

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2007

INTRODUCTORY SECTION

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ALBUQUERQUE PUBLIC SCHOOLS
JUNE 30, 2007
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STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
OFFICIAL ROSTER
JUNE 30, 2007

<u>Name</u>	<u>Board of Education</u>	<u>Title</u>
Mary Lee Martin	District 6	President
Berna V. Facio	District 3	Vice President
Dolores Griego	District 1	Secretary
Gordon Rowe	District 7	Member
Martin Esquivel	District 4	Member
Robert D. Lucero	District 2	Member
Paula Maes	District 5	Member
<u>School Officials</u>		
Winston Brooks		Superintendent
Gina Hickman		Chief Financial Officer
Tami Coleman		Director of Accounting

FINANCIAL SECTION

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Independent Auditor's Report

State of New Mexico
Albuquerque Municipal School District No. 12
To the Board of Education
and
Hector H. Balderas
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparisons for the general fund and major special revenue funds, and the aggregate remaining fund information of Albuquerque Municipal School District No. 12, New Mexico (District) as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District's nonmajor governmental funds including the budgetary comparisons for the nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Albuquerque Municipal School District No. 12, New Mexico, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the

State of New Mexico
Albuquerque Municipal School District No. 12
To the Board of Education
and
Hector H. Balderas
New Mexico State Auditor

year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental component unit, of the Albuquerque Municipal School District No. 12, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 19 to the financial statements, in 2007 District management discovered certain errors resulting in the overstatement of previously reported capital assets as of June 30, 2006, and the misclassification of fund balance from deferred revenue in a special revenue fund. Accordingly, an adjustment has been made to net assets as of July 1, 2006, to correct the errors.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2008 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages x through xxxvi 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. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

State of New Mexico
Albuquerque Municipal School District No. 12
To the Board of Education
and
Hector H. Balderas
New Mexico State Auditor

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

Moss Adams LLP

Albuquerque, New Mexico
September 26, 2008

Albuquerque Public Schools

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

The following management's discussion and analysis provides an overview of the Albuquerque Public School's (School District) financial activities for the fiscal year ended June 30, 2007. The discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the School District's financial activity, (c) identify changes in the School District's financial position, (d) identify any material deviations from the financial plan (approved budget), and (e) identify financial issues or concerns. Please read it in conjunction with the School District's financial statements, which begin following this analysis.

The Management's Discussion and Analysis is a required part of the School District's and the discretely presented component unit Charter Schools' financial reporting and is an objective and easily readable discussion of the School District's financial activities. The reader will see two statements, a Statement of Net Assets and a Statement of Activities. These statements provide the overall view of the financial activities of the School District. This discussion and analysis will provide a review of the School District's *overall* financial activities, using the full accrual basis of accounting, for the year ending June 30, 2007. Fund financial statements are reported on a modified accrual basis of accounting. Rather than looking at specific areas of performance, this discussion and analysis focuses on the financial performance of the School District as a whole. Whenever possible this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other graphic information.

This annual report consists of a series of detailed, audited financial statements, supplementary information and the notes to those statements. Albuquerque Public Schools Finance Department staff prepared these statements, and accompanying supplementary information. Also included is the Independent Auditor's Report, Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and a Schedule of Findings and Questioned Costs.

Forty Day Count Membership

Year	Albuquerque Public Schools	Charter Schools	Total
1998-1999	85,847		85,847
1999-2000	85,255		85,255
2000-2001	85,039		85,039
2001-2002	85,655		85,655
2002-2003	85,213	2,726	87,939
2003-2004	86,047	4,195	90,242
2004-2005	87,368	5,606	92,974
2005-2006	88,310	5,838	94,148
2006-2007	88,613	6,643	95,256
2007-2008	88,276	6,979	95,255

Albuquerque Public Schools

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

Financial Highlights

The Albuquerque Public Schools District is the 34th largest school district in the United States and the largest school district in New Mexico. Of the total student membership of 326,483 in the State of New Mexico, 29% attend the Albuquerque Public Schools and its charter schools. The School District encompasses the majority of Bernalillo County and a small section of Sandoval County. There are 132 school sites within the School District; 84 Elementary Schools, 26 middle Schools, 11 high schools and 10 alternative schools. In addition there are 35 charter schools chartered by the Albuquerque Public Schools Board of Education. Two new elementary schools were opened by the Albuquerque Public Schools in Fiscal Year 2006-07: Ventana Ranch Elementary (replacing a portable building school) and North Star Elementary School.

All charter school revenues are passed through the school district to the charter schools located within the school district. Two percent of the charter school revenues are retained by the school district for administration purposes. Because the revenues are passed through the school district to the charter schools, General Accounting Standards Board rules 14 and 39 require that the APS chartered schools be treated as "component units" and included within the scope of the School District's Independent Audit and financial statements. In addition the 2.2.2 NMAC State Auditor Rule requires each Charter School to be disclosed discretely as a significant component unit.

The Albuquerque Public Schools and the related charter schools have experienced continued and significant growth. Much of this growth has impacted the west side of the School District where school facilities are overcrowded. The preceding table of 40th day count information illustrates the student membership of the Albuquerque Public Schools and its charter schools from the period beginning in the 1998-99 school year.

The Albuquerque Public School District maintains a strong Moody's Aa2 rating and Standard and Poor's (S&P) AA rating. These ratings reflect the highest ratings given to a school district in New Mexico and compare favorably with the City of Albuquerque (Moody's Aa2; S&P AAA) and Bernalillo County (Moody's Aa1; S&P AA+). The School District also was given a "good" financial management rating from Standard and Poor's.

For the period ending June 30, 2007, the School District issued General Obligation bonds in the amount of \$63,980,000.

The School District is responsible for elementary and secondary education within its geographical borders. The voters elect the members of the District's governing board which is financially accountable for the District by approving the District's budget, levying taxes, if necessary, and approving any debt issuances.

Albuquerque Public Schools

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

Thirty six charter schools are responsible for providing elementary and secondary education within the District. Each charter school is managed independently by its own board. The Albuquerque School District is liable for any operating deficits (to date the charter schools have not experienced any material operating deficits). The charter schools are presented as governmental fund types in the District's Financial Statements.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices.

During the 2006-2007 school year the percentage of General Fund expenditures in the "Instruction" category increased slightly from 62.7 % to 64.8 %

Overview of the Basic Financial Statements

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) governmental funds financial statements and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Each of the government-wide financial statements relates to functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District are all related to public education.

The government-wide financial statements can be found on pages 1-4 of this report.

Albuquerque Public Schools

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

Governmental Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, internal service funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. The Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Assets (Exhibit B-1) and the Reconciliation of the Statement of Revenues/Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Exhibit B-2) provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 10 individual major governmental funds and numerous non-major governmental funds. In the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures and changes in fund balances, separate columns are presented for the major governmental funds while the non-major funds are combined and presented in a single column. Individual account data for each of the District bonds is presented in the foot notes on page 39. The nonmajor governmental funds are provided in the form of combining statements elsewhere in this report.

The District adopts an annual budget for its governmental and internal funds type. Budgetary comparison statements have been provided for the governmental funds to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 5 and 8 of this report.

Internal Service Fund: The District created an internal service fund in fiscal year 2007 for the purpose of providing increased visibility, recording and tracking of transactions related to medical and dental health plans, workers' compensation, property and liability insurances and claims. In prior years these transactions were reported within the General Operating Fund. The Insurance Fund was created at June 30, 2007 with the transfer of related cash balances and liability reserves.

Albuquerque Public Schools

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on page 20 of this report.

Notes to Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-90 of this report.

Combining and Individual Fund Schedules and Statements. The combining schedules and statements showing the individual District bond accounts and nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund schedules and statements can be found on pages 97-217 of this report.

Financial Highlights. The Statement of Activities includes a net prior period adjustment of \$31,946,082. Of this amount, \$4,733,818 is a restatement to increase restricted net assets and \$36,679,000 is a restatement to decrease the invested in capital asset category of net assets as of June 30, 2006. The majority of this adjustment was caused by the overstatement of assets which could not be substantiated nor reconciled to the general ledger. In addition, \$54,840 is a net restatement for the component units to decrease the invested in capital asset category of the net assets as of June 30, 2006 and \$17,077 is a net restatement for the component units to increase unrestricted net assets.

The Statement of Activities shows that Total Net Assets increased by \$138,820,342 from June 30, 2006 to June 30, 2007 from \$590,239,515 (after restatement) to \$729,059,857.

The Statement of Net Assets shows the School District's total assets as of June 30, 2007 totaled \$1,009,092,998 including cash assets of \$281,768,584. High levels of cash assets are in place to fund ongoing and planned school facility construction projects.

As of June 30, 2007 the School District's self insurance reserve fund totaled \$34,232,539 which placed the medical reserve at an amount significantly in excess of being 100 % funded and the risk reserve at a 70% actuarial confidence level.

The Public Education Department reported that the average Albuquerque Public Schools teacher salary increased during the 2006-07 year while average years of experience decreased. Average teacher salaries increased from \$39,029 in 2005-06 to \$40,726 in 2006-07. Average years of experience decreased from 12.0 years in 2005-06 to 10.7 years in 2006-07.

**Albuquerque Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Assets (Excluding Charter Schools)

This statement shows that as of June 30, 2007, the School District (excluding charter schools) has total net assets of \$729,059,857 as compared to net assets (as restated) of \$590,239,515 as of June 30, 2006. The School District had \$370,977,360 in cash and current assets on hand as of June 30, 2007, and accounts payable/current liabilities and current long-term debt of \$130,593,319. Cash Assets increased by \$57,225,961 while Other Current Assets increased by \$54,382,639. Long Term Liabilities have increased from \$115,823,739 as of June 30, 2006, as restated, to \$149,439,822 as of June 30, 2007. Restricted fund balance increased from \$138,312,525 to \$206,548,522. "Unrestricted" net assets increased from \$2,684,086 as of June 30, 2006, as restated, to \$49,230,927 as of June 30, 2007.

	June 30, 2006 (Restated)	June 30, 2007
Assets		
Cash Assets	\$224,542,623	\$114,231,227
Other Current Assets	34,826,137	89,208,776
Bond Issuance Costs	147,556	369,669
Restricted Non Current Assets	-	214,384,121
Capital Assets	1,045,027,778	1,104,563,667
Depreciation	(436,447,178)	(466,817,698)
Total Assets	868,096,916	1,009,092,998
Liabilities		
Accounts Payable	70,466,754	8,896,445
Other Current Liabilities	11,349,914	71,077,582
Insurance Reserves	33,553,761	25,505,589
Current Portion/Long Term	14,717,150	25,113,703
Long Term Liabilities	115,823,739	149,439,822
Total Liabilities	245,911,318	280,033,141
Net Assets		
Invested in Capital Assets	481,188,987	473,280,408
Restricted	138,312,525	206,548,522
Unrestricted	2,684,086	49,230,927
Total Net Assets	\$ 622,185,598	\$729,059,857
Restatement Adjustment	(31,946,082)	-0-
Total Net Assets as Restated	\$590,239,515	\$729,059,857

**Albuquerque Public Schools
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Statement of Activities (Excluding Charter Schools)

The Statement of Activities is also a statement required by GASB 34 and is prepared using the full accrual method of accounting. This report compliments the Statement of Net Assets by showing the overall change in the School District's net assets for the fiscal year ending June 30, 2007. As of June 30, 2006, the School District had net ending assets of \$590,239,515, as restated, as compared to net assets of \$729,059,857 as of June 30, 2007.

	June 30, 2006 (Restated)	June 30, 2007
Governmental Activities		
Total Governmental Activities	\$ 715,809,348	\$757,782,296
Less Charges for Services	(10,805,070)	(11,872,582)
Less Operating Grants and Contributions	(124,138,460)	(121,084,660)
Less Capital Grants and Contributions	(10,098,392)	(34,124,129)
Net (expenses) Revenues	(570,767,426)	(590,700,925)
General Revenues		
Taxes-General, Debt Service, Capital Projects	101,446,973	139,946,025
State Aid not Restricted to Specific Purposes	518,914,097	576,123,653
Interest and Earnings in Investments	7,467,802	14,593,278
Miscellaneous	2,621,953	(1,141,689)
Subtotal, General Revenues	630,450,824	729,521,267
Changes in Net Assets	59,683,397	138,820,342
Net Assets Beginning	562,502,201	590,239,515
Prior Period restatements	(31,946,082)	-
Net Assets Ending, as restated	\$590,239,515	729,059,857

**Albuquerque Public Schools
Management’s Discussion and Analysis
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FUND FINANCIAL STATEMENTS

Statement of Revenues and Expenditures and Changes in Fund Balances

Fund financial statements are based on a *modified accrual* basis of accounting. The Statement of Revenues and Expenditures and Changes in Fund Balances is *not a* new statement to the School District’s annual financial reports. This report guides the reader to a meaningful overall view of the District’s revenues, expenditures, and fund balance and changes to the fund balance. This report also shows the revenue and expenditure activities of each major fund and the total of all “other” Governmental Funds. Total revenues from State, Local and Federal sources were \$846,889,406. With the addition of \$12,091,225 in Interest Income, total revenues increase to \$858,980,631. Other Financing Sources (Bond Activities) added \$50,845,392 resulting in current resources for the year of \$909,826,023. Total expenditures for the School District were \$837,981,903. The total ending Fund Balance, after correction of an error of \$4,733,818, was \$215,007,842; an increase of \$76,577,938 from the prior year.

Multi-Year District Revenues and Expenditures

In the 2005-2006 fiscal year, revenues decreased and expenditures increased from prior year balances. These changes were due to increased capital expenses incurred in 2005-2006 from revenues earned in 2004-2005. The increases in 2006-2007 for both revenue and expenditures are related to GO Bond sales and escalated capital construction.

In general, a multi-year view of overall School District revenues and expenditures indicates significant growth in both areas. The growth of both revenues and expenditures are commensurate with student growth, legislative initiatives to improve funding for teacher salaries, and student needs and other educational programs as well as state and local increases in revenues for capital outlay purposes.

Year	Total Revenues *	Increase % (Decrease)	Total Expenditures*	Increase %
2004/2005	\$ 776,321,790	10.5%	\$ 755,393,606	0.06%
2005/2006	\$ 763,442,738	(3.31%)	\$ 786,880,846	(4.1)%
2006/2007	\$909,826,023	19.17%	\$837,981,903	6.49%

* Note: Revenues include proceeds from general obligation bonds sales of \$63,980,000 in FY2006-07. Cash carryovers are excluded and expenditures include capital outlays.

The Budget

The State of New Mexico school budget process is defined under New Mexico State Statutes (Section 22-8, Public School Finance) and the New Mexico Administrative Code (Section 6.20.2 Governing Budgeting and Accounting for New Mexico Public Schools and School Districts). To enhance the process of developing a budget at the school district level and school site level, the Albuquerque Public Schools District utilizes goals and objectives defined by the Board of Education, community input meetings, site administrators, long term plans and input from various staff groups to develop the School District budget. School District priorities are well defined through this process. School sites are provided with a “unit value” and an estimated

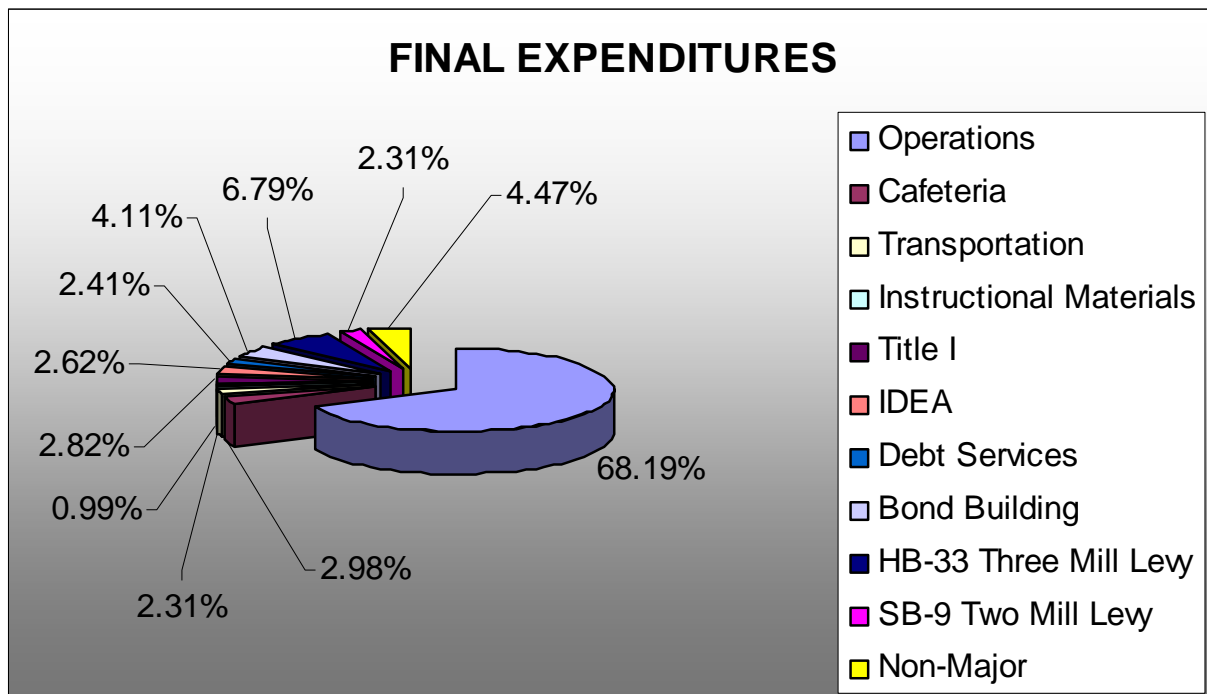
Albuquerque Public Schools Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2007

budget and each school site, with input from parents and site councils, develops detailed site budgets.

GASB 34 does not require a combining statement presenting the overall District result of the budget for each year; however, all major budgetary funds are required to be reported as separate statements.

The District had 96 active major and non-major funds at June 30, 2007. The 10 Major budgetary funds in these reports are: The General Fund (Operating Fund), Transportation, Cafeteria, Instructional Materials, IASA Title 1, IDEA-B, Debt Service, Capital Improvements HB-33, Capital Improvements SB-9 and Bond Building. In addition, eighty three (83) active, non-major, Special Revenue Funds and three (3) non-major Capital Projects funds are also reported for their budgetary performance. Twenty five (25) non-major funds for state, local and private grants are detailed for the athletic activities funds and the remainder combined as "Non-Major State Local and Private Grants".

The following graphics and tables show the fiscal relationship of the major funds and the combined non-major funds presented on a, budgetary basis.



The reader will note that the Operations Fund Final Expenditures represent 68.18 % of the total expended dollar amount. This fund provides the salary and benefits for the significant majority of the Instructional, Instructional Support and School Support, Maintenance and Administrative

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staff as well as classroom materials, special education consulting staff and fixed utility costs. Revenue from this fund is substantially derived from the State Equalization Guarantee, which is the funding formula appropriated for education by the State Legislature. The Operations Fund is discussed later in the Management Discussion and Analysis.

The following table examines the summary budget performance of the major funds for the fiscal year ending June 30, 2007. Detail budget performance is examined through the Statement of Revenues and Expenditures, Budget and Actual for each major and non-major fund.

MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE

FUND TYPE	FINAL BUDGET	ACTUAL	VARIANCE
Operations	\$588,984,262	\$569,579,204	\$19,405,058
Cafeteria	\$27,203,775	\$24,901,769	\$2,302,006
Transportation	\$19,418,400	\$19,285,042	\$133,358
Instructional Materials	\$9,521,030	\$8,309,054	\$1,211,976
Title 1	\$27,364,293	\$23,526,953	\$3,837,340
IDEA B	\$23,848,620	\$21,848,173	\$2,000,447
House Bill (HB-33) - Capital	\$104,141,920	\$56,702,527	\$47,439,393
Senate Bill (SB-9) - Capital	\$63,837,998	\$19,311,308	\$44,526,690
Bond Building-Capital	\$86,781,104	\$34,349,998	\$52,431,106
Debt Service-Capital	\$46,202,166	\$20,165,471	\$26,036,695

All major and non-major funds fell within the strict regulatory criteria set by the Public Education Department and New Mexico Statute that no funds may be over-expended at either the fund or function level. Both the Manual of Procedures for Public School Accounting and NMSA 8-22-5, 1978, Annotated, require that budget expenditures be within the authorization of the approved budget.

In general, non-major funds, while important to the success of school operations, do not represent a significant fiscal impact to warrant specific discussion. However, because of their relative importance to the success of students we have elected to report the performance of the following non-major funds which were selected based on the level of expenditures being greater than \$1.0 million. Together, they account for 70 % of the non-major fund expenditures in the period ending June 30, 2007.

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SELECTED NON-MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE

FUND TYPE	FINAL BUDGET	ACTUAL	VARIANCE
Special Capital Outlay-State	\$24,225,434	\$8,719,956	\$15,505,478
Teacher/Principal Training Grant	\$8,050,073	\$6,588,015	\$1,462,058
City/County Grants	\$2,510,953	\$2,249,758	\$261,195
Title XIX Medicaid 3/21	\$2,700,000	\$2,061,288	\$638,712
Special Capital Outlay-Local	\$10,295,162	\$1,965,357	\$8,329,805
21 st Century Community Living Centers	\$1,596,217	\$1,306,537	\$289,680
Technology for Education	\$2,846,775	1,280,750	\$1,566,025
Library GO Bonds Laws of 2004	\$1,043,315	\$1,039,968	\$3,347
Indian Ed Formula	\$1,117,109	\$1,023,458	\$93,651

Variations on the non-major funds vary from fund to funds and the performance of each fund may be found in the details of the Financial Statements.

ANALYSIS OF MAJOR FUND BALANCES

FUND TYPE	FUND BALANCE-JUNE 30, 2006	FUND BALANCE-JUNE 30, 2007	VARIANCE
Operations	12,918,130	42,883,776	29,965,646
Transportation	94,529	137,337	42,808
Instructional Materials	1,572,665	1,389,303	(183,362)
Cafeteria	1,612,823	3,799,738	2,186,915
Bond Building-Capital	13,451,670	28,619,352	15,167,682
House Bill (HB-33) - Capital	55,031,260	49,064,567	(5,966,693)
Senate Bill (SB-9) - Capital	41,746,704	54,982,397	13,235,693
Debt Service-Capital	24,563,627	30,918,292	6,354,665

As shown by the table above, the District's overall funds balances have increased. Efforts to set aside funding for anticipated expenses that will be required for new school openings is evidenced by the increase in the Operating Fund Balance. The Cafeteria Fund has met challenges to become self sufficient with greater efficiency. Their fund balance is beginning to show the results. The Bond Building fund balance has increased due to larger bond issues in this year to manage the high volume of construction currently under way. The Debt Service Fund has increased to meet obligations on the additional bonds.

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The General (Operating) Fund

The Operations Fund is the School District’s largest fund. Because the Operations Fund budget for the period ending June 30, 2007 was \$588,984,262, the significant impact of this fund on School District Operations must be kept in context.

The Operations Fund is predominately funded by revenues from the State of New Mexico equalization guarantee formula. This fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administrative staff. The Operations Fund also provides the predominant funding for athletics.

Due to the stronger economy, public school support funding for school district operations increased for the year ended June 30, 2007. As shown in the General Fund Statement of Revenues, Expenditures and Changes in Fund Balances – Budget, the Operations Fund began the year with an initial expenditure budget of \$583,003,781 and had a final budget of \$588,984,262. This change represents an increase of \$5,980,481 or 10.25% which reflects a budget increase for additional unit value adjustments.

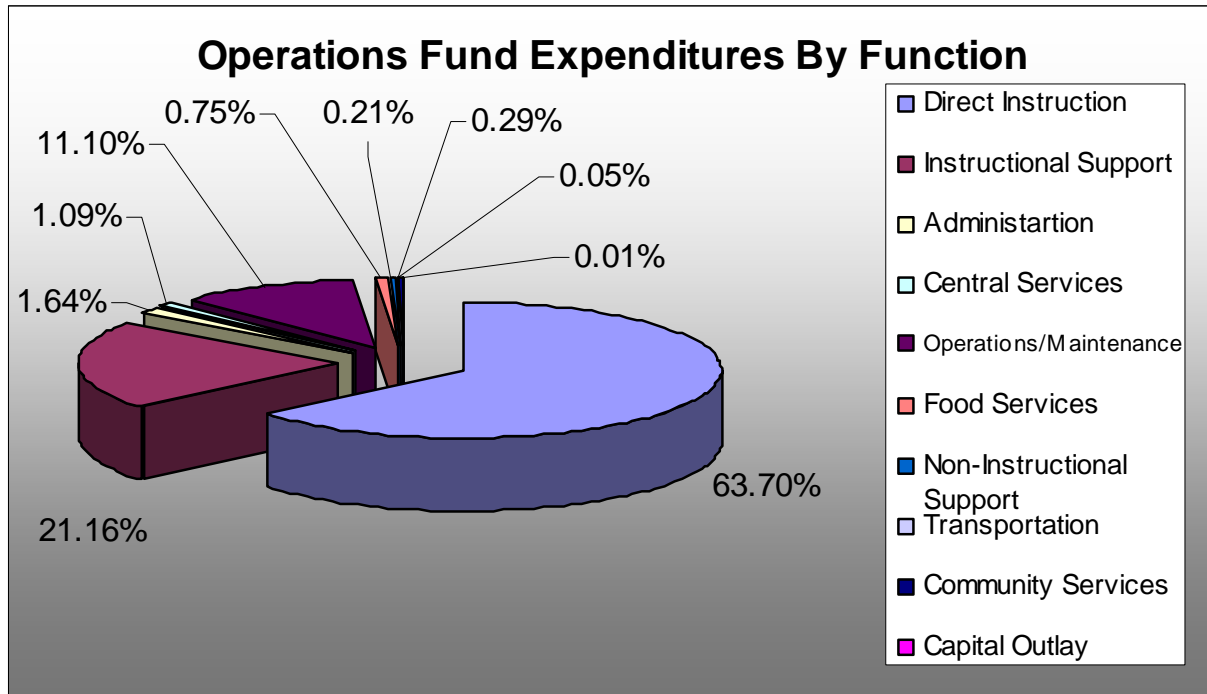
Because of the student growth experienced by the School District, an emphasis placed on schools by the New Mexico Legislature, and because the State Equalization Guarantee Formula is based upon student populations, the Operations Fund has seen significant increases in revenues, exclusive of capital outlays, as seen in the following table.

