Mound, New Mexico
and
Hector H. Balderas, State Auditor

I have audited the financial statements of governmental activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue fund, and the combining and individual funds presented as supplemental information of the Wagon Mound Public School District (School), as of and for the year ended June 30, 2008, and have issued my report thereon dated November 6, 2008. which collectively comprise the School's basic financial statements and have issued my report thereon dated November 12, 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 School'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 School's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the School's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

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 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. I consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting. Items 06-3, 06-4, and 06-5.

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.

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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 08-1 and 08-2.

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

This report is intended solely for the information and use of management, members of the Board of Education, the State Auditor, the Public Education Department, and applicable federal grantors, and is not intended to be, and should not be used by anyone other than these specified parties.

Albuquerque, New Mexico
November 6, 2008

Randy W. Salas, CPA

**STATE OF NEW MEXICO
Wagon Mound Public Schools
Summary of Audit Findings
Year Ended June 30, 2008**

Prior Year Finding Description

Status

06-3	Deficit Cash Balances in Federal and State Special Revenue Funds	Repeated
06-4	Capital assets are not reconciled to Capital Asset Control List	Repeated
06-5	Cash Reconciliation Report Does not agree with Books of Account	Repeated

STATE OF NEW MEXICO
Wagon Mound Public Schools
Schedule of Findings and Responses
Year Ended June 30, 2008

06-3 - Deficit Cash Balances in Federal and State Special Revenue Funds.

CONDITION - Consistently during the year several federal and state special revenue funds had deficit cash balances.

CRITERIA - State statutes and Federal regulations [34CFR80.25 Uniform Administrative Requirements for grants and cooperative agreements to state and local governments] require federal funds be deposited in a separate account and not co-mingled with non-federal monies.

EFFECT - If the funds had not been commingled in the operational account the special revenue bank accounts would have been overdrawn. Overdrawn accounts would have resulted in unnecessary bank charges.

CAUSE - Funds received from all federal grants were deposited in the operational account. The requests for federal reimbursements lag behind the need for cash and leaving the federal funds in the operational account eliminates the need for transfers from the operational account to the federal account.

RECOMMENDATION - I recommend that requests for draws on federal and state funds be made more timely and that the requests be carefully monitored for timely receipt. When the funds are separated from the operational fund, the operational fund might need to loan the federal and state funds money to prevent an overdraft.

MANAGEMENT RESPONSE - The District reviews the cash balances in each state and local fund, based on this review, cash is then requested from the funding source. The District will continue its efforts to monitor fund balances.

STATE OF NEW MEXICO
Wagon Mound Public Schools
Schedule of Findings and Responses
Year Ended June 30, 2008

06-4 Capital Assets are not reconciled to Capital Asset Control List

CONDITION - The School District has converted the capital asset inventory into new computer software and is computing depreciation. The capital asset inventory listing is not reconciled because land has not been recorded.

CRITERIA - GASB 34 has changed the accounting and reporting requirements of capital assets. General Fixed Asset Account Group has been eliminated completely. Those assets will be reported as capital assets in the Government Wide Statement of Net Assets and must be depreciated. In addition, capital assets need to be reconciled to accounting records.

CAUSE - The School District needs more time to research records and other sources of information to determine the value that land will be recorded on the capital asset listing, since the acquisition of these properties occurred several year ago.

EFFECT - Financial statements prepared under the new reporting model will not be reflective of the School District's operations since capital assets have not been reconciled to physical inventories.

RECOMMENDATION - Capital assets of the School District need to be reconciled and entered into the new computer software. The cost of land needs to be properly researched to determine the correct amount that land should be recorded.

MANAGEMENT RESPONSE - The District concurs with the finding and will start to research data available to determine the cost to assign to land that it owns.

STATE OF NEW MEXICO
Wagon Mound Public Schools
Schedule of Findings and Responses
Year Ended June 30, 2008

06-5 Cash Reconciliation Report Prepared Does not agree with Books of Account

CONDITION - Reconciled cash balance per books prepared by the District does not agree with cash reconciliation reports prepared and submitted to State Public Education Department (PED).