GENERAL (OPERATING) FUND REVENUES

YEAR	REVENUES	INCREASE %
2004/2005	\$ 501,647,148	5.0%
2005/2006	\$ 532,698,024	6.2%
2006/2007	\$581,227,074	9.1%

Because the Operations Fund is the main fund whose expenditures are significantly related to the educational process, \$569,579,204 was expended in the year ending June 30, 2007. The most significant expenditure was for the function noted as “Direct Instruction”. This expenditure was \$362,846,221 or 63.7% of all General (Operations) Fund expenditures. Expenditures included in this function are Regular Education teachers, Special Education teachers, Early Childhood Education teachers and educational assistants, staff benefits, payroll taxes, school supplies, training and miscellaneous instructional related contract services. In addition, \$120,539,149 or 21.16% was expended from the “Instructional Support” function. The expenditures made in this function are made directly in support of classroom and school activities. Charges to this function include the related expenditures for librarians, nurses, principals, social workers, counselors and special education support staff. 1.64% of the Operations budget was used for administration and 1% was used for business support.

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The following discussion on the General (Operating) Fund budget will relate functional expenditures for the year ending June 30, 2007 for the General (Operating) Fund. Direct Instruction for APS represents 63.7% of all General (Operating) Fund expenditures and compares favorably with the state-wide ratio for Direct Instruction of 58.73%. This 63.7% ratio also reflects a decrease of 0.15% from the results of the prior year.

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General (Operating) Fund Expenditures by Function

Function	Final Budget	Expenditure	Variance	Percentage (Expenditure) note #1	Average State note #2
Direct Instruction	\$ 370,520,619	\$ 362,846,221	\$ 7,674,398	63.70 %	61.29%
Instructional Support	134,918,282	120,539,149	14,379,133	21.16 %	19.91 %
Administration	-	9,351,299	(9,351,299)	1.64%	2.03 %
Central Services	14,274,840	6,205,826	8,069,014	1.09%	2.91 %
Operations and Maintenance	64,622,759	63,211,736	1,411,023	11.10 %	13.03%
Food Services Note #3	4,250,000	4,250,000	-0-	.75 %	0.29%
Athletics	N/A	N/A	N/A	N/A	N/A
Non-Instructional Support	-	1,200,472	(1,200,472)	0.21%	0.01%
Community Services	9,000	1,674,416	(1,665,416)	0.29 %	0.07%
Pupil Transportation Note #4	348,762	261,114	87,648	0.05%	0.10%
Capital Outlay	40,000	38,971	1,029	0.01%	0.35%
Non-Operating Note #5	N/A	N/A	N/A	N/A	N/A
Total	\$588,984,262	\$ 569,579,204	\$ 19,405,058		

Note #1: Percentage of expenditures to total expenditures.

Note #2: Source: PED Statistical Data, New Mexico Financial Statistics –Estimated Actual 2006-07.

Note #3: Operating costs not normally incurred by this fund.

Note #4: General (Operating) fund expenditure for pupil transportation only.

Note #5: Non-Operating includes emergency reserve and legal settlement budgets. Expenditures are generally not incurred within this function.

The following two tables expand the comparison between the ratios of APS and the state for the General (Operating) Fund expenditures for the last three year period. The first table outlines the comparative functional expenditures for the three year period; the second details the resulting ratios.

	2004-2005		2005-2006		2006-2007	
	Albuquerque	Statewide	Albuquerque	Statewide	Albuquerque	Statewide
Direct Instruction	\$333,930,688	\$833,668,819	\$ 344,567,865	\$909,840,664	\$ 362,846,221	\$1,371,553,621
Instructional Support	114,304,564	283,331,358	111,217,239	306,628,935	120,539,149	445,600,176
Administration	7,733,222	40,982,579	7,231,769	44,786,879	9,351,299	45,593,043
Business Support/ Central Services	6,605,823	26,385,566	5,183,949	29,570,981	6,205,826	65,240,909
Oper/Maintenance of Plant	63,297,811	175,467,000	63,792,820	195,960,081	63,211,736	291,470,751
Food Services	68,868	1,812,142	-	2,332,168	4,250,000	6,403,040
Athletics	3,738,801	23,855,205	3,581,269	25,474,956	N/A	N/A
Non-Instructional Support	1,523,442	5,322,275	1,447,450	5,906,972	1,200,472	183,183
Community Services	1,505,868	3,507,467	1,979,987	4,845,206	1,674,416	1,670,674
Pupil Transportation	317,719	362,362	252,022	235,213	261,114	2,205,549
Capital Outlay	399,970	5,193,430	106,248	12,136,343	38,971	7,848,837
Non-Operating	\$62,090	\$107,737	5,999,223	\$11,486,829	N/A	N/A
TOTALS	\$533,488,866	\$1,399,995,940	\$545,359,841	\$1,549,205,227	\$ 569,579,204	\$2,237,769,783

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	2004-2005		2005-2006		2006-2007	
	Albuquerque	Statewide	Albuquerque	Statewide	Albuquerque	Statewide
	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Direct Instruction	62.59%	59.55%	63.85%	58.73%	63.70 %	61.29%
Instructional Support	21.43%	20.24%	20.64%	19.79%	21.16 %	19.91 %
Administration	1.45%	2.93%	1.34%	2.89%	1.64%	2.03 %
Business Support					1.09%	2.91 %
/Central Services	1.24%	1.88%	0.96%	1.91%		
Oper/Maintenance of Plant	11.86%	12.53%	11.84%	12.65%	11.10 %	13.03%
Food Services	0.01%	0.13%	0.00%	0.15%	.75 %	0.29%
Athletics	0.70%	1.70%	0.66%	1.64%	N/A	N/A
Non-Instructional Support	0.29%	0.38%	0.27%	0.38%	0.21%	0.01%
Community Services	0.28%	0.25%	0.37%	0.31%	0.29 %	0.07%
Pupil Transportation	0.06%	0.03%	0.05%	0.02%	0.05%	0.10%
Capital Outlay	0.07%	0.37%	0.02%	0.78%	0.01%	0.35%
Non-Operating	0.02%	0.01%	0.00%	0.75%	N/A	N/A
TOTALS	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note 1: Albuquerque expenses are actual; taken from APS audited financial statements.

Note 2: Statewide expenses are actual; taken from PED statistical information.

Instructional Support represents 21.16% of General (Operating) Fund expenditures and accounts for expenditures for school principals, program coordinators, counselors, school nursing staff, librarians, special education ancillary staff and significant support to special education programs through contract ancillary support staff and contract programs. Administration and Business Support represents the overhead support for the entire operations of the School District; these programs combined represent 2.75% of the total General Fund. Maintenance and Operations account for 11.10% of the General Fund expenditures. Included in the Maintenance and Operations expenditures are salaries and benefits for maintenance staff, school custodians, fixed utility costs, maintenance and repairs, maintenance supplies and school custodial supplies. Additional support for maintenance supplies and projects comes from the voter approved Two-Mill Levy Fund (aka SB-9). The SB-9 fund is a critical and integral fiscal component of the School District's Maintenance program. The General (Operating) Fund also supports expenditures for school athletics and summer school.

Administrative Costs

To allow the reader to compare the performance of the Albuquerque Public Schools with the performance of all school districts within the State of New Mexico, additional statistical information concerning state wide performance has been added to the above budget tables. In addition, the following table compares the General (Operating) Fund costs associated with Administration and Business to those of the state wide average and certain selected school districts. This information shows that the School District's performance in these functions is lower than the state wide average and the lowest of the selected group. The information used for this data is from Public Education Department final expenditure fiscal data for the period ending June 30, 2007.

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Comparative Administrative Costs 2006-07

School District	Administration	Business	Total
APS	1.64%	1.09%	2.73%
State Average	2.03%	2.91%	4.94%
Las Cruces Schools	0.99	2.20%	3.19%
Santa Fe Schools	3.98%	2.54%	6.52%
Rio Rancho Schools	2.11%	1.76%	3.87%
Gadsden Schools	1.46%	2.23%	3.69%
Gallup Schools	0.60%	2.46%	3.06%

Source: PED – New Mexico Finance Statistics; Final Expenditure Report, June 30, 2007

Operating Budget Reserve Funds

The School District maintains a Non-Operating function within the General Fund as a reserve against unexpected emergency expenses or unexpected and unpredicted reductions in revenues. Most unexpected emergency expenses are those related to legal settlements or facility repairs. Facility issues can also be addressed through the School District’s Two-Mill Levy Fund or insurance coverage which lessens the need for the School District to maintain a high General (Operating) Fund reserve. At the end of the 2006/2007 fiscal year, the reserve balance was \$1,236,151; the initial budget for the 2007/2008 fiscal year also reflects a carry forward reserve fund of \$4,367,840. This amount will be increased as additional funds become available.

Self Insurance Benefits and Reserve Funds

Sections 22-29-1 thru 10, NMSA, mandate that school districts and charter schools are to be included in the New Mexico Public Schools Insurance Authority (NMPSIA). The statutory language also allows school districts in excess of 60,000 students to be “waived” from participation in Insurance Authority programs. As a consequence, the School District funds and administers its own employee benefit and risk management programs as a self insured program. However, the charter schools are included in the NMPSIA program.

Because of an interest in providing lower cost insurance to school employees, state wide, an independent study was conducted to determine the feasibility of combining the APS programs with the Insurance Authority programs. The independent study, commissioned by APS and the Insurance Authority, was completed in January 2007 and concluded that the inclusion of APS into the Insurance Authority would lead to significant cost increases to the Insurance Authority, APS and a large number of APS employees.

As part of the self insurance program, the School District maintains reserve funds for Health Benefits, Risk and Workers Compensation based upon periodic actuarial studies. The School District considers these funds to be “restricted” and the funds are accounted for within an

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Internal Service Fund. Effective June 30, 2007, balances for the self insurance reserves were as follows:

Fund	Reserve	Confidence level
Health Benefit	\$17,832,142	100 %
Workers Compensation	\$8,202,558	70 %
Property/Liability	\$7,135,158	70 %

A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, a 70% confidence level means that the actuary believes funding will be sufficient in seven years out of ten.

These reserves were carried forward into the 2007-08 fiscal year and are deemed sufficient to meet requirements.

Capital Assets

GASB 34 requires public entities to depreciate capital assets. Utilization of depreciation concepts by public entities allows the reader to know if the entity is replacing its assets at a rate in which they are being used. The Albuquerque Public School District utilizes a “straight line” depreciation method in all cases and standardized lifetime tables in calculating this depreciation.

Historically and in accordance with prior State Statute, State Regulations and School Board Policy, all assets with a value in excess of \$1,000 were capitalized. Effective July 1, 2006, this amount has been increased to \$5,000. All assets on the books as of July 1, 2006 with a cost between \$1,000 and \$5,000 will remain on the District’s inventory list and continue to be subject to depreciation rules for the life of the asset. After July 1, 2006, only those assets with a cost greater than \$5,000 will be added to the list of depreciable assets.

As of June 30, 2007, the School District net book value of capital assets were \$637,745,969 after depreciation. This statement includes total accumulated depreciation of the School District’s capital assets in the amount of \$466,817,698 (see Note 7).

Because of student growth and certain aging facilities, the School District has taken a planned and focused approach towards investing in equipment and building new facilities as well as adding to and maintaining existing facilities. This effort is evidenced by the substantial and continuous investment in the Capital Outlay account.

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The following table displays a two-year history of year-end balances for the School District's investment in all capital assets:

CAPITAL ASSETS			
Capital Asset Type	Balance June 30, 2006		Balance June 30, 2007
	As Restated/Adjusted		
Land and Land Improvements	\$	110,308,043	\$ 123,853,344
Buildings and Building Improvements		757,800,295	805,668,882
Furniture, Fixtures and Equipment		58,883,971	75,770,239
Vehicles		12,954,743	13,290,997
Construction in Progress		75,027,726	85,980,205
Total Capital Assets		1,014,974,778	1,104,563,667
Less Accumulated Depreciation		(443,074,078)	(466,817,698)
Capital Assets – Net		571,900,700	637,745,969

In the fiscal year ending June 30, 2007, the Statement of Revenues, Expenditures and Changes in Fund Balances shows the School District expended \$99,505,327 for the capital outlay expenditure function. \$29,557,810 was expended from the proceeds of Bond Building Fund, \$44,447,247 was expended from the HB-33 fund for capital improvements and \$10,136,878 was expended from SB-9 funds. All three of these funds are authorized by local election. Also, \$15,324,534 was expended from non-major funds and \$38,858 from the Operations Fund for capital outlays.

General Long Term Debt

Article IX, Section 11 of the New Mexico Constitution limits the powers of a school district to incur general obligation debt beyond a school year. The School District can incur such debt for “the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public classrooms or any combination of these purposes.” The approval of the debt is subject to a vote of the local electors and may not exceed 6% of the assessed valuation of the taxable property within the School District. In accordance with the assessed valuation limitation calculation, APS long term debt may not exceed \$687,091,691. Currently, total Long Term Debt, including current portion approved on September 6, 2006, was \$162,569,821 or 23.7% of the legal debt limitation.

To this point, the School District has not maintained a level of indebtedness to the maximum extent allowed. However, due to the need to add additional facilities in order to meet student population growth demands, upgrade and expand existing facilities, and to leverage additional funds available from Public School Capital Outlay, the voters approved a \$351 million dollar bond election on September 19, 2006. These bonds will be sold over a three year period and will increase the indebtedness by 2009 to an estimated 69.27 % of the maximum debt limit allowed for by law.

Albuquerque Public Schools Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2007

During the fiscal year ending June 30, 2007, the School District sold bonds, totaling \$63,980,000. The School District has maintained a Moody's Aa2 rating and an S&P AA rating for the September 6, 2006 bond sale. Effective July 1, 2003, School District bonds are also permitted to carry the *enhanced* State of New Mexico bond rating of Aa2. This action was authorized in Senate Bill 847. The effect of this bill will be to reduce the risk to bond holders and, as a consequence, reduce the interest costs to the taxpayer.

The School District has never defaulted on any of its debt or other obligations. Listed below is the School District's total general obligation debt as of June 30, 2007, inclusive of the Bond Sale on September 6, 2006 of \$63,980,000.

Series	Original Amount issued	Maturity	Principal Outstanding
2000	\$ 25,000,000	8/1/2015	\$ 2,100,000
2001	\$ 50,850,000	8/1/2016	\$30,690,000
2002	\$ 11,235,000	8/1/2007	\$ 1,280,000
2003	\$ 30,000,000	8/1/2018	\$ 13,500,000
2004	\$ 28,010,000	8/1/2019	\$19,560,000
2004 QZABs	\$ 4,625,000	8/1/2020	\$4,104,103
2005 Ref	\$ 21,375,000	8/1/2014	\$ 20,595,000
2006B QZAB	\$ 7,160,000	8/1/2020	\$ 6,760,718
Subtotal			\$ 98,589,821
2006C	\$ 63,980,000	8/1/2021	\$ 63,980,000
Total	\$242,235,000		\$ 162,569,821

Source: Official Statement Dated September 6, 2006; (Includes Bond Sale dated September 6, 2006 of \$63,980,000)

The School District recommends the Official Statement dated September 6, 2006, to a reader wishing to know more about the School District's long term debt and community demographics. (Information is also available in the Statistical Section of this Financial Report.) This Official Statement may be obtained by contacting the School District's Financial Advisor:

RBC Capital Markets.
6301 Uptown Blvd. NE, Suite 110
Albuquerque, NM 87110

In addition to the sale of General Obligation Bonds, the School District is eligible to receive awards from the Public Schools Capital Outlay Council (PSCOC) in accordance with Senate Bill 513, Chapter 147 Section 10(b) NMSA. The impact of these various awards is discussed throughout this Management Discussion and Analysis. Additional information on the District's long term debt can be found in note 8 of this report.

Charter Schools

Because the operations of the charter schools is not material to the overall financial performance of the Albuquerque Public Schools, charter schools are only included in this section of the analysis. Charter school organization and management is set forth under Sections 22.8B.1

**Albuquerque Public Schools
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2007**

through 15, NMSA. This section of the law allows for charter schools to be formed and funded within an existing school district under specific criteria. The Albuquerque Board of Education is responsible for the review and approval of charter school applications; however, a denial of an application allows for an appeal process to the Public Education Department. Each charter school is governed by a governing body identified in the charter. The charter school governing body is responsible for the operation of the charter school including “preparation of a budget, contracting for services and personnel matters.”

Because of the complexity of the rules and accounting requirements of Public Education Department, many charter schools find varying degrees of difficulty and challenges. The Albuquerque Public Schools and the New Mexico Coalition of Charter Schools are working to provide support and training for these schools.

The following table lists all Charter Schools active during the fiscal year ending June 30, 2007 and the summary of their fiscal performance. This information is summarized for each school on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds (GAAP). The stated fund balance is the final, adjusted, fund balance for all governmental funds for the fiscal year end June 30, 2007. The statement shows the performance of each individual school’s combined governmental funds on a GAAP basis.

**Albuquerque Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007**

Charter School Name	Year Chartered	Grades	FY 06-07 Average Student Count	FY 06-07 Total Revenue	FY 06-07 Total Expenditures	Total Final EOY Fund Balance (adjusted)
21st Century Public Academy	2000	6-8	210	\$1,698,496	\$1,512,982	\$57,675
Academia de Lengua y Cultura	2001	6-8	105	\$1,077,971	\$987,148	\$132,413
Albuquerque Institute Math & Science	2005	9-10	95.5	\$1,541,495	\$1,469,232	\$235,895
Albuquerque Talent Development	2007	9-12				
Amy Biehl Charter High School	2000	9-12	221	\$2,163,254	\$2,279,345	\$120,559
Bataan Military Academy	2006	9-12		\$83,549	\$79,486	\$4,063
Career Academic and Technical Academy	2006	10-12		\$59,420	\$60,782	(\$1,362)
Cesar Chavez Community School	2004	9-12	141.5	\$1,564,012	\$1,459,411	\$342,989
Christine Duncan Community School	2006	K-5	120	\$1,383,266	\$1,255,745	\$127,521
Creative Education Preparatory Institute #1	2004	9-12	174	\$1,843,253	\$1,719,064	354,591
Creative Education Preparatory Institute #2	2004	9-12	167.5	\$1,600,026	\$1,594,844	\$222,460
Digital Arts and Technology	2002	9-12	390	\$3,998,761	\$4,069,727	\$603,646
East Mountain High School	2000	9-12	308.5	\$2,994,786	\$2,824,085	\$185,530
El Camino Real Academy	2002	K-12	648.5	\$4,845,630	\$5,412,018	\$6,204
Horizon Academy West	2003	K-6	440	\$3,041,252	\$3,054,681	\$273,109
La Academia de Esperanza	2001	6-12	216.5	\$2,559,455	\$2,759,597	\$99,096
La Luz del Monte Learning Center	2005	7	103	\$851,842	\$1,017,490	\$156,281
La Promesa Early Learning Center	2005	K-3	46.5	\$566,573	\$585,571	(\$3,534)
La Rosolena Charter School	2006	7-8	52	\$726,995	\$684,576	\$41,668
Los Puentes Charter School	2002	8-12	118	\$1,887,136	\$1,739,339	\$215,612
Montessori Elementary Charter School	2005	K-6	174.5	\$1,213,665	\$1,212,296	\$44,295
Montessori of the Rio Grande	2004	K-5	153.5	\$1,482,039	\$1,363,567	\$141,295
Mountain Mahogany Community School	2005	K-2	67	\$849,871	\$851,333	\$70,076

**Albuquerque Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007**

Charter School Name	Year Chartered	Grades	FY06-07 Average Student Count	FY 06-07 Total Revenue	FY 06-07 Total Expenditures	Total Final EOY Fund Balance (adjusted)
Native American Community Academy	2006	6-7	85.5	\$1,157,614	\$1,009,779	\$214,392
North Albuquerque CO-OP	2006	K-6	138	\$1,640,320	\$1,460,255	\$182,475
North Valley Academy	2003	K-8	436	\$2,725,942	\$3,116,976	(\$62,997)
Nuestros Valores Charter School	2001	9-12	114	\$1,309,130	\$1,448,358	\$161,110
Public Academy for Performing Arts	2001	6-12	314	\$2,433,662	\$2,527,985	(\$3,428)
Ralph J. Bunche	2006	K-7	80	\$985,716	\$1,047,630	\$43,607
Robert F Kennedy High School	2001	9-12	246	\$2,685,543	\$2,527,953	\$228,019
School for Integrated Academics & Technologies	2004	9-12	300	\$2,152,636	\$2,261,349	\$121,182
South Valley Academy	2000	9-12	208	\$2,506,544	\$2,540,960	\$278,013
Southwest Primary Learning Center	2005	4-6	104	\$1,564,687	\$1,537,410	\$138,782
Southwest Secondary Learning Center	2001	7-12	252.5	\$2,236,948	\$2,168,484	\$327,691
The Learning Community Charter School	2001	6-12	176	\$1,649,331	\$1,596,495	\$95,347
Youth Build Trade & Technology Community HS	2005	9-12	134	\$1,512,249	\$1,486,836	\$143,610
TOTALS			6,540.5	\$62,593,069	\$62,722,789	\$5,297,885

One of the more significant challenges facing charter schools is the quality of the existing charter school facilities. The State of New Mexico has mandated that charter schools occupy public facilities by the 2010 school year. Debate is currently ongoing as to how that mandate will be funded and implemented. Included in the options is the lease purchase financing of school facilities. The constitutional prohibition on lease purchase financing was removed by the voters as a result of the general election on November 7, 2006. It is anticipated that further legislative definition of this capital project financing tool will take place during future legislative sessions..

Agency Funds

School sites, as a custodian, maintain and monitor special funds on behalf of the school activity groups. These agency funds maintained by the schools are intended to benefit a specific activity or interest and are generally raised by students for student use. The total of these funds is \$5,075,239.

Albuquerque Public Schools

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

While each school site is the custodian and responsible for the administration of the agency funds at the specific school sites, the use of these funds are in accordance with School District Policy and Public Education Department Regulations. The management of these funds is directed by the school principal and the funds are also subject to annual review by the School District's Independent Auditor and Internal Audit Department.

Future Trends

The Economy and Public School Funding: In New Mexico, the general operation of school districts is principally funded by the State through an allocation formula known as the State Equalization Guarantee (SEG). State legislators convene annually and determine the amount of funds to be allocated within the State for educational purposes. The principal resources to the State that are available for allocation include the Gross Receipts Tax and the Severance Tax (a tax on extracted natural resources).

Over time, the Gross Receipts Tax has proven itself to be a reliable source of State and local revenue due to sustained economic growth since New Mexico's economy has consistently expanded from year to year for well over fifty years. The Severance Tax, however, is more volatile because it is more closely tied to the global pricing of natural resources such as oil and natural gas. Because of increased prices for oil and natural gas resources, state revenues have shown significant increases in the last few years. However, the annual growth rate in the Severance Tax is projected to decrease year to year over the ensuing five years.

In preparing the District's annual operating budget for FY2007-08 a five year forecast was developed and implemented for the first time (FY2008 through FY2012). Since the District's resources for general operations is heavily reliant upon the State funding formula and the resulting annual SEG allocation, the Five Year Forecast of District resources is closely tied to the State's economic forecast for the same period.

The following table indicates the statewide funding of SEG along with the amount allocated to the District for the past five years.

State Equalization Guarantee Funding History

The following table indicates the statewide funding of SEG along with the amount allocated to the District for the past five years.

Fiscal Year	Statewide	APS District
FY2002-03	\$1,655,422,700	\$438,864,150
FY2003-04	\$1,727,906,600	\$463,588,096
FY2004-05	\$1,842,074,600	\$490,696,843
FY2005-06	\$1,969,062,300	\$518,914,097
FY2006-07	\$2,117,799,200	\$576,123,653

Albuquerque Public Schools Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2007

State funding of public schools for the 2006/2007 school year was increased by approximately 7.6% while the District's allocation increased 9.4%. The difference in the annual rates of growth is attributable to formula factors applied in deriving the allocation to each district. For example, if a school district's student population grows at a rate that is different than anticipated statewide then that district's SEG would reflect the difference caused by the underlying change in student population ratio. Additional formula factors include students in need of special education, bilingual classes, or special attention to deter students at risk of dropping out. Another significant formula factor is the education and experience level of instructional staff.

Teacher Salaries: Beginning with FY2004-05 the District began implementing a three year phase in of a state mandated three tier salary schedule for teachers throughout the State. Based on a combination of education and experience, each teacher is placed within one of the three tiers in the plan. In 2004/2005 Level Two minimum salaries increased to \$35,000. In 2005/2006, the legislature funded the increase of the Level Two teacher salary to a minimum of \$40,000. Legislative action for the 2006/2007 school year appropriated funding for the implementation of the Level Three Master Teacher salary to \$45,000, minimum. Funds are anticipated to be available to implement the final phase of \$50,000 minimum for Level Three teachers in the 2007/2008 year. It is anticipated that these increase in salaries will attract and retain high quality teaching staff. The Fiscal Year 2006-07 budget provides for 11,279.6 FTE. In this total, 5,858.9 FTE teachers are budgeted.. The following is a five year summary of average teacher salaries.

Average Teacher Salaries 2001-02 to 2005-06

Year	Average Salary	Experience
2002-03	\$35,716	13.8 years
2003-04	\$37,197	13.2 years
2004-05	\$38,423	13.2 Years
2005-06	\$39,029	12.0 years
2006-07	\$40,726	10.7 years

Source: PED, New Mexico Finance Statistics

Public School Capital Outlay: The recent strength of oil and natural gas prices has provided the State of New Mexico with a windfall in natural resources severance taxes. The legislature is tasked with appropriating from this revenue pool and a significant amount of the proceeds from this windfall were utilized to provide for capital projects, statewide, including facilities for public education.

The APS District has particularly benefitted in the area of building new facilities to meet the District's substantial need for new schools on the west side of the District's boundaries. The District has experienced significant migration of its student population from the eastside to the westside of the District's boundaries coincident to the startup of many new charter schools.

The net impact on the District is a relatively flat growth in student population (excluding charter schools) while the newly developing areas are in need of new schools. Recognizing this, the State has utilized the windfall tax to assist in the construction of several new schools within the District.

Albuquerque Public Schools Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2007

Local Assessments General Obligation Bonds: Local property taxes serve as the revenue source for the repayment of general obligation bonds. Because of the growth of both residential and commercial assessed valuation for properties in the Albuquerque School District, the School District has undertaken an aggressive expansion program to add additional classroom space in the School District. The following table illustrates the growth of the assessed valuation for the Albuquerque School District.

VALUATION TABLE

TAX YEAR	ALBUQUERQUE PUBLIC SCHOOLS
2004	\$ 10,236,146,834
2005	\$ 11,451,528,185
2006	\$ 11,926,144,157
2007	\$ 13,182,532,511
2008 (Preliminary)	\$ 14,097,410,752

Source: Preliminary Official Statement Dated July 29, 2008

Because of continued development in both the residential and commercial properties in the School District, it is expected that future assessed valuations will continue to increase. It is also expected that voter support for the Albuquerque Public Schools will continue to be strong and revenues from General Obligation Bond proceeds will continue to be an integral part of the School District Master Plan.

Community Growth: In the past year, the community has seen the start of a number of residential growth areas. Most of the growth and homebuilding is focused on the west side of the District which has caused significant overcrowding at west side schools at all grade levels. In response to these needs the School District has begun a building program that completed two new elementary schools in December 2006 and will complete one high school, one middle school and one elementary school by August 2008 as well as renovate and reopen one elementary school in 2008 and complete an additional high school by August 2009. The total costs for these schools are estimated to be \$300 million. These projects are funded with General Obligation bonds and grant funds through the Public Schools Facilities Authority.

- North Star Elementary School – 600 Students; cost \$12 Million; completed December 2006.
- Ventana Ranch Elementary School – 750 Students, cost \$12 million; completed December 2006.
- Northwest High School – 2,200 students; estimated cost \$103 million. The phase one, ninth grade academy, will be completed in August 2007. Facilities for grades 10-12 will be completed by August 2008. Construction on both phases is ongoing. \$34 million has been provided as a matching grant from the Public Schools Facilities Authority.

Albuquerque Public Schools Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2007

- Southwest High School – 2,200 students; estimated cost \$115 million. This school is currently in the design phase and is scheduled for completion in August 2009. \$17 million has been provided as a matching grant from the Public Schools Facilities Authority.
- Northwest Middle School - 1,200 students; estimated cost \$35 million. Proposed to be completed as a “design build” contract. Scheduled completion by August 2008.
- Northwest Elementary School – 750 students; estimated cost \$15 million. Scheduled completion by August 2008.
- Coronado Elementary School – 400 students; estimated cost \$8 million. Currently a retired school used for office space, this school will be renovated and reopened as an elementary school by August 2008. Staff located at this site will be moved into vacant space at the District Central Office.

Because the average age of the existing APS School is 60 years, the School District has committed \$40 million to roofing reconstruction and \$100 million to school renovations throughout the School District. These projects are funded and scheduled to be completed or started within a five year period.

On September 6, 2006, the School District approved the sale of \$63,980,000 in bonds; \$50 million were first series of \$125 million in new bonds authorized by the voters on February 7, 2006 and \$13.980 million in existing bonds were refunded. The new bonds were sold to continue funding for new schools and making significant repairs to older schools and as part of a master planned capital outlay program.

On September 19, 2006 the voters approved a \$351 million bond plan in a special election. Projects funded from this plan include two new high schools, one middle school, and two elementary schools. The focus of the bond plan is to address and correct overcrowding problems in schools located on the west side of the School District in addition to District-wide projects.

District Master Planning: A master plan is required in order to be eligible for state funding through the Public School Facilities Authority. The District has contracted with Architectural Research Consultants, Inc. to provide master planning assessments and services for the Albuquerque Public School District. The School is undertaking a master planning process to look at future student population projections and existing school utilization for a ten year period. This project will help the School District plan new school locations and provide analytical data for use by the School District to identify current and future capital funding needs. The Master Plan is reviewed and updated on a yearly basis. Currently, the Master Plan shows total school construction needs of \$1.7 billion of which \$1.1 billion is projected to be funded.

**Albuquerque Public Schools
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2007**

Oversight and Accountability: The School District has implemented a formal oversight commission, the Capital Outlay Advisory Council, to be an independent oversight committee. This committee consists of fourteen volunteers comprised of business and civic leaders and parents who meet monthly and monitor the progress and accountability of the capital outlay process. In addition, the Albuquerque Public Schools Board of Education also is provided with periodic updates at public meetings. The District has also increased staff to monitor and account for the increased capital outlay program.

Contacting the Albuquerque Public Schools

This financial report is designed to provide our community, taxpayers, investors and creditors with an overview of the Albuquerque Public School District's financial condition and to provide accountability for the funds the School District receives. If you have questions about our report or about the operations of the Albuquerque Public School District, please visit our web site at www.aps.edu, or contact:

Gina Hickman, CPA
Chief Finance Officer
Albuquerque Public Schools
6400 Uptown Blvd. NE., Suite 400W
PO Box 25704
Albuquerque, NM 87125-0704

or

Tami Coleman
Director of Accounting
Albuquerque Public Schools
6400 Uptown Blvd. NE., Suite 300E
PO Box 25704
Albuquerque, NM 87125-0704

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
STATEMENT OF NET ASSETS
JUNE 30, 2007

Exhibit A-1
(Page 1 of 2)

	Governmental Activities	Component Units
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 114,231,227	\$ 6,790,182
Receivables (net of allowance for uncollectibles)	38,198,394	1,198,525
Prepaid expenses	100,000	104,803
Inventory	4,063,618	-
Other	-	1,138,464
Total current assets	156,593,239	9,231,974
Noncurrent assets:		
Restricted cash and cash equivalents	167,537,357	-
Restricted receivables	46,846,764	-
Prepaid Expenses	-	6,000
Bond issuance costs (net of amortization of \$56,564)	369,669	-
Capital assets not being depreciated:		
Land	38,879,020	-
Construction in progress	85,980,205	-
Capital assets (net of accumulated depreciation):		
Land improvements	84,974,324	-
Buildings and building improvements	805,668,882	-
Furniture, fixtures and equipment	89,061,236	16,753,753
Less: accumulated depreciation	(466,817,698)	(4,672,584)
Total noncurrent assets	852,499,759	12,087,169
Total assets	\$ 1,009,092,998	\$ 21,319,143

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
STATEMENT OF NET ASSETS
JUNE 30, 2007

Exhibit A-1
(Page 2 of 2)

	Governmental Activities	Component Units
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 8,896,445	\$ 2,003,492
Accrued expenses	65,727,317	1,671,602
Unearned revenue	1,529,478	848,778
Accrued interest	2,627,027	-
Internal balances	-	3,021
Insurance reserves, IBNR claims	25,505,589	-
Current portion compensated absences	1,193,760	-
Current portion of long-term debt	25,113,703	211,632
Total current liabilities	130,593,319	4,738,525
Noncurrent liabilities:		
Compensated absences	2,423,695	2,611,473
Bonds due in more than one year	139,351,858	-
Long-Term portion of claims payable	7,664,269	-
Total noncurrent liabilities	149,439,822	2,611,473
Total liabilities	280,033,141	7,349,998
Invested in capital assets, net of related debt	473,280,408	7,335,398
Restricted for:		
Debt service	64,055,834	-
Capital projects	142,492,688	(86,259)
Other	-	63,675
Unrestricted	49,230,927	6,656,331
Total net assets	729,059,857	13,969,145
Total liabilities and net assets	\$ 1,009,092,998	\$ 21,319,143

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary Government			
Governmental activities:			
Instruction	\$ 403,090,377	\$ 1,468,302	\$ 24,080,261
Support services:			
Students	155,137,903	590,742	31,332,455
Instruction	-	-	-
General Administration	10,950,359	-	-
School Administration	-	-	-
Other Support Services	-	-	-
Central Services	6,205,826	-	-
Operation & Maintenance of Plant	56,665,211	-	-
Student Transportation	20,299,083	-	19,360,298
Other Support Services	1,806,157	-	31,096,262
Food Services Operation	29,078,823	9,813,538	15,090,384
Community Services	5,996,071	-	-
Facilities, Materials and Supplies	31,864,317	-	125,000
Interest on long-term debt	8,217,510	-	-
Capital outlay:			
Depreciation - unallocated	28,470,659	-	-
Primary Governmental Activities	<u>\$ 757,782,296</u>	<u>\$ 11,872,582</u>	<u>\$ 121,084,660</u>
Component Units Governmental Activities	<u>\$ 64,557,357</u>	<u>\$ 808,512</u>	<u>\$ 7,019,546</u>
Total Governmental Activities	<u>\$ 822,339,653</u>	<u>\$ 12,681,094</u>	<u>\$ 128,104,206</u>

General Revenues:

Property taxes:
 Levied for general purposes
 Levied for debt service
 Levied for capital projects
 State Equalization Guarantee
 Interest & Investment Earnings
Unrestricted investment earnings
Bond Activity
Gain/Loss on disposal of capital assets
Miscellaneous

Total general revenues

Change in net assets

Net assets - beginning

Prior period adjustment

Net assets - beginning, restated

Net assets - ending

The accompanying notes are an integral part of these financial statements

Program Revenues		
Capital Grants and Contributions	Governmental Activities	Component Units
\$ -	\$ (377,541,814)	\$ -
-	(123,214,706)	-
-	-	-
-	(10,950,359)	-
-	-	-
-	-	-
-	(6,205,826)	-
-	(56,665,211)	-
-	(938,785)	-
-	29,290,105	-
-	(4,174,901)	-
-	(5,996,071)	-
34,124,129	2,384,812	-
-	(8,217,510)	-
-	(28,470,659)	-
<u>\$ 34,124,129</u>	<u>(590,700,925)</u>	<u>\$ -</u>
<u>\$ 3,901,758</u>	<u>\$ (52,827,541)</u>	<u>\$ (52,827,541)</u>
<u>\$ 38,025,887</u>	<u>\$ (643,528,466)</u>	<u>\$ (52,827,541)</u>
	\$ 4,535,877	\$ -
	76,638,213	-
	58,771,935	-
	576,123,653	50,602,374
	-	19,629
	14,593,278	25,833
	-	-
	(2,733,627)	(147,122)
	1,591,938	1,655,848
	<u>729,521,267</u>	<u>52,156,562</u>
	138,820,342	(670,979)
	622,185,597	14,679,850
	(31,946,082)	(37,763)
	<u>590,239,515</u>	<u>14,642,087</u>
	<u>\$ 729,059,857</u>	<u>\$ 13,971,108</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	General 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Service 21000	Title I IASA 24101
ASSETS					
<i>Current Assets</i>					
Cash and cash equivalents	\$ 65,817,936	\$ -	\$ -	\$ 25	\$ -
Accounts receivable					
Taxes	772,667	-	-	-	-
Due from other governments	746,261	2,691,636	1,469,106	2,610,121	6,615,489
Interfund receivables	41,967,225	-	-	-	-
Other	1,016,046	-	-	24,366	-
Prepaid expenses	100,000	-	-	-	-
Inventory	2,852,461	-	-	1,211,157	-
<i>Total assets</i>	<u>\$ 113,272,596</u>	<u>\$ 2,691,636</u>	<u>\$ 1,469,106</u>	<u>\$ 3,845,669</u>	<u>\$ 6,615,489</u>
LIABILITIES AND FUND BALANCES					
<i>Current Liabilities:</i>					
Accounts payable	\$ 3,930,776	\$ 32,451	\$ 6,748	\$ -	\$ 250,094
Accrued expenses	65,727,317	-	-	-	-
Interfund payables	-	2,521,851	73,055	45,931	6,365,395
Deferred revenue - property taxes	730,727	-	-	-	-
Deferred revenue - other	-	-	-	-	-
<i>Total liabilities</i>	<u>70,388,820</u>	<u>2,554,302</u>	<u>79,803</u>	<u>45,931</u>	<u>6,615,489</u>
<i>Fund balances</i>					
Fund Balance:					
Reserved:					
Reserved for inventory	2,852,461	-	-	1,211,157	-
Reserved for debt service	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-
Reserved for general fund	-	137,334	1,389,303	-	-
Unreserved:					
Undesignated, reported in					
General Fund	40,031,315	-	-	-	-
Special Revenue Funds	-	-	-	2,588,581	-
<i>Total fund balances</i>	<u>42,883,776</u>	<u>137,334</u>	<u>1,389,303</u>	<u>3,799,738</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 113,272,596</u>	<u>\$ 2,691,636</u>	<u>\$ 1,469,106</u>	<u>\$ 3,845,669</u>	<u>\$ 6,615,489</u>

The accompanying notes are an integral part of these financial statements

Entitlement IDEA-B 24106	Bond Building 31100	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Debt Service 40100	Other Governmental Funds	Total Primary Government
\$ -	\$ 31,458,936	\$ 50,405,283	\$ 55,008,711	\$ 30,664,427	\$ 14,180,727	\$ 247,536,045
-	-	8,787,218	4,668,139	33,391,407	-	47,619,431
10,306,026	-	-	-	-	10,680,463	35,119,102
-	-	-	-	-	816,691	42,783,916
-	-	-	-	-	1,266,213	2,306,625
-	-	-	-	-	-	100,000
-	-	-	-	-	-	4,063,618
<u>\$ 10,306,026</u>	<u>\$ 31,458,936</u>	<u>\$ 59,192,501</u>	<u>\$ 59,676,850</u>	<u>\$ 64,055,834</u>	<u>\$ 26,944,094</u>	<u>\$ 379,528,737</u>
\$ 85,337	\$ 2,839,584	\$ 1,494,679	\$ 256,776	\$ -	\$ -	\$ 8,896,445
-	-	-	-	-	-	65,727,317
10,220,689	-	292,781	-	-	22,201,533	41,721,235
-	-	8,340,474	4,437,677	33,137,542	-	46,646,420
-	-	-	-	-	1,529,478	1,529,478
<u>10,306,026</u>	<u>2,839,584</u>	<u>10,127,934</u>	<u>4,694,453</u>	<u>33,137,542</u>	<u>23,731,011</u>	<u>164,520,895</u>
-	-	-	-	-	-	4,063,618
-	-	-	-	30,918,292	-	30,918,292
-	28,619,352	49,064,567	54,982,397	-	(2,951,779)	129,714,537
-	-	-	-	-	-	1,526,637
-	-	-	-	-	-	40,031,315
-	-	-	-	-	6,164,862	8,753,443
-	28,619,352	49,064,567	54,982,397	30,918,292	3,213,083	215,007,842
<u>\$ 10,306,026</u>	<u>\$ 31,458,936</u>	<u>\$ 59,192,501</u>	<u>\$ 59,676,850</u>	<u>\$ 64,055,834</u>	<u>\$ 26,944,094</u>	<u>\$ 379,528,737</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
GOVERNMENTAL FUNDS

Exhibit B-1
 (Page 2 of 2)

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2007

	Governmental Funds
Amounts reported for governmental activities in the statement of net assets are different because:	
Fund balances - total governmental funds	\$ 215,007,842
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	637,745,969
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Property Taxes Receivable	46,646,420
Bond issuance costs, including original issue discounts and premiums are not financial resources and, therefore, are not reported in the funds	
Bond issuance costs net of accumulated amortization	369,669
Bond issuance premiums net of accumulated amortization	-
Long-term liabilities, including bonds payable, are not due and payable in	
Accrued interest	(2,627,027)
Accrued compensated absences	(3,617,455)
General obligation bonds	(164,465,561)
Net Assets-total Governmental Activities	\$ 729,059,857

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	General 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Service 21000	Title I IASA 24101
<i>Revenues:</i>					
Property taxes	\$ 3,805,150	\$ -	\$ -	\$ -	\$ -
State grants	576,419,283	19,260,043	8,533,432	-	-
Federal grants	3,115,665	-	-	17,202,200	23,777,047
Miscellaneous	3,418,311	100,255	-	9,813,538	-
Interest	4,102,036	-	186,978	-	-
<i>Total revenues</i>	<u>590,860,445</u>	<u>19,360,298</u>	<u>8,720,410</u>	<u>27,015,738</u>	<u>23,777,047</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	364,008,906	-	7,853,560	-	18,171,581
Support Services					
Students	117,534,590	-	1,050,212	-	4,116,497
General Administration	9,351,299	-	-	-	758,749
Central Services	6,205,826	-	-	-	-
Operation & Maintenance of Plant	56,056,301	-	-	-	1,264
Student Transportation	261,114	19,317,493	-	-	720,476
Other Support Services	1,806,157	-	-	-	-
Food Services Operations	4,250,000	-	-	24,828,823	-
Community Service	1,381,634	-	-	-	8,480
Facilities, maintenance and supplies	113	-	-	-	-
Capital Outlay	38,858	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Bond underwriter discounts	-	-	-	-	-
<i>Total expenditures</i>	<u>560,894,798</u>	<u>19,317,493</u>	<u>8,903,772</u>	<u>24,828,823</u>	<u>23,777,047</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>29,965,647</u>	<u>42,805</u>	<u>(183,362)</u>	<u>2,186,915</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Bond issuance premiums	-	-	-	-	-
Payments to escrow agents	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>29,965,647</u>	<u>42,805</u>	<u>(183,362)</u>	<u>2,186,915</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>12,918,129</u>	<u>94,529</u>	<u>1,572,665</u>	<u>1,612,823</u>	<u>-</u>
<i>Prior period adjustment</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year, restated</i>	<u>12,918,129</u>	<u>94,529</u>	<u>1,572,665</u>	<u>1,612,823</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 42,883,776</u>	<u>\$ 137,334</u>	<u>\$ 1,389,303</u>	<u>\$ 3,799,738</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Entitlement IDEA-B 24106	Bond Building 31100	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Debt Service 40100	Other Governmental Funds	Total Primary Government
\$ -	\$ -	\$ 48,461,782	\$ 24,162,902	\$ 25,375,635	\$ -	\$ 101,805,469
-	-	-	7,166,779	-	30,575,751	641,955,288
21,933,510	-	-	-	-	19,564,469	85,592,891
-	-	-	-	258,758	3,944,896	17,535,758
-	2,314,974	1,680,265	2,475,087	885,743	446,142	12,091,225
<u>21,933,510</u>	<u>2,314,974</u>	<u>50,142,047</u>	<u>33,804,768</u>	<u>26,520,136</u>	<u>54,531,258</u>	<u>858,980,631</u>
3,478,335	-	-	-	-	8,358,386	401,870,768
16,000,274	-	-	-	-	15,487,596	154,189,169
238,705	-	-	-	258,759	342,847	10,950,359
-	-	-	-	-	-	6,205,826
-	-	-	-	-	2,858	56,060,423
-	-	-	-	-	-	20,299,083
-	-	-	-	-	-	1,806,157
-	-	-	-	-	-	29,078,823
2,216,196	-	-	-	-	2,389,761	5,996,071
-	8,186,007	11,661,493	10,432,197	-	1,584,507	31,864,317
-	29,557,810	44,447,247	10,136,878	-	15,324,534	99,505,327
-	-	-	-	14,316,229	-	14,316,229
-	-	-	-	5,590,483	-	5,590,483
-	167,800	-	-	-	-	167,800
-	81,068	-	-	-	-	81,068
<u>21,933,510</u>	<u>37,992,685</u>	<u>56,108,740</u>	<u>20,569,075</u>	<u>20,165,471</u>	<u>43,490,489</u>	<u>837,981,903</u>
-	(35,677,711)	(5,966,693)	13,235,693	6,354,665	11,040,769	20,998,728
-	1,350,955	-	-	-	-	1,350,955
-	(14,485,563)	-	-	-	-	(14,485,563)
-	63,980,000	-	-	-	-	63,980,000
-	50,845,392	-	-	-	-	50,845,392
-	15,167,681	(5,966,693)	13,235,693	6,354,665	11,040,769	71,844,120
-	13,451,671	55,031,260	41,746,704	24,563,627	(12,561,504)	138,429,904
-	-	-	-	-	4,733,818	4,733,818
-	13,451,671	55,031,260	41,746,704	24,563,627	(7,827,686)	143,163,722
<u>\$ -</u>	<u>\$ 28,619,352</u>	<u>\$ 49,064,567</u>	<u>\$ 54,982,397</u>	<u>\$ 30,918,292</u>	<u>\$ 3,213,083</u>	<u>\$ 215,007,842</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

Exhibit B-2
(Page 2 of 2)

	Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ 71,844,120
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation for the period.</p>	
Depreciation expense	(30,898,215)
Capital Outlays	99,505,327
Loss	(2,761,843)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:	
Change in deferred revenue related to the property taxes receivable	37,881,798
<p>The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:</p>	
Bond issuance costs	167,800
Amortization of bond issuance costs	(26,755)
Original issue discount	81,068
Original issue premium	(1,350,955)
Amortization of original issue premium	149,358
Increase in accrued interest payable	(124,974)
Increase in accrued compensated absences	(468,179)
Payments to escrow agents	14,485,563
Bond proceeds	(63,980,000)
Principal payments on bonds	<u>14,316,229</u>
Change in net assets-total governmental activities	<u>\$ 138,820,342</u>

The accompanying notes are an integral part of these financial statements

ALBUQUERQUE PUBLIC SCHOOLS
INTERNAL SERVICE FUND
STATEMENT OF NET ASSETS
JUNE 30, 2007

Exhibit C-1

ASSETS

<i>Current assets:</i>	
Cash and cash equivalents	34,232,539
<i>Total current assets</i>	34,232,539
 <i>Total assets</i>	 \$ 34,232,539

LIABILITIES AND NET ASSETS

<i>Current liabilities</i>	
Claims Payable	25,505,589
Due to General Fund	1,062,681
<i>Total current liabilities</i>	26,568,270
 <i>Long-term liabilities</i>	
Long-term portion of claims payable	7,664,269.00
 <i>Net assets:</i>	
Unrestricted net assets	-
<i>Total Net assets</i>	-
 <i>Total liabilities and net assets</i>	 \$ 34,232,539

The accompanying notes are an integral part of these financial statements

ALBUQUEQUE PUBLIC SCHOOLS
INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
FOR THE YEAR ENDING JUNE 30, 2007

Exhibit C-2

<i>Operating Revenues:</i>	
Charges for services	\$ -
Miscellaneous	-
	-
<i>Total operating revenues</i>	-
 <i>Operating Expenses</i>	
Salaries and related expenses	-
Leases	-
Travel	-
Professional Services	-
Supplies	-
Equipment and maintenance expense	-
Utilities	-
Miscellaneous	-
	-
<i>Total operating expenditures</i>	-
<i>Change in net assets</i>	-
<i>Total net assets - beginning of year</i>	-
<i>Total net assets - end of year</i>	\$ -

The accompanying notes are an integral part of these financial statements

ALBUQUERQUE PUBLIC SCHOOLS
INTERNAL SERVICE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2007

Exhibit C-3

Cash flows from noncapital financing activities:

Cash transferred from other fund	<u>\$ 34,232,539</u>
<i>Net cash provided by noncapital financing activities</i>	<u>34,232,539</u>
<i>Net increase in cash and cash equivalents</i>	34,232,539
<i>Cash and cash equivalents - beginning of year</i>	<u>-</u>
<i>Cash and cash equivalents - end of year</i>	<u><u>\$ 34,232,539</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
GENERAL FUND

Exhibit D-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ 3,541,188	\$ 3,541,188	\$ 3,763,210	\$ 222,022
State grants	571,776,967	571,773,967	576,419,283	4,645,316
Federal grants	2,182,034	2,182,034	2,927,264	745,230
Miscellaneous	1,885,000	1,886,000	2,853,842	967,842
Interest	1,843,885	1,843,885	4,102,036	2,258,151
<i>Total revenues</i>	<u>581,229,074</u>	<u>581,227,074</u>	<u>590,065,635</u>	<u>8,838,561</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	366,972,035	370,520,619	362,846,221	7,674,398
Support Services				
Students	134,959,363	134,918,282	120,539,149	14,379,133
Instruction	-	-	-	-
General Administration	-	-	9,351,299	(9,351,299)
School Administration	-	-	-	-
Central Services	17,023,392	14,274,840	6,205,826	8,069,014
Operation & Maintenance of Plant	63,651,229	64,622,759	63,211,736	1,411,023
Student Transportation	348,762	348,762	261,114	87,648
Other Support Services	-	-	1,200,472	(1,200,472)
Food Services Operations	-	4,250,000	4,250,000	-
Community Services	9,000	9,000	1,674,416	(1,665,416)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>582,963,781</u>	<u>588,944,262</u>	<u>569,540,233</u>	<u>19,404,029</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,734,707)</u>	<u>(7,717,188)</u>	<u>20,525,402</u>	<u>28,242,590</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,734,707	7,717,188	-	(7,717,188)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,734,707</u>	<u>7,717,188</u>	<u>-</u>	<u>(7,717,188)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>20,525,402</u>	<u>20,525,402</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>87,298,730</u>	<u>87,298,730</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,824,132</u>	<u>\$ 107,824,132</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			794,810	
Adjustments to expenditures			8,684,406	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 30,004,618</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
TRANSPORTATION FUND

Exhibit D-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	18,195,423	19,368,651	16,568,407	(2,800,244)
Federal grants	-	-	-	-
Miscellaneous	-	-	100,255	100,255
Interest	-	-	-	-
<i>Total revenues</i>	<u>18,195,423</u>	<u>19,368,651</u>	<u>16,668,662</u>	<u>(2,699,989)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	18,195,423	19,418,400	19,285,042	133,358
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>18,195,423</u>	<u>19,418,400</u>	<u>19,285,042</u>	<u>133,358</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(49,749)</u>	<u>(2,616,380)</u>	<u>(2,566,631)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	49,749	-	(49,749)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>49,749</u>	<u>-</u>	<u>(49,749)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,616,380)</u>	<u>(2,616,380)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>94,529</u>	<u>94,529</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,521,851)</u>	<u>\$ (2,521,851)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2,691,636	
Adjustments to expenditures			<u>(32,451)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 42,805</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
INSTRUCTIONAL MATERIALS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Exhibit D-3

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	7,790,451	8,479,263	7,064,326	(1,414,937)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	186,978	186,978
<i>Total revenues</i>	<u>7,790,451</u>	<u>8,479,263</u>	<u>7,251,304</u>	<u>(1,227,959)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	7,064,327	8,328,187	7,258,842	1,069,345
Support Services				
Students	726,124	1,192,843	1,050,212	142,631
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,790,451</u>	<u>9,521,030</u>	<u>8,309,054</u>	<u>1,211,976</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(1,041,767)</u>	<u>(1,057,750)</u>	<u>(15,983)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	1,041,767	-	(1,041,767)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,041,767</u>	<u>-</u>	<u>(1,041,767)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,057,750)</u>	<u>(1,057,750)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>984,695</u>	<u>984,695</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (73,055)</u>	<u>\$ (73,055)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1,469,106	
Adjustments to expenditures			(594,718)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (183,362)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
FOOD SERVICE SPECIAL REVENUE FUND (21000)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Exhibit D-4