CRITERIA - School Districts need to comply with PED Regulation 6.20.2 NMAC, Governing Budgeting and Accounting for New Mexico Public Schools and School Districts and the Manual of procedures, primarily Supplement 7, Cash controls.

CAUSE - Investments recorded on the books of the District are not valid investments and distort cash balances that the District is preparing and reporting.

EFFECT - Reconciled cash balances are not reflective of cash available in the general fund and could cause the District to spend cash that is not available.

RECOMMENDATION - The District needs to review the investments that are recorded in the general ledger to determine their validity.

MANAGEMENT RESPONSE - The District is working together with the bank to determine if investments on the books are valid. Investments that are found not to be valid will be brought to the attention of the Board of Education and the Public Education Department and corrective action will be taken.

STATE OF NEW MEXICO
Wagon Mound Public Schools
Schedule of Findings and Responses
Year Ended June 30, 2008

08-1 - Grant Expenditures not properly classified and not in Compliance with Contract Laws and Regulations.

CONDITION - During my examination of contract and grant expenditures I sampled 25 items with a combined cost of \$ 113,505. Expenditures totaling \$ 632 were incurred for meals and snacks which are not allowable expenditures under the grant terms. In addition, these expenditures were incorrectly classified on the general ledger as fixed assets.

CRITERIA - The grant agreement specifically prohibits expenditures for meals, banquets and coffee breaks. The budget portion of the grant requires that expenditures be properly classified.

CAUSE - Expenditures charged to grant programs are not being reviewed for proper classification and compliance with contract laws and regulations.

EFFECT - Future funding for contract and grants could be jeopardized for lack of compliance with grant term and conditions. In addition, the District could be required to pay back disallowed grant expenditures.

RECOMMENDATION - I recommend that grant administrators review expenditures to determine if they are allowable and also that the expenditures are properly classified per the contract budget.

MANAGEMENT RESPONSE - The District will review the grant terms to determine if the expenditures are allowable before the expenditures are charged to the grant. Also, procedures will be revised to insure that expenditures are properly classified.

STATE OF NEW MEXICO
Wagon Mound Public Schools
Schedule of Findings and Responses
Year Ended June 30, 2008

08-2 Expenditures Exceed Approved Budget Line Items

CONDITION - The Capital Project Fund - State exceeded the budget line item in facilities acquisitions and construction by \$ 15,010.

CRITERIA - The School District was in violation of non-compliance with 6-3-1 to 6-3-25 NMSA 1978 and 6.20.2.14 (E) NMAC budget overruns.

CAUSE - Expenditures are not being monitored on a timely basis to insure adherence to budget requirements.

EFFECT - Expenditures exceeding approved budget in violation of State Statute and non-compliance with Public Education Department (PED) regulations.

RECOMMENDATION - I recommend that expenditures be monitored and compared to approved budgeted amounts on a timely basis.

MANAGEMENT RESPONSE - The District concur with the finding. Expenditures will be monitored more closely and compared to budget on a timely basis.

**STATE OF NEW MEXICO
Wagon Mound Public Schools
Schedule of Findings and Responses
Year Ended June 30, 2008**

Randy W. Salas, CPA , our auditor, prepared draft financial statements and note disclosures from a trial balance provided by Wagon Mound Public School's management which was subsequently reviewed and approved by management.

An exit conference was held at Wagon Mound, New Mexico on November 6, 2008 at the Wagon Mound Public School Administration office. In attendance were the following:

Representing Wagon Mound Public Schools

Camille Cornell	Vice-Chairwomen
Albert Martinez	Superintendent
Teresa Casias	Business Manager
Sheryl McNellis Martinez	Grants and Contracts

Representing Randy W. Salas, CPA

Randy Salas	Contract Auditor
-------------	------------------