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	17,429,163	17,429,163	15,090,384	(2,338,779)
Miscellaneous	9,300,000	9,300,000	9,315,233	15,233
Interest	-	-	-	-
<i>Total revenues</i>	<u>26,729,163</u>	<u>26,729,163</u>	<u>24,405,617</u>	<u>(2,323,546)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	29,164,591	27,203,775	24,901,769	2,302,006
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>29,164,591</u>	<u>27,203,775</u>	<u>24,901,769</u>	<u>2,302,006</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,435,428)</u>	<u>(474,612)</u>	<u>(496,152)</u>	<u>(21,540)</u>
<i>Other financing sources (uses):</i>				
Designated cash	2,435,428	474,612	-	(474,612)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,435,428</u>	<u>474,612</u>	<u>-</u>	<u>(474,612)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(496,152)</u>	<u>(496,152)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>450,246</u>	<u>450,246</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (45,906)</u>	<u>\$ (45,906)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2,610,121	
Adjustments to expenditures			<u>72,946</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 2,186,915</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
TITLE I SPECIAL REVENUE FUND (24101)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Exhibit D-5

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	25,562,513	27,364,293	22,571,238	(4,793,055)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>25,562,513</u>	<u>27,364,293</u>	<u>22,571,238</u>	<u>(4,793,055)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	19,529,255	21,208,255	17,921,487	3,286,768
Support Services				
Students	3,587,913	4,876,431	4,116,497	759,934
Instruction	-	-	-	-
General Administration	1,134,602	541,968	758,749	(216,781)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	3,100	1,321	1,264	57
Student Transportation	1,280,625	728,283	720,476	7,807
Other Support Services	-	-	-	-
Food Services Operations	1,086	-	-	-
Community Services	25,932	8,035	8,480	(445)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>25,562,513</u>	<u>27,364,293</u>	<u>23,526,953</u>	<u>3,837,340</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(955,715)</u>	<u>(955,715)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(955,715)</u>	<u>(955,715)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,409,680)</u>	<u>(5,409,680)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,365,395)</u>	<u>\$ (6,365,395)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1,205,809	
Adjustments to expenditures			<u>(250,094)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
ENTITLEMENT IDEA-B SPECIAL REVENUE FUND (24106)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Exhibit D-6

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	20,725,746	23,848,620	18,521,555	(5,327,065)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>20,725,746</u>	<u>23,848,620</u>	<u>18,521,555</u>	<u>(5,327,065)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	3,796,677	4,061,550	3,478,335	583,215
Support Services				
Students	14,784,031	17,347,162	15,914,937	1,432,225
Instruction	-	-	-	-
General Administration	449,743	515,769	238,705	277,064
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	1,695,295	1,924,139	2,216,196	(292,057)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,725,746</u>	<u>23,848,620</u>	<u>21,848,173</u>	<u>2,000,447</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,326,618)</u>	<u>(3,326,618)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,326,618)</u>	<u>(3,326,618)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(6,894,071)</u>	<u>(6,894,071)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,220,689)</u>	<u>\$ (10,220,689)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			3,411,955	
Adjustments to expenditures			(85,337)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2007

Exhibit E-1

	<u>Agency Funds</u>
ASSETS	
<i>Current Assets</i>	
Cash	<u>\$ 5,075,239</u>
<i>Total assets</i>	<u><u>\$ 5,075,239</u></u>
 LIABILITIES	
<i>Current Liabilities</i>	
Deposits held in trust for others	<u>\$ 5,075,239</u>
<i>Total liabilities</i>	<u><u>\$ 5,075,239</u></u>

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

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. Summary of Significant Accounting Policies

The financial statements of the Albuquerque Public School District No. 12, Albuquerque, New Mexico (“District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

The accounting policies of the District conform to generally accepted accounting principles and general practice for public schools. The following is a summary of the District’s significant accounting policies. In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement #34 “Basic Financial Statements and Management Discussion and Analysis for State and Local Governments.” In June 2001, the GASB approved Statement No. 37 “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus” and Statement No. 38 “Certain Financial Statement Note Disclosures.” Statement 37 clarifies and modifies Statement No. 34 and should be implemented simultaneously with Statement No. 34. Statement No. 38 modifies, establishes and rescinds certain financial statement disclosure requirements.

The District implemented the provisions of GASB numbers 34, 37 and 38 effective July 1, 2001. As part of Statement No. 34, there is a new reporting requirement regarding the local government’s infrastructure (roads, bridges, etc.) The District does not own any infrastructure assets and therefore is unaffected by this requirement.

A. Reporting Entity

The District was formed in the late 1800s. The District currently operates with a superintendent and seven elected board members. The District provides educational services to over 87,000 students.

The financial statements include all funds that are controlled by, or dependent on, the District. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, outstanding debt secured by general obligations of the District, or the obligation of the District to finance any deficits that may occur. KANW, a public radio station, is included in the reporting entity general fund results as a department within the District.

GASB Statement No. 14 established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The District also has component units, as defined by GASB Statement No. 14 and/or GASB Statement No. 39, whereby the component units are legally separate organizations. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

KNME-TV is a non-profit television station jointly formed by the District and the University of New Mexico and has a separate governing board from that of the District. KNME-TV provides educational programming to the residents of New Mexico. It is excluded from the reporting entity because the District does not have the ability to exercise influence over daily operations and approve budgets; however, some funding is provided by the District, as well as by the University of New Mexico, private grants, gifts and contributions. KNME-TV maintains separate accounting records and has its own separately audited financial statements. During fiscal year 2007, the District provided \$20,000 to KNME-TV.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The Internal Service Fund is used to account for the operation of the Self-Insurance Management Fund which services the District's departments.

CHARTER SCHOOLS

21st Century, Academia de Lengua y Cultura, Albuquerque Institute for Math and Science at UNM, Albuquerque Talent Development Secondary Charter School, Amy Biehl High School, Career Academic and Technical Academy, Cesar Chavez Community School, Christine Duncan, Corrales International School, Creative Education Preparatory Institute #1, Creative Education Preparatory Institute #2, Digital Arts and Technology Academy, East Mountain High School (including Mountain High School and Cultural Center, Inc.), El Camino Real Charter, Gordon Bernell Charter School, La Academia de Esperanza, La Luz del Monte Learning Center, La Promesa Early Learning Center, La Resolana Leadership Academy, Los Puentes Charter School, Montessori of the Rio Grande Charter School, Mountain Mahogany, Native American Community Academy, North Albuquerque Cooperative Community Elementary, North Valley Academy, Nuestros Valores Charter School, Public Academy for Performing Arts, Ralph J. Bunche Academy, Robert F. Kennedy High School, School for Integrated Academics and Technologies Albuquerque, South Valley Academy (including the Center for Educational Initiatives, Inc.), Southwest Primary Learning Center, Southwest Secondary Learning Center, The Bataan Military Academy, The Learning Community, The Montessori Elementary Charter School, and YouthBuild Trade and Technology Community High School are all charter schools formed under NMSA 22-8A and as such are presented here as discrete component units within the District's financial statements. They are presented as component units since their operating budgets and charters are presented and approved by the District's board. The State Auditor has determined the Charter Schools to be component units of the District.

Native American Community Academy, Bataan Military and North Albuquerque Coop Charter began start up operations and received Federal Stimulus Funds in the 2007 fiscal year.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment such as the collection of cafeteria fees and lost books, etc. and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment such as in Title I and IDEA-B or state programs such as HB-33 and SB-9. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. Summary of Significant Accounting Policies (Continued)

B. Government-wide and fund financial statements (Continued)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. The modified accrual basis of accounting is followed by the governmental fund types and agency funds for financial statement purposes. Under the modified accrual basis of accounting, revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become measurable and available to pay liabilities of the current.

Those revenues susceptible to accrual are property taxes, gross receipts taxes, state shared taxes, investment income and charges for services. In accordance with GASB Statement 33, estimated property, gross receipts and other taxes that are not available are recorded as both accounts receivable and deferred revenue. Grant revenues are recognized as revenues when the related costs are incurred. All other revenues are recognized when they are received and are not susceptible to accrual, because they are usually not measurable until payment is actually received. Expenditures are recorded as liabilities when they are incurred. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues: Property taxes are collected by the Bernalillo and Sandoval County Treasurers and remitted to the District. Property tax revenue is recognized at the time of receipt or earlier if accrual criteria are met. The District's accounting policy is to defer property taxes that are not collected within 60 days after fiscal year end since delinquent property taxes are not available to finance current fiscal year District operations. Delinquent property taxes collected in future periods will be recognized as revenue when collected.

Expenditures: Grant expenditures in excess of receipts are recorded as a receivable from the funding source, and grant receipts in excess of expenditures are recorded as deferred revenue. Revenue for grants is recognized based upon the expenditures recorded. Grants are usually revocable only for failure to comply with prescribed compliance requirements.

Expenditures are recorded when the related fund liability is incurred, except interest on general long-term debt which is recognized when due, and certain compensated absences and claims which are recognized when expected to be liquidated with expendable available financial resources.

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

C. Measurement focus, basis of accounting, and financial statement presentation

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

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. Summary of Significant Accounting Policies - (Continued)

C. *Measurement focus, basis of accounting, and financial statement presentation (continued)*

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Derived property tax revenue is recognized when the underlying exchange transaction takes place. A large portion of the property tax revenue is derived from an estimate of taxes based on mill levy rates not yet collected and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Ad valorem taxes (property taxes), and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

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

The *General Fund* is the primary operating fund of the District, and accounts for all financial resources, except those required to be accounted for in other funds.

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

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. Summary of Significant Accounting Policies - (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB #34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which include funds that were not required to be presented as major but were at the discretion of management:

The *Pupil Transportation Fund* is used to account for the State Equalization, received from the Public Education Department (PED), which is used to pay for the costs associated with transporting school age children. This is considered by PED to be a sub-fund of the General Fund.

The *Instructional Materials Fund* is used to account for the monies received from the Public Education Department (PED) for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. This is considered by PED to be a sub-fund of the General Fund.

The *Food Service Fund* is used to account for the cost of operating a student breakfast, lunch, snack bar and summer lunch program and is financed with federal grants and fees paid by program users.

The *IASA Title I Fund* is to provide compensatory education services to educationally deprived school children (including private school pupils) in low-income areas. (P.L. 103-382)

The *IDEA-B Entitlement Fund* is used to account for federal resources administered by the public education department to provide for special educational needs of the handicap 6-21 years old. (PL 94-142 & PL 99-457)

The *Bond Building Capital Projects Fund* is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

The *Capital Improvements HB33 Fund* is to account for the costs relating to erecting, remodeling, making additions to, providing equipment for, or furnishing public school buildings and purchasing or improving public school grounds. Financing is provided through property taxes as specified by Article 26 of the Public School Buildings Act. (House Bill 33)

The *Capital Improvements SB9 Fund* is used to account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act. (22-25-1 to 22-25-10, NMSA 1978)

The *Debt Service Fund* is used to account for the accumulation of resources for the payment of General Long-Term Debt principal and interest.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. Summary of Significant Accounting Policies - (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Additionally, the government reports the following fund types:

Fiduciary Funds are used to account for assets held by the District as an agent for individuals, private organizations or other governments. Agency Funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. These funds relate primarily to the activities of individual schools. While these funds are under the supervision of the District and enhance the District's educational programs, they are funds of the individual schools and/or their student bodies and are not available for use by the District.

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

The *Internal Service Fund* is used to account for the operations of the Self Insurance Fund which services the District's departments on a cost-reimbursement basis. This activity was reported in the General Fund in the previous year's and was transferred to an internal service at year end; therefore there will be no amounts reported in the Statement of Revenues, Expenses and Changes in Net Assets for the year ending June 30, 2007. Additionally, there will be no reconciling item in the Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Assets as of June 30, 2007 for this fund's activity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

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

D. Assets, Liabilities and Net Assets or Equity

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Cash and Cash Equivalents: Policies regarding cash and cash equivalents are approved by the District's Board of Education and are governed by New Mexico statute. Such policies allow deposits or investments in certificates of deposit, savings accounts, overnight repurchase agreements, various obligations of the U.S. Government or its agencies and the New Mexico State Treasurer's Local Government Short Term Investment Fund. Such deposits and investments must be made through a State or Federally chartered bank or savings and loan association which is insured by the FDIC and which is within the geographic boundaries of the District, or with the New Mexico State Treasurer.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. Summary of Significant Accounting Policies - (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

Collateral is required for at least 50% of deposits that are not insured by the FDIC, with the exception of repurchase agreements. These are required to have collateral of at least 102%. Obligations that may be pledged as collateral are obligations of the U.S. Government, its agencies, and state and local governments. Collateral is held in safekeeping at depository institutions in the name of the District.

The District has investments in the State Treasurer external investment pool (the Local Government Investment Pool). The investments are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10-I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States Government or by its departments or agencies are either direct obligations of the United States or are backed by the full faith and credit of the United States Government or are agencies sponsored by the United States Government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amount funds were invested. Participation in the local government investment pool is voluntary.

For purposes of the Statement of Cash Flows, the internal service fund considers all highly liquid assets (including restricted assets) with maturity of three months or less when purchased to be cash equivalents.

Receivables and Payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in Bernalillo and Sandoval Counties. The funds are collected by the County Treasurers and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the Bernalillo and Sandoval County Treasurers in July and August, 2007, is considered ‘measurable and available’ and, accordingly, is recorded as revenue during the year ended June 30, 2007.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. Summary of Significant Accounting Policies - (Continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

Instructional Materials: The New Mexico State Public Education Department receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of material listed in the State Board of Education 'State Adopted Instructional Material' list, while thirty percent of each allocation is available for purchases directly from vendors, for which the school district receives cash draw-downs, or transfer to the seventy percent account for requisition of material from the adopted list. The districts are allowed to carry forward unused textbook credits from year to year.

Inventory: Supply inventories are valued at the lower of average cost or market and consist of educational supplies, purchased and donated commodities. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at the lower of their estimated fair market value at the date of receipt or current market value.

The food commodities received from the Federal Government (passed through from the State) are recorded as revenues and expenditures as they are consumed. Quantities on hand at year-end are recorded as inventory with an offsetting credit to deferred revenue. Such revenue is recognized when the inventoried items are consumed.

Purchased inventories are recorded as expenditures at the time individual inventory items are used. Reported inventories are offset by a fund balance reservation which indicates that they do not constitute available expendable resources.

Capital Assets: Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value). Historically and in accordance with prior State Statute, State Regulations and School Board Policy, all assets with a value in excess of \$1,000 were capitalized. Effective July 1, 2006, this amount has been increased to \$5,000. All assets on the books as of July 1, 2006 with a cost between \$1,000 and \$5,000 will remain on the District's inventory list and continue to be subject to depreciation rules for the life of the asset. After July 1, 2006, only those assets with a cost greater than \$5,000 will be added to the list of depreciable assets.

Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets include land and land improvements, buildings and building improvements, furniture, fixtures, equipment, machinery and vehicles. Capital assets are used in operations and have a useful life of more than one year and a cost exceeding established capitalization thresholds. The school district does not own any infrastructure assets such as roads, bridges, tunnels, drainage systems, water and sewer systems, dams and lighting systems.

Purchased capital assets costing more than \$1,000 are recorded at historical cost, including significant ancillary charges necessary to place the asset into its intended location and condition for use. Improvements to land and buildings are capitalized at the higher threshold of \$25,000. Donated capital assets valued at more than \$1,000 are recorded at their estimated fair value at the time of acquisition plus ancillary charges, if any.

Capital assets are reported net of accumulated depreciation in the statement of net assets. Capital assets that are not being depreciated, such as land, are reported separately for significant amounts. Capital assets are depreciated over their estimated useful lives using the straight-line

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. Summary of Significant Accounting Policies - (Continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

depreciation method and full-month averaging. No salvage value is allowed for this purpose. Estimated useful life is management's estimate of how long the asset is expected to meet service demands.

Straight-line depreciation is used based on the following estimated useful lives:

Computer Equipment and Business Machines	5 Years
General Equipment and Musical Instruments	8 Years
Vehicles, Trucks, and Trailers	8 Years
Furniture, Major Appliances, Large Equipment	10 Years
Improvements to Land	20 Years
Improvements to Buildings	20 Years
Portable School Buildings	25 Years
Buildings	40 Years

GASB Statement 34 requires the recording and depreciation of infrastructure assets, which include roads, bridges, traffic signals, etc. The District did not own any infrastructure assets as of June 30, 2007. Depreciation was allocated to the various functions based upon originating purchasing source where identifiable. Unallocated depreciation was recorded in the statement of activities.

Unearned Revenues: The District reports deferred revenues on its Statement of Net Assets and various fund balance sheets. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

Compensated Absences: In the event of termination or retirement, employees can be paid for accumulated vacation leave in an amount up to 176 hours. Accordingly, accumulated vacation leave is recorded as if fully vested. The vested vacation leave payable is calculated using current pay levels and is recorded in the governmental funds to the extent it will be paid with currently available financial resources.

Certain employees of the District (primarily school teachers and principals) work nine months of the 12-month fiscal year. The District disburses payroll to such employees throughout the entire 12-month period. Accordingly, salaries payable included as accrued expenses in the accompanying financial statements include accrued salaries for services performed through June 30, 2007 for these employees. The accrued salaries will be paid within two months after the end of the fiscal year.

Long-term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Fund Balance: Reservations of fund balance represent amounts that are not appropriate for expenditures or legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The District designates the portion of the

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. Summary of Significant Accounting Policies - (Continued)

D. Assets, Liabilities and Net Assets or Equity (continued)

year-end fund balance, not otherwise designated or reserved, for subsequent years' expenditures. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

Restricted Net Assets: For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset used are either:

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

Imposed by law through constitutional provisions or enabling legislation.

The District's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Estimates in these financial statements include the District's estimate of useful lives for determining accumulated depreciation and depreciation expense, an estimate of accrued interest and an estimate on property taxes receivable.

E. Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues are categorized as (a) charges for services, which includes revenues collected for cafeteria fees and lost books, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as Title I and IDEA-B funding to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources such as SB-9 and HB-33 funding to be used for capital projects.

State Equalization Guarantee: School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to insure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program cost.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. Summary of Significant Accounting Policies - (Continued)

E. Revenues (Continued)

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$576,123,653 in state equalization guarantee distributions during the year ended June 30, 2007.

Tax Revenues: The District receives mill levy and ad valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized for governmental purposes when they are issued and for fund purposes when they are measurable and available. The District records only the portion of the taxes considered to be 'measurable' and 'available.' Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1st of each year, to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects County, City, and School taxes and distributes some to each fund once per month, except in June when the taxes are distributed twice to close out of the fiscal year.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. Allocations received from the State for the year ended June 30, 2007 totaled \$19,260,043.

Instructional Materials: The New Mexico State Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed on the State Board of Education's "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2007 totaled \$7,064,326.

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10, NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3, NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1st of each year that the tax is imposed, in accordance with Section 22-25-3, NMSA 1978. However, in the event that sufficient funds are not available in the public school capital improvements fund to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$7,166,779 in state SB-9 matching during the year ended June 30, 2007.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. Summary of Significant Accounting Policies - (Continued)

E. Revenues (Continued)

Public School Capital Outlay: Under the provisions of Chapter 22, Article 24, a public school capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program, and capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms.

The council shall approve an application for grant assistance from the fund when the council determines that:

1. A critical need exists requiring action;
2. The residents of the school district have provided all available resources to the district to meet its capital outlay requirements;
3. The school district has used its resources in a prudent manner;
4. The District is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division; and
5. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3, NMSA 1978.

The council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a district has complied with the provisions of this section. The council shall list all applications in order of priority and all allocations shall be made on a priority basis.

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

Allocation of Indirect Expenses: The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense not charged to a specific function is identified as unallocated on the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Federal Grants: The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operates under its own budget, which has been approved by the Federal Department or the flowthrough agency (usually the State of New Mexico Public Education Department). The various budgets are approved by the Local School Board and the New Mexico State Public Education Department. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. Summary of Significant Accounting Policies - (Continued)

E. Revenues (Continued)

The District also receives reimbursements under the National School Lunch and Breakfast Programs for its food services operations, and the distributions of commodities through the New Mexico Human Services Department. The value of commodities received for the year ended June 30, 2007 was \$1,533,219, and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities Program, CFDA number 10.550. Commodities are recorded as revenues and expenditures in the food service fund.

F. Budgetary Information

The District follows these procedures in establishing the budgetary data:

1. Subsequent to January 31, and prior to June 1, the District Superintendent submits to the District's Board of Education a proposed budget for the fiscal year which commences the following July 1. The budget includes proposed expenditures and the means of financing them.
2. The proposed budget is presented at meetings subject to the Open Meetings Act of New Mexico, and the public is invited to comment.
3. The District is required to submit to the State of NM Public Education Department School Budget & Financial Analysis Unit (SBFAU) a proposed budget for the fiscal year which commences the following July 1. In March, this unit notifies the District of the due date.
4. Based on criteria set by the SBFAU, the District undergoes either a formal technical review or a more informal phone review each year. Subsequent to this action, the local Board approves the budget by June 20, and the State of New Mexico Public Education Department approves it by June 30.
5. All intra-function transfers of budget amounts are approved by the site administrators and control agents. Inter-function transfers within funds require the approval of the Board of Education and SBFAU. In addition, SBFAU controls budgeted expenditure amounts by function.
6. Formal budgetary integration is employed during the year for the General Fund, Special Revenue Funds and Capital Projects Funds. Budgetary amounts for the Debt Service Fund are based upon general obligation bond indenture provisions.
7. Budgets for the General Fund, Special Revenue Funds and Capital Projects Funds are adopted on a basis consistent with the "Manual of Procedures for Uniform Financial Accounting and Budgeting for School Districts."
8. Budgeted amounts are as originally adopted or as amended by the SBFAU. Unspent general appropriations lapse at year-end unless they have been encumbered.

For budgetary purposes, expenditures include amounts paid in the fiscal year, adjusted for the effects of liabilities paid within ten days of fiscal year-end and unpaid salaries and benefits attributable to services provided during the school year.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a Governmental Agency from exceeding an individual line item.

The Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1. Summary of Significant Accounting Policies - (Continued)

F. Budgetary Information (Continued)

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2007 is presented with each fund's Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis).

Budgetary comparisons are presented in the balanced presentation format whereby the excess (deficiency) of revenues over expenditures is reflected as Beginning Cash Balance budgeted. The major differences between the budgetary basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP); and
2. Generally, expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP). However, budgetary expenditures include amounts paid within ten days of fiscal year end and salaries and benefits attributable to services provided during the fiscal year. The non-budgeted accounts and funds primarily consist of the adjustment to record the state instructional materials credit

NOTE 2. Cash and Temporary Investments

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2007.

Deposits of funds may be made in interest or non-interest bearing checking accounts, in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States, or by collateral deposited as security, or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested 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.

The collateral pledged is listed on Schedule II of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district, or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits, and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$100,000 in aggregate, and separate from the \$100,000 coverage for public unit demand deposits at the same institution.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2. Cash and Temporary Investments (Continued)

Deposits:

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Schools for a least one half of the amount on deposit with institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

Cash and cash equivalents consists of the following at June 30, 2007:

Deposits:	<u>Wells Fargo</u>	<u>Bank of America</u>	<u>First Community Bank</u>	<u>Total</u>
Total amounts of deposits	\$ 219,150,491	\$ 182,294	\$ 3,000,000	\$ 222,332,785
FDIC coverage	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>300,000</u>
Total uninsured public funds	<u>\$ 219,050,491</u>	<u>\$ 82,294</u>	<u>\$ 2,900,000</u>	<u>\$ 222,032,785</u>
Collateral requirement (50% of uninsured public funds)	\$ 109,525,246	\$ 41,147	\$ 1,450,000	\$ 111,016,393
Pledged security	<u>123,264,226</u>	<u>933,304</u>	<u>1,580,928</u>	<u>125,778,458</u>
Total under (over) collateralized	<u>\$ (13,738,980)</u>	<u>\$ (892,157)</u>	<u>\$ (130,928)</u>	<u>\$ (14,762,366)</u>
Repurchase Agreements:				
	<u>Wells Fargo</u>	<u>Bank of America</u>	<u>Total</u>	<u>New Mexico State Treasurer</u>
Total amounts of Repurchase Agreements	31,160,075	\$ 9,677,597	\$ 40,837,672	\$ 35,240,836
Total uninsured public funds	<u>\$ 31,160,075</u>	<u>\$ 9,677,597</u>	<u>\$ 40,837,672</u>	<u>\$ 34,240,836</u>
Collateral requirement (102%) of Uninsured public funds	\$ 31,783,277	\$ 9,871,149	\$ 41,654,426	
Pledged security	<u>31,783,277</u>	<u>9,871,149</u>	<u>41,654,426</u>	
Total under (over) collateralized	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	

Note: The NM State Treasurer purchases securities valued at 102% of the pools total value. Full information may be obtained from the NM State Treasurer's Office.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2007, \$222,032,785 of the District's bank balance of \$222,332,785 was exposed to custodial credit risk because it was uninsured and collateral held by pledging bank's trust department not in the District's name.

Custodial Credit Risk – Investments. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2007, District's repurchase agreement balances of \$40,837,672 were exposed to custodial credit risk because it was uninsured and collateral held by pledging bank's trust department not in the District's name.

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the District's investments. The District's investment policy indicates that the District is to attempt to secure a maximum yield of investment earnings to supplement other revenues for the support of the District. The District only invests in securities allowed under Section 6-10-10 NMSA 1978. The District's investments in Repos and NMLGIP result in average weighted maturities of less than five years.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 2. Cash and Temporary Investments (Continued)

Concentration of Credit risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment of a single issuer. The District places no limit on the amount the District may invest in any one issuer. The District's investments are held in the repurchase agreements (Repos) and the State of New Mexico Local Government Investment Pool (NMLGIP). Repo holdings (collateral) consisted of U.S. Agency securities permitted under Section 6-10-10 NMSA 1978.

At June 30, 2007, the District had funds invested in the State LGIP. As a government investment pool, the LGIP is exempt from disclosing concentration risk. Summarized information regarding the pool's credit risk and interest rate risk is as follows:

NMGrow LGIP	AAA rated	\$35,240,836	38-day WAM
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Reconciliation of Cash and Temporary Investments

Governmental Funds – Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 281,768,584
Add outstanding checks and other reconciling items	<u>16,642,709</u>
Bank balance of deposits and investments	<u>\$ 298,411,293</u>

NOTE 3. Receivables

Accounts receivable are recorded in the various governmental funds. They consist of amounts receivable from local governments relating to various grant agreements and property taxes receivable.

Accounts receivable are shown net of an allowance for uncollectibles. Accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles.

Receivables as of June 30, 2007 are as follows:

	Instructional General	Transportation	Materials	Food Services
Property taxes	\$ 772,667	\$ —	\$ —	\$ —
Intergovernmental – grants	746,261	2,691,636	1,469,106	2,610,121
Other	1,143,221	—	—	24,366
Less allowance for uncollectibles	<u>(127,175)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Totals by category	<u>\$ 2,534,974</u>	<u>\$ 2,691,636</u>	<u>\$ 1,469,106</u>	<u>\$ 2,634,487</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 3. Receivables (Continued)

Capital	Capital				
	Improvements		IDEA-B	Improvements	
	Title I	Entitlement		HB-33	SB-9
Property taxes	\$ —	\$ —		\$ 8,787,218	\$ 4,668,139
Intergovernmental – grants	6,615,489	10,306,026		—	—
Other	—	—		—	—
Less allowance for uncollectibles	—	—		—	—
Totals by category	<u>\$ 6,615,489</u>	<u>\$ 10,306,026</u>		<u>\$ 8,787,218</u>	<u>\$ 4,668,139</u>
	Debt	Other			
	Service	Governmental	Total		
Property taxes	\$ 33,391,407	\$ —	\$ 47,619,431		
Intergovernmental – grants	—	10,680,463	35,119,102		
Other	—	1,266,213	2,433,800		
Less allowance for uncollectibles	—	—	(127,175)		
Totals by category	<u>\$ 33,391,407</u>	<u>\$ 11,946,676</u>	<u>\$ 85,045,158</u>		

NOTE 4. Inventories

Components of the inventory balances are as follows:

Warehouse Supplies	\$ 2,852,461
Food Items	<u>1,211,157</u>
Total	<u>\$ 4,063,618</u>

NOTE 5. Accrued Expenses

Accrued expenses at June 30, 2007 consisted of:

Salaries and benefits payable	\$65,727,317
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NOTE 6. Interfund Receivables, Payables, and Transfers

Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented by (*). All other interfund receivables and payables represent short-term loans and are expected to be repaid within one year.

Governmental Activities:	<u>Interfund</u>	<u>Interfund</u>
Major Funds:	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 41,967,225	\$ —
Transportation	—	2,521,851
Instructional Materials	—	73,055
Food Service	—	45,931
Title I-IASA	—	6,365,395
Entitlement IDEA-B	—	10,220,689
Capital Improvements HB-33	—	292,781

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 6. Interfund Receivables, Payables, and Transfers (Continued)

Governmental Activities:	<u>Interfund</u>	<u>Interfund</u>
Nonmajor Funds:	<u>Receivables</u>	<u>Payables</u>
Competitive IDEA-B	\$ 9,178	\$ —
Preschool IDEA-B	—	89,013
Hurricane Relief	112,739	—
Education of Homeless	72,899	—
Mathematics & Science Partnerships	—	50,101
Carl D. Perkins - Vocational	103,495	—
Partnerships in Chartered Education-Pilot	—	412,980
Enhancing Education through Technology	91,039	—
Comprehensive School Reform	—	262,654
ELL Title III Incentive Awards	—	2,291
Enhancing Education through Technology – E2T2	—	45,614
Title V – Part A	—	80,406
English Language Acquisition	—	460,911
Teacher/Principle Recruiting & Training	—	1,142,008
Safe & Drug Free Schools & Community	—	120,486
21 st Century Community Living Centers	—	31,558
Title I – School Improvement	—	756,169
Refugee & Entrant Assistance	—	116,126
Reading First	—	1,070,621
Carl D. Perkins Secondary – Current	—	552,621
Carl D. Perkins HSTW– Current	—	12,333
Safe & Drug Free Schools*	—	44,642
Johnson O’Malley*	—	48,673
Impact Aid – Special Education*	—	100,061
Impact Aid – Indian Education*	—	18,123
Career Access Program*	—	47,165
APS Sentry*	—	13,917
Title V – Indian Health *	—	54,849
Smaller Learning Communities*	—	114,893
FTE Earmark Grant*	—	13,840
Substance Abuse & Mental Health Services*	—	1,397
ENLACE UNM	—	35,588
Bill & Melinda Gates Foundation	—	2,153
LANL Foundation	—	3,027
ABEC Job Mentor	—	1,412
Wallace Foundation	—	50,126
General Electric	34,849	—
Corporation for Public Broadcasting	—	19,851
Assoc. of School Nurses	—	3,130
Technology for Education	—	663,488
Obesity Program	—	2,516
Physical Education Classes	—	943
Incentives for School Improvement Act	221,019	—
Family Youth Resource Program	—	484,681
Truancy Initiative	—	27,824
Legis-Appro – Laws of NM 2004	19,900	—
Legis-Appro – Laws of NM 2005	—	186,879
Libraries – GO Bonds – Laws of 2004	—	133,888
Pre K Initiative	—	74,277
Indian Education Act	—	66,841
Beginning Teacher Mentoring Program	—	179,834

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 6. Interfund Receivables, Payables, and Transfers (Continued)

Governmental Activities:	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Nonmajor Funds:		
Reading Materials	\$ —	\$ 2,688
Legis-Appro – Laws of NM 2006	—	120,600
Pre Kindergarten Start Up	—	7,528
School-Improvement Framework	—	1,493
Graduation & Dual Reality Skills	—	6,943
Nutrition Grant	—	5,928
Juvenile Justice	21,489	—
Office of Child Development	11,934	—
Regional Quality Center	—	53,578
Private Direct Grants	—	343,468
City/County Grants	—	829,312
Honeywell	1,422	—
School Based Health Center	116,728	—
Special Capital Outlay - State	—	<u>13,230,085</u>
Total Governmental Activities	<u>\$ 42,783,916</u>	<u>\$ 41,721,235</u>
Business-Type Activities:		
Internal Service Fund	—	<u>1,062,681</u>
Total Business-Type Activities	<u>\$ -</u>	<u>\$ 1,062,681</u>
Total	<u>\$ 42,783,916</u>	<u>\$ 42,783,916</u>

NOTE 7. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2007, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

	<u>Balance June 30, 2006</u>	<u>Prior Period Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
Governmental Activities:					
Capital Assets, not depreciated:					
Land	\$ 35,704,520	—	3,174,500	—	38,879,020
Construction in progress	<u>105,080,752</u>	<u>(30,053,026)</u>	<u>10,952,479</u>	<u>—</u>	<u>85,980,205</u>
Total capital assets, not being depreciated	140,785,272	(30,053,026)	14,126,979	—	124,859,225
Capital Assets, being depreciated:					
Land improvements	74,603,523	—	10,370,801	—	84,974,324
Building and building improvements	757,800,269	—	49,224,224	(1,355,611)	805,668,882
Equipment, furniture and fixtures	58,883,971	—	24,904,502	(8,018,235)	75,770,238
Vehicles/heavy equipment	<u>12,954,743</u>	<u>—</u>	<u>878,821</u>	<u>(542,566)</u>	<u>13,290,998</u>
Total capital assets being depreciated	904,242,506	—	85,378,348	(9,916,412)	979,704,442

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 7. Capital Assets (Continued)

Less Accumulated Depreciation for:

Land improvements	(67,970,187)	—	(579,085)	—	(68,549,272)
Building and building improvements	(316,665,003)	(6,626,874)	(23,326,101)	50,835	(346,567,143)
Equipment, furniture and fixtures	(41,972,881)	—	(5,930,116)	6,587,890	(41,315,107)
Vehicles/heavy equipment	(9,839,107)	—	(1,062,913)	515,844	(10,386,176)
Total accumulated depreciation	<u>(436,447,178)</u>	<u>(6,626,874)</u>	<u>(30,898,215)</u>	<u>7,154,569</u>	<u>(466,817,698)</u>
Total capital assets, being depreciated, net	<u>467,795,328</u>	<u>(6,626,874)</u>	<u>54,480,133</u>	<u>(2,761,843)</u>	<u>512,886,744</u>
Governmental activities capital assets, net	<u>\$ 608,580,600</u>	<u>(36,679,900)</u>	<u>68,607,112</u>	<u>(2,761,843)</u>	<u>637,745,969</u>

Depreciation expense for the year ended June 30, 2007 was charged to governmental activities as follows:

Instruction	\$ 751,430
Support Services	1,071,337
Operation and Maintenance of Plant	604,788
Unallocated	<u>28,470,660</u>
	<u>\$ 30,898,215</u>

NOTE 8. Long-term Debt

During the year ended June 30, 2007 the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>Current</u> <u>Portion</u>	<u>Long-Term</u> <u>Debt</u>
General Obligation						
Bonds	\$127,391,613	\$ 63,980,000	\$ 26,806,052	\$164,465,561	\$ 25,113,703	\$139,351,858
Compensated						
Absences	3,149,276	2,263,882	1,795,703	3,617,455	1,193,760	2,423,695
Estimated						
Claims Liability	<u>33,553,761</u>	<u>75,450,232</u>	<u>75,834,135</u>	<u>33,169,858</u>	<u>25,505,589</u>	<u>7,664,269</u>
Total	<u>\$164,094,650</u>	<u>\$141,694,114</u>	<u>\$104,435,890</u>	<u>\$201,252,874</u>	<u>\$ 51,813,052</u>	<u>\$149,439,822</u>

Compensated absences are paid from the same fund that the employee is paid. Totals above include current portions and long-term portions.

Bonds are secured by the District's full faith and credit and are general obligations of the District payable from ad valorem taxes to be levied, without limitation as to rate or amount, against all taxable property within the District. Debt service debt requirements are liquidated as property taxes are received and debt service principal payments and interest become due which are paid primarily from the General Fund and Debt Service Fund. Interest on all issues is payable semiannually on February 1 and August 1. Principal is payable annually on August 1. The proceeds of the bonds are being used for the purpose of erecting, remodeling, making additions to and furnishing school buildings, and purchasing and improving school grounds.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 8. Long-term Debt (Continued)

<u>Date of Issue</u> <u>Maturity Date</u>	<u>Original Issue</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Final</u>
August 1, 2000	25,000,000	2,100,000	4.75%-5.75%	August 1, 2015
August 22, 2001	50,850,000	30,690,000	4.00%-5.00%	August 1, 2016
August 21, 2002	11,235,000	1,280,000	2.00%-3.00%	August 1, 2007
April 23, 2003	30,000,000	13,500,000	3.00%-4.50%	August 1, 2018
December 29, 2004	28,010,000	19,560,000	3.00%-4.125%	August 1, 2020
February 1, 2005	21,325,000	20,595,000	5.41%	August 1, 2019
February 1, 2005	4,625,000	4,104,103	0%	August 1, 2020
January 17, 2006	7,160,000	6,760,718	0%	August 1, 2020
October 10, 2006	63,980,000	63,980,000	4-5%	August 1, 2021

General obligation bonds issued and outstanding at June 30, 2007 are as follows:

The annual requirements to amortize the General Obligation Bonds as of June 30, 2007, including interest payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2008	\$ 24,931,792	\$ 6,388,697	\$ 31,320,489
2009	10,846,792	5,966,430	16,813,222
2010	10,576,792	4,892,793	15,469,585
2011	10,866,792	4,497,049	15,363,841
2012	10,841,792	4,111,079	14,952,871
2013-2017	56,298,960	13,507,043	69,806,003
2018-2022	<u>38,206,901</u>	<u>3,175,250</u>	<u>41,382,151</u>
Totals	<u>\$ 162,569,821</u>	<u>\$ 42,538,341</u>	<u>\$ 205,108,162</u>

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2007, compensated absences increased \$468,179 over the prior year accrual. See Note 1 for more details

Operating Leases – The District leases various equipment under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007 was \$2,490,726.

NOTE 9. Refunded Bonds

On October 10, 2006, the District issued \$66,380,000 million in General Obligation Bonds with an interest rate range of 4.0 to 5.0 percent which included an advance refund of \$14.1 million of outstanding 1999 Series bonds with an interest rate ranging between 4.5 and 6.0 percent. The \$14.1 million represented the callable portion of the 1999 Series bonds. Proceeds totaling \$14,485,563 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1999 Series bonds. As a result, the 1999 Series bonds are considered to be defeased and the liability for those bonds has been removed from the District's long-term liabilities.

The District advanced refunded \$14.1 million of its 1999 Series bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$616,916.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 9. Refunded Bonds (Continued)

The District has refunded various bond issues by issuing refunding bonds, the proceeds of which have been placed in escrow and used to purchase securities of the United States Government and related agencies at various interest rates and maturities sufficient to meet all debt service requirements of the refunded debt. The liability for the refunded bonds and the related securities and escrow accounts are not included in the accompanying financial statements as the District satisfied its obligation for payment of the refunded debt upon completion of the refunding transactions.

NOTE 10. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied each year on July 1, on the taxable valuation of property located in the District as of the preceding January 1. The taxable valuations for the various classes of property are determined by the Bernalillo and Sandoval Counties Assessors and the State of New Mexico Department of Taxation and Revenue at one-third of assessed valuation. Property in the District for the fiscal year 2007 tax levy had a taxable value of \$13,182,532,511. The rate of taxes for operating purposes for all taxing jurisdictions is limited by the State Constitution to 20 mills (\$20 per \$1,000 assessed valuation) of which the District's House Bill 33 portion, by state regulation, is limited to 15 mills. Taxes are payable in two equal installments due on November 10 and April 10 and become delinquent after 30 days.

Property taxes receivable at June 30, 2007 are as follows:

	Current Taxes	Delinquent Taxes		
	Billed	Current Portion	Deferred	Total
General Fund	\$ 443,342	\$ 41,940	\$ 287,385	\$ 772,667
Capital Projects	8,632,595	677,206	4,145,556	13,455,357
Debt Service	<u>31,494,132</u>	<u>253,865</u>	<u>1,643,410</u>	<u>33,391,407</u>
Total	<u>\$ 40,570,069</u>	<u>\$ 973,011</u>	<u>\$ 6,076,351</u>	<u>\$ 47,619,431</u>

The District has calculated property taxes by multiplying the tax levy by the taxable value, reducing that amount by actual collections, and recording the difference as deferred revenue. Delinquent property taxes are estimated based on the various mill levies, as the split between funds is not available from the taxing districts. The amount estimated at June 30, 2007 for delinquent taxes is \$6,076,351 and is recorded as deferred revenue.

NOTE 11. Other Required Individual Fund Disclosures

Generally Accepted Accounting Principles require disclosures as part of the Combined Statements of certain information concerning individual funds including:

A. Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2007

Nonmajor Special Revenue Funds:

Enlace UNM	\$ 11,512
Wallace Foundation	30,913
General Electric	50,151
National Association of Nurses	3,130
Technology for Education PED	266,386
Family & Youth Resource Program	412,115
Truancy Initiative	27,824
Pre-K Initiative	26,024
Indian Education Act	25,234
Beginning Teacher Mentoring Program	54,307
Reading Materials	2,688

STATE OF NEW MEXICO
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 11. Other Required Individual Fund Disclosures (Continued)

Legislative Appropriation-Laws of 2006	\$	120,600
Pre-K Start Up Costs		7,528
School Improvement Framework		1,493
Graduation Reality & Dual Skills		2,892
Regional Quality Center		29,684
Private Direct Grants –Categorical		185,656
Nonmajor Capital Project Funds:		
Capital Outlay – State		<u>11,163,800</u>
Total		<u>\$ 12,421,937</u>

B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2007.

Major Funds:		
General Fund – Other Support Services	\$	1,200,472
General Fund – Community Services		1,665,416
Title I – Community Services		445
IDEA B (Entitlement) – Community Services		292,057
Nonmajor Funds:		
IDEA B Fund (Competitive) – Sup. Ser. – Gen. Admin		159
Title V-Part A – Instruction		65,770
English Language Acquisition – Com. Services		49,065
Reading First – Support Services - Student		46,035
Reading First – Support Services – Gen. Admin		5,340
Teaching American History – Instruction		270,092
Teaching American History – Sup. Ser. – Gen Admin		3,691
Indian Education Formula Grant – Com. Services		11,672
Enlace UNM – Support Services		39,485
Indian Education Act – Com. Services		40,978
Legislative Appropriation-Laws of 2006 – Instruction		534
City/County Grants – Sup. Ser. – Students		84,704
City/County Grants – Sup. Ser. – Gen. Admin		<u>757</u>
Total		<u>\$ 3,775,673</u>

NOTE 12. ERA Pension Plan

Employees of the District participate in a defined benefit retirement plan through the Educational Retirement Act (ERA) of New Mexico, as part of the cost-sharing multiple employer public employee retirement system. Information pertaining to the actuarially computed present value of vested accumulated plan benefits and non-vested accumulated plan benefits, the plan's net assets available for benefits, the assumed rate of return used in computing the present value, and ten-year historical trend information presenting ERA's progress in accumulating sufficient assets to pay benefits when due is not available for individual government agencies participating in the plan.

Actuarial pension data for the State of New Mexico, as employer, is provided at the state-wide level in a separately issued audit report of the ERB, P.O. Box 26129, Santa Fe, New Mexico, 87502.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 12. ERA Pension Plan (Continued)

Retirement Eligibility

The benefit for retirement at age 60, or after 25 years of service before age 60, is an annual sum equal to the "final average salary" multiplied by the total number of years of service credit times 2.35%.

A member is eligible to retire when:

1. The member's age and earned service credit add up to the sum of 75 or more, or
2. The member is age 65 or more with at least five years of earned service credit, or
3. The member has earned allowed service credit totaling 25 or more years.

A further requirement to be eligible to retire is that one must be a "member" having at least one year of employment after July 1, 1957 and at least five years of contributory employment. Eligible members who have one year of employment after July 1, 1957 but less than the required five years, may contribute to the fund for each year needed. The cost of such contributions is 15.2% of the average salary of the last five years for each year of contributory employment needed, plus 3% compound interest from July 1, 1957 to the date of payment.

When a member has completed five or more years of "earned service credit" and has made contributions for at least five years, the member may terminate employment, leave his/her contributions in the retirement fund and retire (1) when the member's age and years of "earned service credit" (covered employment in New Mexico) add up to 75 or more, or (2) the member may retire at age 65, if he/she has at least five years of "earned service credit".

Funding Policy

Covered employees are required by state statute to contribute 7.75% of their gross compensation. The District is required by state statute to contribute 10.15% of covered payroll costs.

Beginning January 1, 2002 employees who had 12 consecutive months retired from the ERA system were allowed to return to work and were not subjected to the ERA deduction. Employers were however required to pay the 8.65%.

The District met the required contributions for the past three years as follows: The contribution requirement for the year ended June 30, 2007 was \$76,382,863, consisting of \$43,685,436 employer portion and \$32,697,426 employee portion. The contribution requirement for the year ended June 30, 2006 was \$66,177,875, consisting of \$36,901,550 employer portion and \$29,276,325 employee portion. The contribution requirement for the year ended June 30, 2005 was \$62,454,115, consisting of \$33,244,806 employer portion and \$29,209,309 employee portion.

NOTE 13. Post-Employment Benefits

The Retiree Health Care Act (Section 10-7c-1 to 10-7c-16, NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or out-of-pocket payments of eligible retirees.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
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JUNE 30, 2007

NOTE 13. Post-Employment Benefits (Continued)

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

Eligible employers are institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Education Retirement Act (ERA), Public Employees Retirement Association (PERA), Volunteer Firefighters Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act. Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf, unless that person retires before the employer's NMRHCA effective date, in which event the time period required for contributions becomes the time between the employer's effective date and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

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

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis. During fiscal year 2007, the District remitted \$5,726,724 in employer contributions and \$2,863,362 employee contributions. During fiscal year 2006, the District remitted \$5,535,211 in employer contributions and \$2,767,313 in employee contributions. During fiscal year 2005, the District remitted \$5,133,701 in employer contributions and \$2,566,850 in employee contributions. During fiscal year 2004, the District remitted \$4,974,978 in employer contributions and \$2,487,443 in employee contributions. During fiscal year 2003, the District remitted \$4,696,050 in employer contributions and \$2,370,647 in employee contributions.

Information concerning the Retiree Health Care Authority, premiums paid, claims paid and total participant contributions for fiscal year ending June 30, 2007 can be obtained from their annual financial report on file with the New Mexico Retiree Health Care Authority 4308 Carlisle Blvd., NE Suite 104, Albuquerque, New Mexico, 87107.

NOTE 14. Contingent Liabilities

A number of legal claims are presently pending against the District. It is the opinion of the District's management, after consulting with outside legal counsel, that final settlement of these matters will not exceed estimated defense and liability accruals, and will not result in any material adverse effect on the financial position of the District.

The District receives revenues from various Federal and State grant programs, which are subject to review and approval as to allowable expenditures by the respective grantor agencies. Any settlements or expenditures arising from a final review are recognized in the period agreed upon by the agency and the District.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 14. Contingent Liabilities (Continued)

Commitments

Albuquerque Public Schools contracts with outside vendors for construction and renovation of various facilities. At June 30, 2007, contracts outstanding for capital projects totaled \$21,520,100.

NOTE 15. Risk Management

The District is exposed to various risks of loss related to theft of, damage to and destruction of assets; errors and omissions; and injuries to employees. APS established a self insurance fund to conduct these risks and administers its own employee benefit and risk management programs as a self insured program. APS purchases specific excess insurance. There is a self-insured retention (per occurrence) of \$350,000 for workers compensation, \$350,000 for liability and \$100,000 for property. APS is subject to tort immunities. School board errors and omissions have \$350,000 retention. APS believes its main exposure to risk of loss is in the category of liability claims. Any loss exceeding the deductible of \$350,000 would be covered under the purchased excess loss policy. Losses in the mentioned categories are the subject of insurance and/or actuarially reviewed retentions. APS has not incurred any losses in excess of coverage during the past 4 years. The claims liabilities reported in the Risk Management Fund are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred by not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic factors. The actuarial review validated that the current reserves are adequate for reserves in anticipation of adverse developments in reported cases and for claims which may have occurred by have not yet been reported.

Liabilities for estimated claims for the last two years are summarized as follows:

	Balance				Balance
	June 30, 2005	Additions	Deletions		June 30, 2006
Liability and Property	\$ 9,053,647	\$ 10,041,603	\$ 8,897,993	\$	10,197,257
Worker's Compensation	8,038,266	5,588,238	4,422,554	\$	9,203,950
Medical Claims	4,899,711	38,167,463	37,233,678		5,833,496
Interest Earned/Reserve for Future					
Catastrophic Claims	3,242,495	1,976,563	-		5,219,058
Reserve for future-					
Catastrophic Claims		3,100,000	-		3,100,000
	<u>\$ 25,234,120</u>	<u>\$ 58,873,866</u>	<u>\$ 50,554,225</u>	<u>\$</u>	<u>33,553,761</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 15. Risk Management (Continued)

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Liability and Property	\$ 10,197,257	\$ 1,093,489	\$ 4,155,588	\$ 7,135,158
Worker's Compensation	9,203,950	4,053,346	5,054,738	8,202,558
Medical Claims	5,833,496	70,303,397	58,304,751	17,832,142
Interest Earned/Reserve for Future Catastrophic Claims	5,219,058	—	5,219,058	—
Reserve for future- Catastrophic Claims	3,100,000	—	3,100,000	—
	<u>\$ 33,553,761</u>	<u>\$ 75,450,232</u>	<u>\$ 75,834,135</u>	<u>\$ 33,169,858</u>

Note: Management used a 70% confidence level from its actuary (exclusive of net present value discount) and believes these estimates are conservative. A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, a 70% confidence level means that the actuary believes funding will be sufficient in seven years out of ten.

NOTE 16. Subsequent Events

The District passed a 2 mill levy under Senate Bill 9 regulations in February 2007. This authorization will bring in approximately \$166 million for Maintenance and Operations

In December 2007, the District sold \$75 million in general obligation bonds from the February 7, 2006 general obligation bond election which totaled \$125 million. This sale completes that 2006 authorization.

NOTE 17. Joint Powers Agreements

Beg. Date	Exp. Date	Government	Description	Project Amount	APS Portion	Current Year Contrib.	Audit Responsibility
4/6/1976	4/5/2056	BC	Construct and maintain swimming pool and joint use of Rio Grande High School	\$ 680,000	\$ 430,000	\$ -	APS & COA
5/11/1976	5/10/2051	COA	Construct and maintain and Joint use swimming pool of Highland High School	\$ 670,000	\$ 300,000	\$ -	APS & COA
9/11/1978	9/10/2053	COA	Construct and maintain and joint use indoor swimming pool of Sandia High School	\$1,000,000	\$ 500,000	\$ -	APS & COA
1/28/1982	1/27/2057	COA	Soccer field build and maint. and joint use of Osuna Elementary	\$ 123,500	\$ 30,000	\$ -	APS & COA
11/21/1983	11/20/2058	COA	Construction and maint. and joint use detention pond, recreational field and spectator seating and lighting of Vietnam Veterans Park	\$1,250,000	\$ -	\$ -	APS & COA

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 17. Joint Powers Agreements (Continued)

Beg. Date	Exp. Date	Government	Description	Project Amount	APS Portion	Current Year Contrib.	Audit Responsibility
1/26/1989	1/25/2014	COA	Playground and park equipment and maint. and joint use of Georgia O'Keefe Elementary School	\$Unknown	49% R&M	\$ -	APS & COA
8/24/1989	8/23/2014	COA	Develop and maintain park and Bus loading area of Van Buren Middle School	\$Unknown	\$ -	\$ -	APS & COA
11/18/1997	11/20/2016	COA	Recreation fields at Desert Ridge Middle School	\$Unknown	35% R&M	\$ -	APS & COA

NOTE 18. Subsequent Accounting Standard Pronouncements

The Department is required to adopt GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2008. As part of the State of New Mexico, the District, through the Retiree Healthcare Authority, offers retiree healthcare (*other postemployment benefits*) (OPEB) as part of the total compensation offered. OPEB includes *postemployment healthcare*, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The approach followed in this Statement generally is consistent with the approach adopted in [Statement No. 27](#), *Accounting for Pensions by State and Local Governmental Employers*, with modifications to reflect differences between pension benefits and OPEB. [Statement No. 43](#), *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses financial statement and disclosure requirements for reporting by administrators or trustees of OPEB plan assets or by employers or sponsors that include OPEB plan assets as trust or agency funds in their financial reports. The impact to the District is unknown at this time.

In December 2004, the GASB issued Statement No. 46, *Net Assets Restricted by Enabling Legislation*, which is effective for financial statements for periods beginning after June 15, 2005. The clarifications in the statement should improve the understandability and comparability of net asset information by making the assessment of legal enforceability more uniform across governments. The District has analyzed the effect that this standard will have on its financial statements, and has determined that it will have no significant effect on the financial statements for the current or upcoming year.

In June 2005, the GASB issued Statement No. 47, *Accounting for Termination Benefits*, which is effective for financial statements for periods beginning after June 15, 2005 or in conjunction with implementation of GASB No. 45. This statement requires governments to recognize a liability and expense for voluntary termination benefits when the offer is accepted and the amount can be estimated. The Statement also requires governments to account for involuntary termination benefits in the same manner when a plan of termination has been approved by those with the authority to commit a government to the plan. The District has analyzed the effect that this standard will have on its financial statements, and has determined that it will have no significant effect on the financial statements for the current or upcoming year.

In September 2006, the GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, which is effective for financial statements for periods beginning after December 15, 2006. This statement established the criteria that governments will use to ascertain whether the proceeds received should be reported as revenue or as a liability. The District is analyzing the effect that this standard will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

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NOTE 18. Subsequent Accounting Standard Pronouncements (Continued)

In November 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which is effective for financial statements for periods beginning after December 15, 2007. This statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current and potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The District is analyzing the effect that this standard will have on its financial statements.

In May 2007, the GASB issued Statement No. 50, *Pension Disclosures*, which is effective for financial statements for periods beginning after June 15, 2007. This statement more closely aligns the financial reporting requirements for pensions with those for other post employment benefits. The District is analyzing the effect that this standard will have on its financial statements.

In June 2007, the GASB issued Statement No. 51, *Accounting and financial Reporting for Intangible Assets*, which is effective for financial statements for periods beginning after June 15, 2009. This statement requires that all intangible assets not specifically excluded by its scope provision be classified as capital assets. The District is analyzing the effect that this standard will have on its financial statements.

NOTE 19. Prior Period Restatements

During 2007, District management identified and recorded a net prior period adjustment of \$31,946,082 to the governmental fund net assets as of July 1, 2006. This adjustment was comprised of a \$36,679,900 decrease to net assets invested in capital assets due to errors in accounting for capital and non-capital expenditures and a \$4,733,818 increase to restricted net assets due to errors in accounting for deferred revenue in the Special Revenue Fund.

Adjustments to correct the accounting for capital and non-capital expenditures relate to three areas. Capital assets and net assets invested in capital assets were reduced by \$21,274,700 to eliminate the duplicate recording of assets as building and improvements and construction in progress. Capital assets and net assets invested in capital assets were reduced by \$8,778,300 to properly account for non-capital expenditures that were improperly capitalized in previous years. Related to these adjustments, capital assets and net assets invested in capital assets were reduced by \$6,626,900 for the effect of additional depreciation expense that should have been recorded in previous years.

The increase to restricted net assets is the result of recognizing \$4,733,818 of previously deferred revenue from the School District's Title XIX Medicaid program. Management determined the earnings process had been completed in previous years and the revenue should have been recognized.

The effect of these adjustments on governmental activities change in net assets for the year ended June 30, 2006 would have been a decrease of approximately \$20,017,700.

During 2007, District management also identified and recorded a net prior period adjustment of \$37,736 to reduce the component units' net assets as of July 1, 2006 to correct various minor accounting errors. The effect on component unit change in net assets for the year ended June 30, 2006 would have been a decrease of \$54,840 in net assets invested in capital assets and an increase of \$17,077 in unrestricted net assets.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
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JUNE 30, 2007

NOTE 20. Component Unit

The following are dependent charter schools formed under NMSA 22-8A and as such are presented here as discrete component units of Albuquerque Municipal School District No. 12:

21 st Century Public Academy	Montessori Elementary
Academia de Lengua y Cultura	Montessori of the Rio Grande
Albuquerque Institute for Math & Science	Mountain Mahogany
Amy Biehl High School and Foundation	Native American Community Academy
Career, Academic & Technical Academy	North Albuquerque Co-Op Charter
Cesar Chavez Community School	North Valley Academy (Horizon Academy Northwest)
Christine Duncan	Nuestros Valores
Creative Education Preparatory Institute #1	Public Academy for Performing Arts
Creative Education Preparatory Institute #2	Ralph J. Bunch Academy
Digital Arts & Technology Academy (Charter Vocational)	Robert F. Kennedy High School
East Mountain High School and Foundation	School for Integrated Academics & Tech
El Camino Real Academy (Horizon Academy South)	South Valley Academy and Foundation
Horizon Academy West	Southwest Primary Learning Center
La Academia de Esperanza	Southwest Secondary Learning Center
La Luz del Monte Learning Center	The Bataan military Academy
La Promesa Early Learning Center and Foundation	The Learning Community Charter School
La Resolana Leadership Academy	YouthBuild Trade & Technology Community
Los Puentes Charter School	Albuquerque Talent Development Secondary Charter

The charter schools are presented as component units since their operating budgets and charters are annually presented and approved by the District's board. The New Mexico State Auditor has determined that charter schools are major component units of their respective Districts. Refer to previous footnotes for significant policies of the charter schools, as they are subject to the same State and Federal regulations and follow the same policies as the District. The following are summarized details of the charter schools' balances and transactions as of June 30, 2007 and for the year then ended:

A. Cash and Cash Equivalents

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2007.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested 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.

The collateral pledged is listed on Schedule I of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

A. Cash and Cash Equivalents (continued)

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution.

Deposits

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Schools for a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

Cash and cash equivalents consists of the following at June 30, 2007:

Deposits:	<u>21st Century Public Academy</u>	<u>Academia de Lengua Y Cultura</u>	<u>Albuquerque Institute for Math & Science</u>	<u>Amy Biehl High School</u>
Total amount of deposits	\$ 220,519	\$ 229,592	\$ 254,445	\$ 309,285
FDIC coverage	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total uninsured public funds	<u>120,519</u>	<u>129,592</u>	<u>154,445</u>	<u>209,285</u>
Collateral requirement (50% of uninsured public funds)	60,259	64,796	77,223	104,643
Pledged security	<u>129,668</u>	<u>—</u>	<u>161,358</u>	<u>132,717</u>
Total under (over) collateralized	<u>\$ (69,409)</u>	<u>\$ 64,796</u>	<u>\$ (84,135)</u>	<u>\$ (28,075)</u>
Pledged Collateral held by pledging banks trust department or agent but not in the agency's name	<u>\$ 120,519</u>	<u>\$ 129,468</u>	<u>\$ 154,445</u>	<u>\$ 209,285</u>
	<u>Career, Academic & Technical Academy</u>	<u>Cesar Chavez Community School</u>	<u>Christine Duncan</u>	<u>Creative Education Preparatory Institute #1</u>
Total amount of deposits	\$ 22,506	\$ 412,342	\$ 49,304	\$ 462,455
FDIC coverage	<u>22,506</u>	<u>100,000</u>	<u>49,304</u>	<u>100,000</u>
Total uninsured public funds	<u>—</u>	<u>312,342</u>	<u>—</u>	<u>362,445</u>
Collateral requirement (50% of uninsured public funds)	—	156,171	—	181,223
Pledged security	<u>—</u>	<u>273,892</u>	<u>—</u>	<u>385,019</u>
Total under (over) collateralized	<u>\$ —</u>	<u>\$ (117,721)</u>	<u>\$ —</u>	<u>\$ (203,796)</u>
Pledged Collateral held by pledging banks trust department or agent but not in the agency's name	<u>\$ —</u>	<u>\$ 312,342</u>	<u>\$ —</u>	<u>\$ 362,445</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

A. Cash and Cash Equivalents (continued)

Deposits:	<u>Creative Education Preparatory Institute #2</u>	<u>Digital Arts & Technology Academy</u>	<u>East Mountain High School</u>	<u>El Camino Real Academy</u>
Total amount of deposits	\$ 348,236	\$ 744,923	\$ 227,180	\$ 282,959
FDIC coverage	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total uninsured public funds	<u>248,236</u>	<u>644,923</u>	<u>127,180</u>	<u>182,959</u>
Collateral requirement (50% of uninsured public funds)	124,118	322,462	63,590	91,479
Pledged security	<u>303,070</u>	<u>1,171,875</u>	<u>141,347</u>	<u>708,701</u>
Total under (over) collateralized	<u>\$ (178,952)</u>	<u>\$ (849,411)</u>	<u>\$ (77,757)</u>	<u>\$ (617,222)</u>
Pledged Collateral held by pledging banks trust department or agent but not in the agency's name	<u>\$ 248,236</u>	<u>\$ 644,923</u>	<u>\$ 127,180</u>	<u>\$ 182,959</u>

Deposits:	<u>Horizon Academy West</u>	<u>La Academia de Esperanza</u>	<u>La Luz del Monte Learning Center</u>	<u>La Promesa Early Learning Center</u>
Total amount of deposits	\$ 515,279	\$ 370,160	\$ 180,043	\$ 41,564
FDIC coverage	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>41,564</u>
Total uninsured public funds	<u>415,279</u>	<u>270,160</u>	<u>80,043</u>	<u>—</u>
Collateral requirement (50% of uninsured public funds)	207,640	135,080	40,021	—
Pledged security	<u>250,000</u>	<u>248,507</u>	<u>150,000</u>	<u>—</u>
Total under (over) collateralized	<u>\$ (42,360)</u>	<u>\$ (113,427)</u>	<u>\$ (109,979)</u>	<u>\$ —</u>
Pledged Collateral held by pledging banks trust department or agent but not in the agency's name	<u>\$ 415,279</u>	<u>\$ 270,160</u>	<u>\$ 80,043</u>	<u>\$ —</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

A. Cash and Cash Equivalents (continued)

Deposits:	<u>La Resolana Leadership Academy</u>	<u>Los Puentes Learning Center</u>	<u>Montessori Elementary</u>	<u>Montessori of the Rio Grande</u>
Total amount of deposits	\$ 29,171	\$ 303,805	\$ 184,808	\$ 168,357
FDIC coverage	<u>29,171</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total uninsured public funds	<u>—</u>	<u>203,805</u>	<u>84,808</u>	<u>68,357</u>
Collateral requirement (50% of uninsured public funds)	—	101,902	42,404	34,178
Pledged security	<u>93,299</u>	<u>147,507</u>	<u>188,999</u>	<u>187,792</u>
Total under (over) collateralized	<u>\$ (93,299)</u>	<u>\$ (45,605)</u>	<u>\$ (146,595)</u>	<u>\$ (153,614)</u>
Pledged Collateral held by pledging banks trust department or agent but not in the agency's name	<u>\$ —</u>	<u>\$ 203,805</u>	<u>\$ 84,808</u>	<u>\$ 68,357</u>

Deposits:	<u>Mountain Mahogany</u>	<u>Native American Community Academy</u>	<u>North Albuquerque Co-Op Charter</u>	<u>North Valley Academy</u>
Total amount of deposits	\$ 71,533	\$ 226,160	\$ 267,104	\$ 214,603
FDIC coverage	<u>71,533</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total uninsured public funds	<u>—</u>	<u>126,160</u>	<u>167,104</u>	<u>114,603</u>
Collateral requirement (50% of uninsured public funds)	—	63,080	83,552	57,302
Pledged security	<u>5,000,000</u>	<u>184,604</u>	<u>287,100</u>	<u>247,653</u>
Total under (over) collateralized	<u>\$ (5,000,000)</u>	<u>\$ (121,524)</u>	<u>\$ (203,548)</u>	<u>\$ (190,351)</u>
Pledged Collateral held by pledging banks trust department or agent but not in the agency's name	<u>\$ —</u>	<u>\$ 126,160</u>	<u>\$ 167,104</u>	<u>\$ 114,603</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

A. Cash and Cash Equivalents (continued)

Deposits:	<u>Nuestros Valores</u>	<u>Public Academy for Performing Arts</u>	<u>Ralph J. Bunch Academy</u>	<u>Robert F. Kennedy High School</u>
Total amount of deposits	\$ 159,586	\$ 304,873	\$ 57,698	\$ 364,632
FDIC coverage	<u>100,000</u>	<u>100,000</u>	<u>57,698</u>	<u>100,000</u>
Total uninsured public funds	<u>59,586</u>	<u>204,873</u>	<u>—</u>	<u>264,632</u>
Collateral requirement (50% of uninsured public funds)	29,793	102,437	—	132,316
Pledged security	<u>534,854</u>	<u>193,614</u>	<u>—</u>	<u>678,654</u>
Total under (over) collateralized	<u>\$ (505,061)</u>	<u>\$ (91,177)</u>	<u>\$ —</u>	<u>\$ (546,338)</u>
Pledged Collateral held by pledging banks trust department or agent but not in the agency's name	<u>\$ 59,586</u>	<u>\$ 204,873</u>	<u>\$ —</u>	<u>\$ 264,632</u>

Deposits:	<u>School for Integrated Academics & Technology</u>	<u>South Valley Academy</u>	<u>Southwest Primary Learning Center</u>	<u>Southwest Secondary Learning Center</u>
Total amount of deposits	\$ 185,780	\$ 100,678	\$ 133,215	\$ 421,155
FDIC coverage	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total uninsured public funds	<u>85,780</u>	<u>678</u>	<u>33,215</u>	<u>321,155</u>
Collateral requirement (50% of uninsured public funds)	42,890	339	16,607	160,577
Pledged security	<u>775,957</u>	<u>273,892</u>	<u>150,000</u>	<u>5,000,000</u>
Total under (over) collateralized	<u>\$ (733,067)</u>	<u>\$ (273,553)</u>	<u>\$ (133,393)</u>	<u>\$ (4,839,423)</u>
Pledged Collateral held by pledging banks trust department or agent but not in the agency's name	<u>\$ 85,780</u>	<u>\$ 678</u>	<u>\$ 33,215</u>	<u>\$ 321,155</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

A. Cash and Cash Equivalents (continued)

Deposits:	<u>The Bataan Military Academy</u>	<u>The Learning Community Charter School</u>	<u>YouthBuild Trade & Technology Community</u>	<u>Albuquerque Talent Dev. Secondary Charter</u>
Total amount of deposits	\$ 39,658	\$ 177,764	\$ 199,807	\$ 19,321
FDIC coverage	<u>39,658</u>	<u>100,000</u>	<u>100,000</u>	<u>19,321</u>
Total uninsured public funds	<u>—</u>	<u>77,764</u>	<u>99,807</u>	<u>—</u>
Collateral requirement (50% of uninsured public funds)	—	38,882	49,904	—
Pledged security	<u>—</u>	<u>160,459</u>	<u>—</u>	<u>—</u>
Total under (over) collateralized	<u>\$ —</u>	<u>\$ (121,577)</u>	<u>\$ 49,903</u>	<u>\$ —</u>
Pledged Collateral held by pledging banks trust department or agent but not in the agency's name	<u>\$ —</u>	<u>\$ 77,764</u>	<u>\$ 99,807</u>	<u>\$ —</u>

B. Accounts Receivable

As of June 30, 2007, accounts receivable consists of the following:

	<u>21st Century Public Academy</u>	<u>Academia de Lengua Y Cultura</u>	<u>Albuquerque Institute for Math & Science</u>	<u>Amy Biehl High School</u>
Intergovernmental	\$ —	\$ 30,000	\$ —	\$ —
Other	<u>339,112</u>	<u>25,000</u>	<u>14,137</u>	<u>2,995</u>
Total	<u>\$ 339,112</u>	<u>\$ 55,000</u>	<u>\$ 14,137</u>	<u>\$ 2,995</u>
	<u>Career, Academic & Technical Academy</u>	<u>Cesar Chavez Community School</u>	<u>Christine Duncan</u>	<u>Creative Education Preparatory Institute #1</u>
Intergovernmental	\$ 5,959	\$ 15,046	\$ —	\$ 51,300
Other	<u>—</u>	<u>—</u>	<u>180,345</u>	<u>—</u>
Total	<u>\$ 5,959</u>	<u>\$ 15,046</u>	<u>\$ 180,345</u>	<u>\$ 51,300</u>
	<u>Creative Education Preparatory Institute #2</u>	<u>Digital Arts & Technology Academy</u>	<u>East Mountain High School</u>	<u>El Camino Real Academy</u>
Intergovernmental	\$ 89,400	\$ 23,459	\$ —	\$ 37,029
Other	<u>—</u>	<u>200,540</u>	<u>61,780</u>	<u>—</u>
Total	<u>\$ 89,400</u>	<u>\$ 223,999</u>	<u>\$ 61,780</u>	<u>\$ 37,029</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

B. Accounts Receivable (continued)

	<u>Horizon Academy West</u>	<u>La Academia de Esperanza</u>	<u>La Promesa Early Learning Center</u>	<u>La Resolana Leadership Academy</u>
Intergovernmental	\$ 49,273	\$ 27,221	\$ 15,855	\$ 81,516
Other	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 49,273</u>	<u>\$ 27,221</u>	<u>\$ 15,855</u>	<u>\$ 81,516</u>

	<u>Los Puentes Charter School</u>	<u>Montessori Elementary</u>	<u>Montessori of the Rio Grande</u>	<u>Mountain Mahogany</u>
Intergovernmental	\$ —	\$ 56,284	\$ 2,343	\$ —
Other	<u>64,465</u>	<u>—</u>	<u>—</u>	<u>80,814</u>
Total	<u>\$ 64,465</u>	<u>\$ 80,814</u>	<u>\$ 2,343</u>	<u>\$ 80,814</u>

	<u>Native American Community Academy</u>	<u>North Albuquerque Co-Op Charter</u>	<u>North Valley Academy</u>	<u>Nuestros Valores</u>
Intergovernmental	\$ 1,716	\$ 6,433	\$ 24,358	\$ 56,760
Other	<u>62,459</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 64,175</u>	<u>\$ 6,433</u>	<u>\$ 24,358</u>	<u>\$ 56,760</u>

	<u>Public Academy for Performing Arts</u>	<u>Ralph J. Bunch Academy</u>	<u>Robert F. Kennedy High School</u>	<u>School for Integrated Academics & Tech</u>
Intergovernmental	\$ 6,666	\$ 99,293	\$ 1,020	\$ 39,521
Other	<u>—</u>	<u>—</u>	<u>10,000</u>	<u>10,874</u>
Total	<u>\$ 6,666</u>	<u>\$ 99,293</u>	<u>\$ 11,020</u>	<u>\$ 50,395</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

B. Accounts Receivable (continued)

	<u>South Valley Academy</u>	<u>Southwest Primary Learning Center</u>	<u>The Bataan Military Academy</u>	<u>The Learning Community Charter School</u>
Intergovernmental	\$ 1,556	\$ 36,112	\$ 43,131	\$ 25,725
Other	<u>37,933</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 39,489</u>	<u>\$ 36,112</u>	<u>\$ 43,131</u>	<u>\$ 25,725</u>
	<u>YouthBuild Trade & Technology Community</u>	<u>Albuquerque Talent Dev. Secondary Charter</u>		
Intergovernmental	\$ 51,529	\$ 246,356		
Other	<u>—</u>	<u>—</u>		
Total	<u>\$ 51,529</u>	<u>\$ 246,356</u>		

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NOTE 20. Component Unit – (Continued)

C. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2006 follows:

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
21st Century Public Academy:				
Furniture, fixtures & equipment	\$ 76,350	\$ —	\$ 1,711	\$ 74,639
Buildings and improvements	77,017	—	—	77,017
Less: Accumulated depreciation	<u>(40,015)</u>	<u>(19,859)</u>	<u>(1,169)</u>	<u>(58,705)</u>
Capital asset, net	<u>\$ 113,352</u>	<u>\$ (19,859)</u>	<u>\$ 542</u>	<u>\$ 92,951</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Academia de Lengua y Cultura:				
Furniture, fixtures & equipment	\$ 113,965	\$ —	\$ —	\$ 113,965
Buildings and improvements	88,890	—	—	88,890
Less: Accumulated depreciation	<u>(91,727)</u>	<u>(67,238)</u>	<u>—</u>	<u>(158,965)</u>
Capital asset, net	<u>\$ 111,128</u>	<u>\$ (67,238)</u>	<u>\$ —</u>	<u>\$ 43,890</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Amy Biehl High School:				
Furniture, fixtures & equipment	\$ 76,468	\$ —	\$ —	\$ 76,468
Buildings and improvements	3,402,986	90,604	—	3,493,590
Less: Accumulated depreciation	<u>(167,016)</u>	<u>(123,766)</u>	<u>—</u>	<u>(290,782)</u>
Capital asset, net	<u>\$ 3,312,438</u>	<u>\$ (33,162)</u>	<u>\$ —</u>	<u>\$ 3,279,276</u>

	Balance June 30, 2006	Additions	Deletions	Prior Year Adjustments	Balance June 30, 2007
Cesar Chavez Community School:					
Furniture, fixtures & equipment	\$ 90,507	\$ —	\$ —	\$ —	\$ 90,507
Buildings and improvements	—	6,896	—	25,000	31,896
Less: Accumulated depreciation	<u>(9,565)</u>	<u>(19,164)</u>	<u>—</u>	<u>(1,409)</u>	<u>(30,138)</u>
Capital asset, net	<u>\$ 80,942</u>	<u>\$ (12,268)</u>	<u>\$ —</u>	<u>\$ 23,591</u>	<u>\$ 92,265</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Christine Duncan				
Furniture, fixtures & equipment	\$ —	\$ 9,331	\$ —	\$ 9,331
Land & Improvements	—	14,800	—	14,800
Less: Accumulated depreciation	<u>—</u>	<u>(3,533)</u>	<u>—</u>	<u>(3,533)</u>
Capital asset, net	<u>\$ —</u>	<u>\$ 20,598</u>	<u>\$ —</u>	<u>\$ 20,598</u>

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JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

C. Capital Assets (continued)

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Creative Education Preparatory Institute #1:				
Furniture, fixtures & equipment	\$ 80,544	\$ —	\$ 80,544	\$ —
Less: Accumulated depreciation	<u>(17,108)</u>	<u>—</u>	<u>(17,108)</u>	<u>—</u>
Capital asset, net	<u>\$ 63,436</u>	<u>\$ —</u>	<u>\$ 63,436</u>	<u>\$ —</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Creative Education Preparatory Institute #2:				
Furniture, fixtures & equipment	\$ 101,582	\$ —	\$ —	\$ 101,582
Less: Accumulated depreciation	<u>(17,073)</u>	<u>(30,446)</u>	<u>—</u>	<u>(47,519)</u>
Capital asset, net	<u>\$ 84,509</u>	<u>\$ (30,446)</u>	<u>\$ —</u>	<u>\$ 54,063</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Digital Arts & Technology Academy:				
Furniture, fixtures & equipment	\$ 575,391	\$ 26,331	\$ 225,518	\$ 376,204
Buildings and improvements	130,636	170,214	—	300,850
Less: Accumulated depreciation	<u>(204,171)</u>	<u>(162,267)</u>	<u>(65,861)</u>	<u>(300,577)</u>
Capital asset, net	<u>\$ 194,276</u>	<u>\$ 34,278</u>	<u>\$ 159,657</u>	<u>\$ 376,477</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
East Mountain High School:				
Furniture, fixtures & equipment	\$ 628,961	\$ 134,923	\$ —	\$ 763,884
Leasehold improvements	4,023	—	—	4,023
Software	28,228	—	—	28,228
Less: Accumulated depreciation	<u>(58,382)</u>	<u>(64,031)</u>	<u>—</u>	<u>(572,413)</u>
Capital asset, net	<u>\$ 152,830</u>	<u>\$ 70,892</u>	<u>\$ —</u>	<u>\$ 223,722</u>

	Balance June 30, 2006	Additions	Deletions	Prior Year Adjustments	Balance June 30, 2007
El Camino Real Academy:					
Furniture, fixtures & equipment	\$ 140,099	\$ —	\$ —	\$ (70,050)	\$ 70,049
Buildings and improvements	161,710	—	—	(80,855)	80,855
Less: Accumulated depreciation	<u>(148,071)</u>	<u>(22,095)</u>	<u>—</u>	<u>72,473</u>	<u>(97,692)</u>
Capital asset, net	<u>\$ 153,738</u>	<u>\$ (22,095)</u>	<u>\$ —</u>	<u>\$ (78,431)</u>	<u>\$ 53,212</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
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JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

C. Capital Assets (continued)

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Horizon Academy West:				
Furniture, fixtures & equipment	\$ 37,457	\$ —	\$ —	\$ 37,457
Less: Accumulated depreciation	<u>(7,770)</u>	<u>(7,492)</u>	<u>—</u>	<u>(15,262)</u>
Capital asset, net	<u>\$ 29,687</u>	<u>\$ (7,492)</u>	<u>\$ —</u>	<u>\$ 22,195</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
La Academia de Esperanza:				
Furniture, fixtures & equipment	\$ 196,837	\$ 18,073	\$ —	\$ 214,910
Less: Accumulated depreciation	<u>50,806</u>	<u>(22,475)</u>	<u>—</u>	<u>(73,251)</u>
Capital asset, net	<u>\$ 146,031</u>	<u>\$ (4,372)</u>	<u>\$ —</u>	<u>\$ 141,659</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
La Luz del Monte Learning Center:				
Furniture, fixtures & equipment	\$ 132,750	\$ —	\$ —	\$ 132,750
Less: Accumulated depreciation	<u>(33,375)</u>	<u>(25,773)</u>	<u>—</u>	<u>(59,148)</u>
Capital asset, net	<u>\$ 99,375</u>	<u>\$ (25,773)</u>	<u>\$ —</u>	<u>\$ 73,602</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
La Promesa Early Learning Center:				
Furniture, fixtures & equipment	\$ —	\$ 6,661	\$ —	\$ 6,661
Less: Accumulated depreciation	<u>—</u>	<u>(944)</u>	<u>—</u>	<u>(944)</u>
Capital asset, net	<u>\$ —</u>	<u>\$ 5,717</u>	<u>\$ —</u>	<u>\$ 5,717</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Los Puentes Charter School:				
Furniture, fixtures & equipment	\$ 28,521	\$ 35,424	\$ —	\$ 63,945
Buildings and improvements	65,564	1,625	—	67,189
Land and improvements	134,056	—	—	134,056
Less: Accumulated depreciation	<u>(41,111)</u>	<u>(17,575)</u>	<u>—</u>	<u>(58,686)</u>
Capital asset, net	<u>\$ 187,030</u>	<u>\$ 19,474</u>	<u>\$ —</u>	<u>\$ 206,504</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Montessori of the Rio Grande:				
Furniture, fixtures & equipment	\$ 199,897	\$ 17,817	\$ (2,620)	\$ 215,094
Less: Accumulated depreciation	<u>(20,070)</u>	<u>(20,665)</u>	<u>2,329</u>	<u>(38,406)</u>
Capital asset, net	<u>\$ 179,827</u>	<u>\$ (2,848)</u>	<u>\$ (291)</u>	<u>\$ 176,688</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
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NOTE 20. Component Unit – (Continued)

C. Capital Assets (continued)

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Mountain Mahogany:				
Furniture, fixtures & equipment	\$ 44,424	\$ —	\$ —	\$ 44,424
Less: Accumulated depreciation	<u>(7,404)</u>	<u>(7,404)</u>	<u>—</u>	<u>(14,808)</u>
Capital asset, net	<u>\$ 37,020</u>	<u>\$ (7,404)</u>	<u>\$ —</u>	<u>\$ 29,616</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Native American Community Academy:				
Furniture, fixtures & equipment	\$ —	\$ 8,448	\$ —	\$ 8,448
Less: Accumulated depreciation	<u>—</u>	<u>(1,549)</u>	<u>—</u>	<u>(1,549)</u>
Capital asset, net	<u>\$ —</u>	<u>\$ 6,899</u>	<u>\$ —</u>	<u>\$ 6,899</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
North Albuquerque Co-Op Charter:				
Furniture, fixtures & equipment	\$ —	\$ 8,706	\$ —	\$ 8,706
Buildings and improvements	<u>—</u>	<u>12,279</u>	<u>—</u>	<u>12,279</u>
Less: Accumulated depreciation	<u>—</u>	<u>(2,159)</u>	<u>—</u>	<u>(2,159)</u>
Capital asset, net	<u>\$ —</u>	<u>\$ 18,826</u>	<u>\$ —</u>	<u>\$ 18,826</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
North Valley Academy:				
Furniture, fixtures & equipment	\$ 65,382	\$ —	\$ —	\$ 65,382
Buildings and improvements	<u>—</u>	<u>16,548</u>	<u>—</u>	<u>16,548</u>
Less: Accumulated depreciation	<u>(7,100)</u>	<u>(13,705)</u>	<u>—</u>	<u>(20,805)</u>
Capital asset, net	<u>\$ 58,282</u>	<u>\$ 2,843</u>	<u>\$ —</u>	<u>\$ 61,125</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Nuestros Valores:				
Furniture, fixtures & equipment	\$ 218,548	\$ —	\$ 17,115	\$ 201,433
Buildings and improvements	<u>130,972</u>	<u>17,115</u>	<u>—</u>	<u>148,087</u>
Less: Accumulated depreciation	<u>(155,612)</u>	<u>(29,722)</u>	<u>—</u>	<u>(185,334)</u>
Capital asset, net	<u>\$ 193,908</u>	<u>\$ (12,607)</u>	<u>\$ 17,115</u>	<u>\$ 164,186</u>

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NOTE 20. Component Unit – (Continued)

C. Capital Assets (continued)

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Public Academy for				
 Performing Arts:				
Furniture, fixtures & equipment	\$ 115,718	\$ —	\$ —	\$ 115,718
Buildings and improvements	2,340	—	—	2,340
Lease Improvements	47,246	—	—	47,246
Less: Accumulated depreciation	<u>(135,695)</u>	<u>(15,219)</u>	<u>—</u>	<u>(150,914)</u>
Capital asset, net	<u>\$ 29,609</u>	<u>\$ (15,219)</u>	<u>\$ —</u>	<u>\$ 14,390</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Ralph J. Bunch Academy:				
Furniture, fixtures & equipment	\$ —	\$ 12,589	\$ —	\$ 12,589
Less: Accumulated depreciation	<u>—</u>	<u>(2,098)</u>	<u>—</u>	<u>(2,098)</u>
Capital asset, net	<u>\$ —</u>	<u>\$ 10,491</u>	<u>\$ —</u>	<u>\$ 10,491</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Robert F. Kennedy High School:				
Furniture, fixtures & equipment	\$ —	\$ 94,813	\$ —	\$ 94,813
Buildings and improvements	160,250	11,490	—	171,740
Less: Accumulated depreciation	<u>(117,011)</u>	<u>(40,669)</u>	<u>—</u>	<u>(157,680)</u>
Capital asset, net	<u>\$ 43,239</u>	<u>\$ 65,634</u>	<u>\$ —</u>	<u>\$ 108,873</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
School for Integrated Academics & Tech:				
Furniture, fixtures & equipment	\$ 306,354	\$ 8,656	\$ —	\$ 315,010
Less: Accumulated depreciation	<u>(148,450)</u>	<u>(102,358)</u>	<u>—</u>	<u>(250,808)</u>
Capital asset, net	<u>\$ 157,904</u>	<u>\$ (93,702)</u>	<u>\$ —</u>	<u>\$ 64,202</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
South Valley Academy:				
Furniture, fixtures & equipment	\$ 209,277	\$ 141,776	\$ —	\$ 351,053
Buildings and improvements	837,621	—	—	837,621
Land and Land Improvements	439,758	19,900	—	459,658
Less: Accumulated depreciation	<u>(329,710)</u>	<u>(85,609)</u>	<u>—</u>	<u>(415,319)</u>
Capital asset, net	<u>\$ 1,156,946</u>	<u>\$ 76,067</u>	<u>\$ —</u>	<u>\$ 1,233,013</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

C. Capital Assets (continued)

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Southwest Primary Learning Center:				
Furniture, fixtures & equipment	\$ 27,890	\$ —	\$ —	\$ 27,890
Land and land improvements	2,800	—	—	2,800
Less: Accumulated depreciation	<u>(7,219)</u>	<u>(6,318)</u>	<u>—</u>	<u>(13,537)</u>
Capital asset, net	<u>\$ 23,471</u>	<u>\$ (6,318)</u>	<u>\$ —</u>	<u>\$ 17,153</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Southwest Secondary Learning Center:				
Furniture, fixtures & equipment	\$ 1,227,253	\$ —	\$ —	\$ 1,227,253
Buildings and improvements	42,662	—	—	42,662
Software	30,000	—	—	30,000
Less: Accumulated depreciation	<u>(543,956)</u>	<u>(227,588)</u>	<u>—</u>	<u>(771,544)</u>
Capital asset, net	<u>\$ 755,959</u>	<u>\$ (227,588)</u>	<u>\$ —</u>	<u>\$ 528,371</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
The Learning Community Charter School:				
Furniture, fixtures & equipment	\$ 412,724	\$ —	\$ —	\$ 412,724
Buildings and improvements	98,603	16,610	(98,603)	16,610
Less: Accumulated depreciation	<u>(328,076)</u>	<u>(68,190)</u>	<u>15,209</u>	<u>(381,057)</u>
Capital asset, net	<u>\$ 183,251</u>	<u>\$ (51,580)</u>	<u>\$ (83,394)</u>	<u>\$ 48,277</u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
YouthBuild Trade & Technology Community:				
Furniture, fixtures & equipment	\$ —	\$ 106,864	\$ —	\$ 106,864
Buildings and improvements	73,692	—	—	73,692
Less: Accumulated depreciation	<u>(2,008)</u>	<u>(11,391)</u>	<u>—</u>	<u>(13,399)</u>
Capital asset, net	<u>\$ 71,684</u>	<u>\$ 95,473</u>	<u>\$ —</u>	<u>\$ 167,157</u>

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NOTE 20. Component Unit – (Continued)

C. Capital Assets (continued)

Depreciation expense for the year ended June 30, 2007 was charged to the following functions:

	<u>21st Century Public Academy</u>	<u>Academia de Lengua Y Cultura</u>	<u>Amy Biehl High School</u>	<u>Cesar Chavez Community School</u>
Instruction	\$ 15,391	\$ 44,312	\$ 7,167	\$ 14,717
Support Services	—	6,710	955	4,447
Athletics	—	—	—	—
Capital Outlay / Unallocated	<u>4,468</u>	<u>44,445</u>	<u>115,644</u>	<u>—</u>
Total	<u>\$ 19,859</u>	<u>\$ 67,238</u>	<u>\$ 123,766</u>	<u>\$ 19,164</u>

	<u>Christine Duncan</u>	<u>Creative Education Preparatory Institute #2</u>	<u>Digital Arts & Technology Academy</u>	<u>East Mountain High School</u>
Instruction	\$ —	\$ 30,446	\$ 95,275	\$ 6,980
Support Services	3,533	—	66,992	2,629
Athletics	—	—	—	—
Capital Outlay / Unallocated	<u>—</u>	<u>—</u>	<u>—</u>	<u>54,422</u>
Total	<u>3,533</u>	<u>\$ 30,446</u>	<u>\$ 162,267</u>	<u>\$ 64,031</u>

	<u>El Camino Real Academy</u>	<u>Horizon Academy West</u>	<u>La Academia de Esperanza</u>	<u>La Luz del Monte Learning Center</u>
Instruction	\$ 61,816	\$ 2,590	\$ 11,113	\$ 15,773
Support Services	35,876	4,902	8,185	100,000
Athletics	—	—	—	—
Capital Outlay / Unallocated	<u>—</u>	<u>—</u>	<u>3,127</u>	<u>—</u>
Total	<u>\$ 97,692</u>	<u>\$ 7,492</u>	<u>\$ 22,445</u>	<u>\$ 25,773</u>

	<u>La Promesa Early Learning Center</u>	<u>Los Puentes Charter School</u>	<u>Montessori of the Rio Grande</u>	<u>Mountain Mahogany</u>
Instruction	\$ —	\$ —	\$ 14,825	\$ 7,404
Support Services	—	—	5,840	—
Athletics	—	—	—	—
Capital Outlay / Unallocated	<u>944</u>	<u>17,575</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 944</u>	<u>\$ 17,575</u>	<u>\$ 20,665</u>	<u>\$ 7,404</u>

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ALBUQUERQUE PUBLIC SCHOOLS
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NOTE 20. Component Unit – (Continued)

C. Capital Assets (continued)

	<u>Native American Community Academy</u>	<u>North Albuquerque Co-Op Charter</u>	<u>North Valley Academy</u>	<u>Nuestros Valores</u>
Instruction	\$ 1,549	\$ 1,596	\$ —	\$ 20,586
Support Services	—	563	13,705	7,629
Athletics	—	—	—	—
Capital Outlay / Unallocated	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,507</u>
Total	<u>\$ 1,549</u>	<u>\$ 2,159</u>	<u>\$ 13,705</u>	<u>\$ 29,722</u>

	<u>Public Academy for Performing Arts</u>	<u>Ralph J. Bunch Academy</u>	<u>Robert F. Kennedy High School</u>	<u>School for Integrated Academics & Tech</u>
Instruction	\$ —	\$ —	\$ 35,478	\$ 91,984
Support Services	14,746	2,098	5,191	10,374
Athletics	—	—	—	—
Capital Outlay / Unallocated	<u>473</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>\$ 15,219</u>	<u>\$ 2,098</u>	<u>\$ 40,669</u>	<u>\$ 102,358</u>

	<u>South Valley Academy</u>	<u>Southwest Primary Learning Center</u>	<u>Southwest Secondary Learning Center</u>	<u>The Learning Community Charter School</u>
Instruction	\$ —	\$ 2,178	\$ 13,221	\$ —
Support Services	—	4,140	18,044	484
Athletics	—	—	—	—
Capital Outlay / Unallocated	<u>85,609</u>	<u>—</u>	<u>196,323</u>	<u>—</u>
Total	<u>\$ 85,609</u>	<u>\$ 6,318</u>	<u>\$ 227,588</u>	<u>\$ 484</u>

	<u>YouthBuild Trade & Technology Community</u>
Instruction	\$ 4,242
Support Services	2,302
Athletics	—
Capital Outlay / Unallocated	<u>4,847</u>
Total	<u>\$ 11,391</u>

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ALBUQUERQUE PUBLIC SCHOOLS
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JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

D. Commitments and Liabilities

Below are details relating to operating leases, capital leases, and compensated absences balances maintained by each of the charter schools as of June 30, 2006.

21st Century: The school leases facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$164,242.

21st Century did not accrue compensated absences for the fiscal year ended June 30, 2007.

Academia de Lengua Y Cultura: The school leases various equipment under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$171,447.

Academia de Lengua y Cultura did not accrue compensated absences for the fiscal year ended June 30, 2007.

Albuquerque Institute for Math and Science: Rental expense for the year ended June 30, 2007 was \$148,824.

Albuquerque Institute for Math and Science did not accrue compensated absences for the fiscal year ended June 30, 2007.

Amy Biehl: The school leases various equipments under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$8,011. The five-year payout of operating leases as of June 30, 2007 is as follows: 2008: \$2,913, 2009: \$243 Total: \$3,156.

Amy Biehl did not accrue compensated absences for the fiscal year ended June 30, 2007.

Career, Academic & Technical Academy: The school did not have any leases before June 30, 2007.

Career, Academic & Technical Academy did not accrue compensated absences for the fiscal year ended June 30, 2007

Cesar Chavez Community School: The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$81,600. The five-year payout of operating leases as of June 30, 2007 is as follows: 2008: \$308, Total: \$308.

Cesar Chavez Community School did not accrue compensated absences for the fiscal year ended June 30, 2007.

Christine Duncan. The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007 was \$152,202. The five year payout of operating leases as of June 30, 2007 is as follows: 2008: \$6,973, 2009: \$6,973, 2010: \$2,682, Total \$16,628

Christine Duncan did not accrue compensated absences for the fiscal year ended June 30, 2007.

Creative Education Preparatory Institute #1: The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007 was \$137,615. The five year payout of operating leases as of June 30, 2007 is as follows: 2008: \$114,132, 2009: \$117,552, Total: \$231,684.

Creative Education Preparatory Institute #1 had a compensated absences balance of \$55,452 at the beginning of the fiscal year. Additions to the balance were \$74,253 with reductions of \$64,370 which resulted in an ending balance of \$65,335. Of this balance, \$0 is considered to be current and \$65,335 to be noncurrent.

Creative Education Preparatory Institute #2: Rental expense for the year ended June 30, 2007 was \$89,400.

Creative Education Preparatory Institute #2 did not accrue compensated absences for the fiscal year ended June 30, 2007.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

D. Commitments and Liabilities (continued)

Digital Arts & Technology Academy: The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$673,294. The five-year payout of operating leases as of June 30, 2007 is as follows: 2008: \$194,989, 2009: \$145,252 Total: \$340,241.

Digital Arts and Technology Academy had a compensated absences balance of \$4,253 at the beginning of the fiscal year. Additions to the balance were \$955 with reductions of \$0 which resulted in an ending balance of \$6,183. Of this balance, \$6,183 is considered to be current and \$0 to be noncurrent.

East Mountain: The school leases facilities and copiers under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$345,561. The five year payout of operating leases as of June 30, 2007 is as follows: 2008:\$342,420, 2009:\$342,420, 2010:\$339,210, Total:\$1,024,050

East Mountain had a compensated absences balance of \$42,058 at the beginning of the fiscal year. Additions to the balance were \$10,102 with reductions of \$0 which resulted in an ending balance of \$52,159. Of this balance, \$52,159 is considered to be current and \$0 to be noncurrent.

El Camino Real Academy: The school leases various equipment under short-term cancelable operating leases. The rental expense for the year ended June 30, 2007 was \$9,900. El Camino Real Academy also leases facilities on a year-to-year basis. The facilities lease total for the year ended June 30, 2007 was \$921,592.

El Camino Real Academy had a compensated absences balance of \$0 at the beginning of the fiscal year. Additions to the balance were \$28,910 with reductions of \$4,397 which resulted in an ending balance of \$24,513. Of this balance, \$0 is considered to be current and \$24,513 to be noncurrent.

Horizon Academy West: The school leases facilities under short-term cancelable operating leases. The rental expense for the year ended June 30, 2007 was \$459,839. The five-year payout of operating leases as of June 30, 2007 is as follows: 2008: \$494,180, 2009: \$506,535, 2010: \$519,198, 2011: \$532,178, Thereafter: \$545,483, Total: \$2,597,574.

Horizon Academy West was unable to provide documentation for compensated absences in fiscal year 2007. Additions for 2007 were \$81,996 which resulted in an ending balance of \$81,996. Of this balance, \$40,998 is considered to be current and \$40,998 to be noncurrent.

La Academia de Esperanza: The school leases facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$129,993. The five-year payout of operating leases as of June 30, 2007 is as follows: 2008: \$4,657, 2009: \$4,657, 2010: \$1164, Total: \$10,478.

La Academia de Esperanza had a compensated absences balance of \$3,555 at the beginning of the fiscal year. There were no additions or deletions, which resulted in an ending balance of \$3,555. Of this balance, \$0 is considered to be current and \$3,555 to be noncurrent.

La Luz del Monte Learning Center: The school leases facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$83,059.

La Luz del Monte Learning Center had a compensated absences balance of \$0 at the beginning of the fiscal year. Additions to the balance were \$3,160 with reductions of \$349 which resulted in an ending balance of \$2,811. Of this balance, \$2,811 is considered to be current and \$0 to be noncurrent.

La Promesa Early Learning Center: The school leases facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$12,000.

La Promesa Early Learning Center did not accrue compensated absences for the fiscal year ended June 30, 2007.

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ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

D. Commitments and Liabilities (continued)

La Resolana Charter School: The school leases facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$39,307.

La Resolana Charter School did not accrue compensated absences for the fiscal year ended June 30, 2007.

Los Puentes Charter School: The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007 was \$89,231. The five year payout of operating leases as of June 30, 2007 is as follows: 2008: \$32,838, Total: \$32,838.

Los Puentes Charter School did not accrue compensated absences for the fiscal year ended June 30, 2007.

Montessori Elementary: The school did not have any commitments or liabilities for the year ended June 30, 2007

Montessori Elementary did not accrue compensated absences for the fiscal year ended June 30, 2007.

Montessori of the Rio Grande: The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007 was \$121,032. The five year payout of operating leases as of June 30, 2007 is as follows: 2008: \$128,259.

Montessori of the Rio Grande did not accrue compensated absences for the fiscal year ended June 30, 2007.

Mountain Mahogany Community School: The school leases facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$55,101.

Mountain Mahogany Community School did not accrue compensated absences for the fiscal year ended June 30, 2007.

Native American Community Academy: For the fiscal year ended June 30, 2007, the school did not maintain operating leases, capital leases or compensated absences balances.

Native American Community Academy did not accrue compensated absences for the fiscal year ended June 30, 2007.

North Albuquerque Co-op: The school leases facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$124,042. The five year payout of operating leases as of June 30, 2007 is as follows: 2008: \$136,980, 2009: \$141,000, 2010: \$14,561, 2011: \$3,006, 2012: \$250 Total: \$295,797.

North Albuquerque Co-op did not accrue compensated absences for the fiscal year ended June 30, 2007.

North Valley Academy: The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007 was \$499,997.

North Valley Academy had a compensated absences balance of \$34,438 at the beginning of the fiscal year. Additions to the balance were \$79,298 with reductions of \$43,326 which resulted in an ending balance of \$70,410. Of this balance, \$35,205 is considered to be current and \$35,205 to be noncurrent.

Nuestros Valores: The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007 was \$84,005. The five year payout of operating leases as of June 30, 2007 is as follows: 2008: \$5,232, 2009:\$5,232, 2010:\$3,052 Total: \$13,516.

Nuestros Valores had a compensated absences balance of \$18,165 at the beginning of the fiscal year. Additions to the balance were \$0 with reductions of \$3,100 which resulted in an ending balance of \$15,065. Of this balance, \$15,065 is considered to be current and \$0 to be noncurrent.

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ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

D. Commitments and Liabilities (continued)

Public Academy for Performing Arts: The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007 was \$338,755.

Public Academy for Performing Arts did not accrue compensated absences for the fiscal year ended June 30, 2007.

Ralph J. Bunche Academy does not have any commitments or long term liabilities.

Robert F. Kennedy had a compensated absences balance of \$8,570 at the beginning of the fiscal year. Additions to the balance were \$24,415 with reductions of \$20,571 which resulted in an ending balance of \$12,414. Of this balance, all \$12,414 is considered to be noncurrent.

School for Integrated Academics and Technologies Albuquerque: Rental expense for the year ended June 30, 2007 was \$21,508. The five year payout of operating leases as of June 30, 2007 is as follows: 2008: \$1,072, Total \$1,072

School for Integrated Academics and Technologies did not accrue compensated absences for the fiscal year ended June 30, 2007.

South Valley Academy: For the fiscal year ended June 30, 2007, the school did not maintain operating leases, capital leases or compensated absences balances.

South Valley Academy did not accrue compensated absences for the fiscal year ended June 30, 2007.

Southwest Primary Learning Center: The school leases facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$79,598.

Southwest Primary Learning Center had a compensated absences balance of \$0 at the beginning of the fiscal year. Additions to the balance were \$3,160 with reductions of \$349 which resulted in an ending balance of \$2,811. Of this balance, \$2,811 is considered to be current.

Southwest Secondary Learning Center: The school leases facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$281,844.

Southwest Secondary Learning Center had a compensated absences balance of \$0 at the beginning of the fiscal year. Additions to the balance were \$3,160 with reductions of \$349 which resulted in an ending balance of \$2,811. Of this balance, \$2,811 is considered to be current.

The Bataan Military Academy: For the fiscal year ended June 30, 2007, the school did not maintain operating leases, capital leases or compensated absences balances.

The Learning Community Charter School: The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$196,740.

The Learning Community Charter School did not accrue compensated absences for the fiscal year ended June 30, 2007.

Youth Build Trade & Technology The school leases various equipment and facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2007, was \$236,266. The five-year payout of operating leases as of June 30, 2007 is as follows: 2008: \$247,335, 2009: \$6,735, Total: \$254,070.

Youth Build did not accrue compensated absences for the fiscal year ended June 30, 2007.

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ALBUQUERQUE PUBLIC SCHOOLS
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NOTE 20. Component Unit – (Continued)

D. Commitments and Liabilities (continued)

Albuquerque Talent Development Secondary Charter: Rental expense for the year ended June 30, 2007 was \$39,000.

Albuquerque Talent Development Secondary Charter did not accrue compensated absences for the fiscal year ended June 30, 2007.

E. Educational Retirement Act (ERA), and Retiree Health Care (RHC) Contributions

21st Century: Employer ERA contributions for the year ended June 30, 2007 and 2006 and 2005 totaled \$128,906, \$69,455, and \$63,303, respectively and employee portions totaled \$64,884, \$ 57,202,\$51,994, respectively. During fiscal years 2007, 2006 and 2005 RHC remitted by 21st Century were \$11,396, \$10,241, and \$8,915 in employer contributions as well as \$5,698, \$5,120, and \$4,465 in employee contributions.

Academia de Lengua Y Cultura: Employer ERA contributions for the year ended June 30, 2007 and 2006 totaled \$45,343 and \$41,101, respectively. Employee portions totaled \$34,621 and \$52,826, respectively. During fiscal years 2007 and 2006 RHC remitted by Academia de Lengua Y Cultura was \$4,786 and \$46,387 employer contributions as well as \$2,393 and \$37,874 in employee contributions.

Albuquerque Institute for Math & Science: Employer and employee ERA contributions for the year ended June 30, 2007 totaled \$72,909 for employer contributions and \$54,472 for employee contributions. During fiscal year 2007 RHC remitted by Albuquerque Institute for Math & Science were \$8,643 in employer contributions as well as \$4,569 in employee contributions.

Amy Biehl: Employer ERA contributions for the year ended June 30, 2007, 2006 and 2005 totaled \$128,906, \$103,595 and \$105,041, respectively and employee portions totaled \$98,426, \$84,584 and \$92,290, respectively. During fiscal years 2007, 2006 and 2005 RHC remitted by Amy Biehl were \$16,510, \$14,629, and \$15,786 in employer contributions as well as \$8,255, \$7,314, and \$7,893 in employee contributions.

Career, Academic & Technical Academy: Employer ERA contributions for the year ended June 30, 2007 totaled \$1,289, and employee contributions totaled \$984. During fiscal year 2007 RHC remitted by Career, Academic & Technical Academy were \$165 in employer contributions, as well as \$83 in employee contributions. The school did not remit any ERA or RHC prior to fiscal year 2007.

Cesar Chavez Community School: Employer ERA contributions for the year ended June 30, 2007 and 2006 totaled \$65,854 and \$43,246, respectively and employee contributions for 2007 and 2006 totaled \$44,176 and \$35,310, respectively. During fiscal year 2007 and 2006, RHC remitted by Cesar Chavez were \$8,330 and \$5,981 in employer contributions as well as \$4,165 and \$2,990 in employee contributions.

Christine Duncan High School: Employer ERA contributions for the year ended June 30, 2007 totaled \$39,619 for and employee contributions totaled \$20,005. During fiscal year 2007 RHC remitted by Christine Duncan were \$7,543 in employer contributions as well as \$2,046 in employee contributions. The school did not remit any ERA or RHC prior to fiscal year 2007.

Creative Education Preparatory Institute #1: Employer ERA contributions for the year ended June 30, 2007 and 2006 totaled \$77,771 and \$66,286, respectively and employee contributions for 2007 and 2006 totaled \$53,401 and \$45,681, respectively. During fiscal year 2007 and 2006, RHC remitted by Creative Education Preparatory Institute #1 were \$9,939 and \$8,835 in employer contributions as well as \$4,970 and \$4,418 in employee contributions.

Creative Education Preparatory Institute #2: Employer ERA contributions for the year ended June 30, 2007, 2006 and 2005 totaled \$74,775, \$59,760, and \$33,662, respectively and employee contributions totaled \$52,630, \$48,793, and \$29,576, respectively. During fiscal year 2007, 2006, and 2005, RHC remitted by Creative Education Preparatory Institute #2 were \$9,597, \$8,780, and \$5,731 in employer contributions as well as \$4,799, \$4,390, and \$2,865 in employee contributions.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 20. Component Unit – (Continued)

E. Educational Retirement Act (ERA), and Retiree Health Care (RHC) Contributions (continued)

Digital Arts & Technology Academy: Employer ERA contributions for the year ended June 30, 2007 and 2006 and 2005 totaled \$244,012, \$126,577, and \$128,401, respectively and employee portions totaled \$150,870, \$98,365, and \$112,815, respectively. During fiscal years 2007, 2006 and 2005 RHC remitted by Digital Arts and Technologies Academy were \$31,571, \$17,505, and \$18,969 in employer contributions as well as \$13,518, \$8,753, and \$9,485 in employee contributions.

East Mountain High School: Employer ERA contributions for the year ended June 30, 2007, 2006 and 2005 totaled \$159,426, \$139,882, and \$110,386, respectively and employee portions totaled \$117,361, \$110,100, and \$96,984, respectively. During fiscal years 2007, 2006 and 2005 RHC remitted by East Mountain High School were \$20,420, \$19,347, and \$16,593 in employer contributions as well as \$10,209, \$9,672, and \$8,297 in employee contributions.

El Camino Real Academy: Employer ERA contributions for the years ended June 30, 2007 and 2006 totaled \$244,393 and \$147,659, respectively. Employee contributions totaled \$182,730 and \$0, respectively. During fiscal year 2007 and 2006, RHC remitted by El Camino Real Academy was \$31,153 and \$17,939 in employer contributions as well as \$15,577 and \$8,790 in employee contributions.

Horizon Academy West: Employer ERA contributions for the year ended June 30, 2007 and 2006 \$167,124 and \$22,262 respectively and employee portions totaled \$127,607 and \$11,131, respectively. During fiscal year 2007 and 2006, RHC remitted by Horizon Academy West were \$21,213 and \$0 in employer contributions as well as \$10,606 and \$0 in employee contributions. Client was unable to provide documentation for this area for fiscal year 2005.

La Academia de Esperanza: Employer ERA contributions for the year ended June 30, 2007, 2006, and 2005 totaled \$167,797, \$139,663, and \$106,522, respectively and employee portions totaled \$122,465, \$112,859, and \$92,375, respectively.. During fiscal years 2007, 2006, and 2005 RHC remitted by La Academia de Esperanza were \$23,026, \$19,383, and \$16,036 in employer contributions as well as \$10,866, \$9,692, and \$8,018 in employee contributions.

La Luz del Monte Learning Center: Employer ERA contributions for the year ended June 30, 2007 and 2006 totaled \$40,295 and \$16,329, respectively. Employee portions totaled \$30,767 and \$13,332, respectively. During fiscal year 2007 and 2006, RHC remitted by La Luz Del Monte Learning Center were \$5,161 and \$2,312 in employer contributions as well as \$2,580 and \$1,156 in employee contributions.

La Promesa Early Learning Center: Employer and employee ERA contributions for the year ended June 30, 2006 employer portions totaled \$13,103 respectively and employee portions totaled \$10,699, respectively. During fiscal year 2006, RHC remitted by La Promesa Early Learning Center were \$1,789 in employer contributions as well as \$796 in employee contributions. During fiscal years 2005 and 2004 La Promesa Early Learning Center remitted no ERA or RHC contributions.

La Resolana Charter School: Employer ERA contributions for the year ended June 30, 2007 totaled \$20,319 and \$ employee contributions totaled 14,715. During fiscal year 2007 RHC remitted by La Resolana was \$2,641 in employer contributions. During fiscal years 2006 and 2005, La Resolana Charter School remitted no ERA or RHC contributions.

Los Puentes Charter School: Employer ERA contributions for the year ended June 30, 2007, 2006 and 2005 totaled \$100,544, \$82,182, and \$75,576, respectively and employee portions totaled \$75,956, \$67,101, and \$66,402, respectively. During fiscal years 2007, 2006 and 2005 RHC remitted by Los Puentes were \$12,752, \$11,504, and \$11,718 in employer contributions as well as \$6,370, \$5,752, and \$5,859 in employee contributions. Montessori Elementary: Employer ERA contributions for the year ended June 30, 2007 and 2006 totaled \$53,334 and \$43,667, respectively. Employee ERA contributions for 2007 and 2006 and \$40,723 and \$35,653, respectively. During fiscal year 2007 and 2006, RHC remitted by Montessori Elementary were \$6,830 and \$5,741 in employer contributions as well as \$3,415 and \$2,870 in employee contributions.

Montessori of the Rio Grande: Employer ERA contributions for the year ended June 30, 2007 and 2006 totaled \$61,751 and \$56,323, respectively. Employee contributions for 2007 and 2006 were \$49,203 and \$45,987, respectively. During fiscal year 2007 and 2006, RHC remitted by Montessori of the Rio Grande were \$8,305 and \$7,748 in employer contributions as well as \$4,153 and \$3,874 in employee contributions.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 20. Component Unit – (Continued)

E. Educational Retirement Act (ERA), and Retiree Health Care (RHC) Contributions (continued)

Mountain Mahogany Community School: Employer ERA contributions for the years ended June 30, 2007 and 2006 totaled \$30,751 and \$25,504, respectively and employee portions totaled \$23,364 and \$20,824, respectively. During fiscal years 2007 and 2006, RHC remitted by Mountain Mahogany Community School were \$3,805 and \$3,567 in employer contributions as well as \$2,007 and \$1,784 in employee contributions. During fiscal years 2005, Mountain Mahogany Community School remitted no ERA or RHC contributions.

Native American Community Academy: Employer ERA contributions for the year ended June 30, 2007 totaled \$53,113 and employee contributions totaled \$40,857. During fiscal year 2007 RHC remitted by Native American Community Academy were \$6,785 in employer contributions. During fiscal years 2006 and 2005, Native American Community Academy remitted no ERA or RHC contributions.

North Albuquerque Co-Op: Employer ERA contributions for the year ended June 30, 2007 totaled \$47,658 and employee portions totaled \$36,812. During fiscal year 2007, RHC remitted by North Albuquerque Co-Op was \$6,626 in employer contributions as well as \$3,105 in employee contributions. During fiscal years 2006 and 2005, North Albuquerque Co-Op remitted no ERA or RHC contributions.

North Valley Academy: Employer ERA contributions for the year ended June 30, 2007 totaled \$5144,958 and employee contributions totaled \$110,682. During fiscal year 2007 RHC remitted by North Valley Academy were \$20,169 in employer contributions as well as \$10,085 in employee contributions. During fiscal years 2006 and 2005, North Valley Academy remitted no ERA or RHC contributions.

Nuestros Valores: Employer ERA contributions for the year ended June 30, 2007 totaled \$53,113 and employee contributions totaled \$40,857. During fiscal year 2007 RHC remitted by Nuestros Valores were \$6,785 in employer contributions

Public Academy for Performing Arts (PAPA): Employer ERA contributions for the years ended June 30, 2007, 2006 and 2005 totaled \$146,915, \$126,580, and \$80,208, respectively, with employee contributions in each year of \$107,491, \$98,163, and \$67,489, respectively. During fiscal years 2007, 2006, and 2005 RHC remitted by PAPA were \$6,482, \$15,148, and \$13,578 in employer contributions as well as \$3,241, \$7,574, and \$6,789 in employee contributions.

Ralph Bunche Academy: Employer ERA contributions for the year ended June 30, 2007 and 2006 totaled \$41,358 and \$69,842, respectively. Employee portions for 2007 and 2006 totaled \$31,579 and \$57,025, respectively.. During fiscal years 2007 and 2006 RHC remitted by Ralph Bunche Academy were \$5,221 and \$9,810 in employer contributions as well as \$2,611 and \$4,905 in employee contributions.

Robert F. Kennedy: Employer ERA contributions for the year ended June 30, 2007 and 2006 totaled \$125,159 and \$95,219, respectively. Employee portions for 2007 and 2006 totaled \$95,564 and \$116,620, respectively. During fiscal years 2007 and 2006 RHC remitted by Robert F. Kennedy were \$16,495 and \$16,128 in employer contributions as well as \$8,247 and \$8,064 in employee contributions. School for Integrated Academics and Technologies: Employer ERA contributions for the year ended June 30, 2007, 2006, and 2005 totaled \$100,343, \$78,594, and \$44,309, respectively, and employee contributions totaled \$76,635, \$61,868, and \$38,930, respectively. During fiscal year 2007, 2006 and 2005, RHC remitted by School for Integrated Academics and Technologies were \$12,852, \$10,999 and \$6,659 in employer contributions as well as \$6,426, \$5,500 and \$3,330 in employee contributions.

South Valley Academy: Employer ERA contributions for the year ended June 30, 2007, 2006, and 2005 totaled \$122,469, \$91,976, and \$91,433, respectively, and employee portions totaled \$89,882, \$112,649, and \$80,334, respectively.. During fiscal years 2007, 2006, and 2005 RHC remitted by South Valley Academy were \$15,661, \$15,181, and \$14,735 in employer contributions as well as \$7,830, \$7,590, and \$7,367 in employee contributions.

Southwest Primary Learning Center (SPLC): Employer ERA contributions for the year ended June 30, 2007 and 2006 totaled \$41,003 and \$29,312, respectively. Employee portions totaled \$31,307 and \$23,933, respectively. During fiscal years 2007 and 2006 RHC remitted by Southwest Primary Learning Center were \$5,252 and \$4,054 in employer contributions as well as \$2,626 and \$2,027 in employee contributions.

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NOTE 20. Component Unit – (Continued)

E. Educational Retirement Act (ERA), and Retiree Health Care (RHC) Contributions (continued)

Southwest Secondary Learning Center (SSLC): Employer ERA contributions for the year ended June 30, 2007 and 2006 totaled \$67,280 and \$69,842, respectively. Employee portions totaled \$49,558 and \$57,025, respectively. During fiscal years 2007 and 2006 RHC remitted by Southwest Secondary Learning Center were \$8,313 and \$9,810 in employer contributions as well as \$4,157 and \$4,905 in employee contributions.

The Bataan Military Academy: During fiscal years 2007, 2006 and 2005, Bataan Military Academy remitted no ERA or RHC contributions.

The Learning Community Charter School (TLC): Employer ERA contributions for the year ended June 30, 2007 and 2006 totaled \$77,830 and \$67,387, respectively. Employee portions totaled \$45,024 and \$40,907, respectively. During fiscal years 2007 and 2006 RHC remitted by The Learning Community Charter School were \$9,968 and \$9,112 in employer contributions as well as \$4,984 and \$4,556 in employee contributions.

Youth Build: Employer ERA contributions for the year ended June 30, 2007 and 2006 totaled \$66,394 and \$69,842, respectively. Employee portions totaled \$46,139 and \$57,025, respectively. During fiscal years 2007 and 2006 RHC remitted by Youth Build were \$8,782 and \$9,810 in employer contributions as well as \$4,391 and \$4,905 in employee contributions.

Albuquerque Talent Development Secondary Charter: During fiscal years 2007, 2006 and 2005, Albuquerque Talent Development Secondary Charter remitted no ERA or RHC contributions.

F. Subsequent Events Related to Charter Schools

The following schools had subsequent events requiring disclosure:

The Bataan Military Academy: A lease agreement was entered on July 11, 2007, the physical address is 8100 Mountain Road Place.

G. Related Party Transactions

The following schools had related party transactions requiring disclosure:

La Academia de Esperanza: In discussions with the management, there were related party transactions during the 2007 fiscal year. Kathryn Bullock was hired for art instruction, and is a spouse of an instructor at the school. Also, Samuel Enka was hired for art instruction, and is a spouse of a Speech Language Pathologist at the school.

Montessori of the Rio Grande: In discussions with the management, there were related party transactions during the 2007 fiscal year. Ian Dodge, and instructor at the school, sold a shed to the school.

Southwest Secondary Learning Center (SSLC): In discussions with the management, there were related party transactions during the 2007 fiscal year. D. Scott Glasrud, Founder of the Southwest Secondary Learning Center is related to Jane Glasrud (mother) and Jon Glasrud (brother) of ADI Productions, Inc. The Southwest Secondary Learning Center utilizes the services of ADI for all school-sponsored events that require sound and lighting such as school dances, student performances, and graduation. The market cost to other high schools in the Albuquerque area ranges from \$300.00 - \$1,000.00 depending on the duration of the event and the equipment required. ADI does not charge the Southwest Secondary Learning Center for services it provides to the school.

H. Prior Period Adjustments Relating to Charter Schools

The following schools had prior period adjustments requiring disclosure:

Academia de Lengua Y Cultura: A prior period adjustment was required to correctly state the School's cash, accounts payable, interfund and deferred revenue balances in the net amount of \$17,077. The adjustment increased prior year fund balance in the Food services fund and net asset balances.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
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NOTE 20. Component Unit – (Continued)

H. Prior Period Adjustments Relating to Charter Schools (Continued)

Cesar Chavez Community School: A prior period adjustment was required to the School's capital assets in the amount of \$23,591. The adjustment increased prior year capital asset and accumulated depreciation balances.

El Camino Real Academy: A prior period adjustment was required to the School's capital assets in the amount of \$78,431. The adjustment decreased prior year capital asset and accumulated depreciation balances.

I. Component Units of Charter Schools

The following four charter schools maintained component units as follows:

Amy Biehl: The Amy Biehl High School Foundation is a nonprofit corporation established in 2004 to provide support to Amy Biehl High School by (1) acquiring and holding real estate to be leased or otherwise made available to the School; (2) designing, planning, arranging for the financing of and constructing the School's campus, complete with buildings, related facilities and structures, infrastructure, grounds, landscaping, furniture and fixture and (3) supporting educational programs and initiatives undertaken by the School. The Amy Biehl High School Foundation's other purpose is to conduct educational and training activities, community development, fund-raising assistance and academic research and dissemination to promote educational initiatives that serve the School as well as the local, regional, national and international educational community.

The financial information of The Amy Biehl High School Foundation is presented in a separate column to emphasize that the corporation is legally separate from the School.

The corporation has a fiscal year end of June 30; therefore, the component unit column presents financial statements as of and for the year ended June 30, 2007.

Cash and Temporary Investments: At June 30, the book value of the corporation's deposits was \$41,089.

Fixed Assets: The Corporation maintains no fixed assets at this time.

Long-Term Debt: The Corporation maintains no long-term debt, other than compensated absences, at this time.

For the year ended June 30, 2007, the government implemented GASB statement 39 of the Governmental Accounting Standards Board, which resulted in the inclusion of Significant Component Units in the Governmental Financial Statements.

Component Unit-Foundation

Net assets at June 30, 2007	\$21,761
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East Mountain : Mountain High School and Cultural Center (EHISCC) is a nonprofit corporation established in 2000 to provide support to East Mountain Charter High School by (1) acquiring and holding real estate to construct a high school campus complete with buildings, furniture and fixtures and to operate a high school on the east side of Albuquerque and (2) to be empowered to function as a cultural center qualifying as a charitable activity.

The financial information of Mountain High School and Cultural Center is presented in a separate column to emphasize that the corporation is legally separate from the School.

The corporation has a fiscal year end of June 30; therefore, the component unit column presents financial statements as of and for the year ended June 30, 2007.

Cash and Temporary Investments: At June 30, 2007, the book value of the corporation's deposits was \$246,524.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

I. Component Units of Charter Schools (Continued)

Fixed Assets: The Corporation records its land, buildings and equipment at cost and depreciates them over their estimated useful lives. Net capital assets at June 30, 2007 totaled \$3,369,430.

Long-Term Debt: The Corporation's long-term debt consists of a building mortgage along with unsecured debt.

For the year ended June 30, 2007, the government implemented GASB statement 39 of the Governmental Accounting Standards Board, which resulted in the inclusion of Significant Component Units in the Governmental Financial Statements.

Component Unit-Foundation

Net assets at June 30, 2007 \$1,083,096

La Promesa: Las Promesa Early Learning Center Foundation, Inc is a nonprofit corporation established in 2007 to support educational services in various communities in New Mexico.

The financial information of La Promesa Foundation is presented in a separate column to emphasize that the corporation is legally separate from the School.

The corporation has a fiscal year end of June 30; therefore, the component unit column presents financial statements as of and for the year ended June 30, 2007.

Cash and Temporary Investments: At June 30, 2007, the book value of the corporation's deposits was \$3,466.

Fixed Assets: The Corporation maintains no fixed assets at this time.

Long-Term Debt: The Corporation maintains no long-term debt at this time.

For the year ended June 30, 2007, the government implemented GASB statement 39 of the Governmental Accounting Standards Board, which resulted in the inclusion of Significant Component Units in the Governmental Financial Statements.

Component Unit-Foundation

Net assets at June 30, 2007 \$147,450

South Valley Academy: Center for Educational Initiatives (CEI) is a nonprofit corporation established in 2001 to provide support to South Valley Academy by (1) acquiring and holding real estate to be leased or otherwise made available to the School; (2) designing, planning, arranging for the financing of and constructing the School's campus, complete with buildings, related facilities and structures, infrastructure, grounds, landscaping, furniture and fixture and (3) supporting educational programs and initiatives undertaken by the School. CEI's other purpose is to conduct educational and training activities, community development, fund-raising assistance and academic research and dissemination to promote educational initiatives that serve the School as well as the local, regional, national and international educational community.

The financial information of CEI is presented in a separate column to emphasize that the corporation is legally separate from the School.

The corporation has a fiscal year end of December 31; therefore, the component unit column presents financial statements as of and for the year ended December 31, 2007.

Cash and Temporary Investments: At December 31, 2007, the book value of the corporation's deposits was \$48,560.

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ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

I. Component Units of Charter Schools (Continued)

Fixed Assets: The Corporation records its land, buildings and equipment at cost and depreciates them over their estimated useful lives.

Long-Term Debt: The Corporation's long-term debt consists of a building mortgage along with unsecured debt.

For the year ended June 30, 2007, the government implemented GASB statement 39 of the Governmental Accounting Standards Board, which resulted in the inclusion of Significant Component Units in the Governmental Financial Statements.

Component Unit-Foundation	
Net assets at June 30, 2007	\$419,580

J. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures as part of the Combined Statements of certain information concerning individual funds, including:

- A. Excess of expenditures over appropriations.
- B. Receivables and payables from interfund transactions as of June 30, 2007, with funds which interfund transactions were affected or created due to cash overdrafts represented (*).
- C. Deficit fund balance of individual funds.

21st Century

- A. Two funds exceeded approved budgetary authority for the year ended June 30, 2007:

IDEA-B	
Support Services	\$ 28,508
EMSI	
Support Services – Instruction	<u>464</u>
Total	<u>\$ 28,972</u>

- B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General	\$ —	\$ 20,466
EMSI	1,410	—
Public School Capital Outlay	<u>19,056</u>	<u>—</u>
Total Due to / from other funds	<u>\$ 20,466</u>	<u>\$ 20,466</u>

- C. No funds reported a deficit fund balance at June 30, 2007:

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

J. Other Required Individual Fund Disclosures (Continued)

Academia de Lengua Y Cultura

A. Two funds exceeded approved budgetary authority for the year ended June 30, 2007:

General Fund	
Support Services	\$ 23,711
Central Services	220,757
Other Support Services	3,215
Community Services	656
Title I School Improvement Fund	
Support Services	12,431
Central Services	<u>305</u>
Total	<u>\$ 261,075</u>

B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>
General	\$ 96,558	\$ —
Instructional Materials	—	10,698
Food Services	—	9,626
Title I IASA	—	21,907
Charter School	—	7,280
Title I School Improvement	—	2,526
National Council of La Raza	—	<u>44,521</u>
Total Due to / from other funds	<u>\$ 96,558</u>	<u>\$ 96,558</u>

C. No funds reporting a deficit fund balance at June 30, 2007.

Albuquerque Institute for Math & Science:

A. Two funds exceeded approved budgetary authority for the year ended June 30, 2007:

General Fund	
Instruction	\$ 300
Public School Capital Outlay	
Community Services	<u>101,700</u>
Total	<u>\$ 102,000</u>

B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>
General	\$ —	\$ 2,012
Federal Stimulus	<u>2,012</u>	—
Total Due to / from other funds	<u>\$ 2,012</u>	<u>\$ 2,012</u>

C. No funds reporting a deficit fund balance at June 30, 2007.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

J. Other Required Individual Fund Disclosures (Continued)

Amy Biehl:

A. No funds exceeded approved budgetary authority for the year ended June 30, 2007.

B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General	\$ —	\$ 1,104
Beginning Teacher Mentoring	<u>1,104</u>	<u>—</u>
Total Due to / from other funds	<u>\$ 1,104</u>	<u>\$ 1,104</u>

C. The following funds reported a deficit fund balance at June 30, 2007:

CES Fund	\$ 1,483
McCune Fund	<u>1,104</u>
Total	<u>\$ 2,587</u>

Career, Academic and Technical Academy

A. One fund exceeded approved budgetary authority for the year ended June 30, 2007:

Charter Schools Fund	
Support Services	<u>\$ 56,782</u>
Total	<u>\$ 56,782</u>

B. There were no receivables and payables from interfund transactions as of June 30, 2007

C. The following funds reported a deficit fund balance at June 30, 2007.

Charter Schools	\$ <u>4,062</u>
Total	<u>\$ 4,062</u>

Cesar Chavez Community School

A. No funds exceeded approved budgetary authority for the year ended June 30, 2007.

B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General Fund	\$ —	\$ 6,008
Title I – IASA	6,189	—
Agency Fund	<u>—</u>	<u>181</u>
Total Due to / from other funds	<u>\$ 6,189</u>	<u>\$ 6,189</u>

C. There were no funds reporting a deficit fund balance at June 30, 2007.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

J. Other Required Individual Fund Disclosures (Continued)

Christine Duncan

A. Four funds exceeded approved budgetary authority for the year ended June 30, 2007:

General Fund	
Instruction	\$ 37,845
Instructional Materials Fund	
Instruction	5,563
Title I – IASA	
Support Services	1
Federal Stimulus	
Instruction	<u>19,536</u>
Total	<u>\$ 62,945</u>

B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	Due to	Due from
	<u>Other Funds</u>	<u>Other Funds</u>
General Fund	\$ —	\$ 9,664
Total Due to / from other funds	<u>\$ —</u>	<u>\$ 9,664</u>

C. There were no funds reporting a deficit fund balance at June 30, 2007.

Creative Education Preparatory Institute #1

- A. No fund exceeded approved budgetary authority for the year ended June 30, 2007.
- B. There were no receivables and payables from interfund transactions as of June 30, 2007.
- C. There were no funds reporting a deficit fund balance at June 30, 2007.

Creative Education Preparatory Institute #2

A. One fund exceeded approved budgetary authority for the year ended June 30, 2007:

Charter Schools Fund	
Instruction	\$ 120,786
Support Services	<u>4,928</u>
Total	<u>\$ 125,714</u>

B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	Due to	Due from
	<u>Other Funds</u>	<u>Other Funds</u>
General Fund	\$ —	\$ 89,400
Public School Capital Outlay	<u>89,400</u>	<u>—</u>
Total Due to / from other funds	<u>\$ 89,400</u>	<u>\$ 89,400</u>

C. There were no funds reporting a deficit fund balance at June 30, 2007.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

J. Other Required Individual Fund Disclosures (Continued)

Digital Arts & Technology Academy

- A. No fund exceeded approved budgetary authority for the year ended June 30, 2007.
- B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>
General Fund	\$ 45	\$ —
State Stimulus	<u>—</u>	<u>45</u>
Total Due to / from other funds	<u>\$ 45</u>	<u>\$ 45</u>

- C. There were no funds reporting a deficit fund balance at June 30, 2007.

East Mountain

- A. One fund exceeded approved budgetary authority for the year ended June 30, 2007.

General Fund	
Central Services	\$ 50,124
Student Transportation	<u>5,375</u>
Total	<u>\$ 55,499</u>

- B. There were no interfund payables or receivables at year end.
- C. There were no funds reporting a deficit fund balance at June 30, 2007.

El Camino Real Academy

- A. Two funds exceeded approved budgetary authority for the year ended June 30, 2007:

General Fund	
Title I – IASA	\$ 673
IDEA-B Entitlement	
Instruction	<u>500</u>
Total	<u>\$ 1,173</u>

- B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>
General Fund	\$ —	\$ 28,891
Food Service	<u>28,891</u>	<u>—</u>
Total Due to / from other funds	<u>\$ 28,891</u>	<u>\$ 28,891</u>

- C. The following fund reported a deficit fund balance at June 30, 2007:

General Fund	\$ 34,229
Food Services	35,667
Teacher/Principal Training & Recruiting	<u>3,572</u>
Total	<u>\$ 73,468</u>

STATE OF NEW MEXICO
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JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

J. Other Required Individual Fund Disclosures (Continued)

Horizon Academy West

A. Two funds exceeded approved budgetary authority for the year ended June 30, 2007:

Title I – IASA	
Support Services	\$ 1,114
Teacher, Principal Training & Recruiting	
Support Services	<u>1,728</u>
Total	<u>\$ 2,842</u>

B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>
General Fund	\$ —	\$ 56,188
Food Services Fund	33,581	—
Javits' Gifted & Talented Students	5,989	—
Teacher & Principal Training	1,740	—
Truancy Initiative	12,766	—
Library GO Bonds Laws of 2004	<u>\$ 2,112</u>	<u>\$ —</u>
Total Due to / from other funds	<u>\$ 56,188</u>	<u>\$ 56,188</u>

C. The following fund reported a deficit fund balance at June 30, 2007:

Food Services	\$ 20,338
Legislative Appropriations, 2005	5,565
Library GO Bonds Laws of 2004	<u>1,122</u>
Total	<u>\$ 27,025</u>

La Academia De Esperanza

A. One fund exceeded approved budgetary authority for the year ended June 30, 2007:

IDEA-B Entitlement Fund	
Support Services	<u>\$ 104,711</u>
Total	<u>\$ 104,711</u>

B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>
General Fund	\$ —	\$ 27,221
Public Schools Capital Outlay	<u>27,221</u>	<u>—</u>
Total Due to / from other funds	<u>\$ 27,221</u>	<u>\$ 27,221</u>

C. There were no funds reporting a deficit fund balance at June 30, 2007.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

J. Other Required Individual Fund Disclosures (Continued)

La Luz del Monte Learning Center

- A. No funds exceeded approved budgetary authority for the year ended June 30, 2007.
- B. There were no receivables and payables from interfund transactions as of June 30, 2007.
- C. There were no funds reporting a deficit fund balance at June 30, 2007.

La Promesa Early Learning Center

- A. Eight funds exceeded approved budgetary authority for the year ended June 30, 2007:

General Fund	
Instruction	\$ 43,019
Central Services	38,785
Operation and Maintenance of Plant	8,061
Instructional Materials	
Instruction	20,922
Title I	
Federal Stimulus	1,208
Instruction	13,497
Support Services	1,348
Public School – Capital Outlay	
Capital Outlay	<u>42</u>
Total	<u>\$ 126,882</u>

- B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	<u>Due to</u> <u>Other Funds</u>	<u>Due from</u> <u>Other Funds</u>
General Fund	\$ —	\$ 9,264
Instructional Materials	5,560	—
IDEA-B Entitlement	475	—
Public Schools Capital Outlay	<u>3,229</u>	<u>—</u>
Total Due to / from other funds	<u>\$ 9,264</u>	<u>\$ 9,264</u>

- C. The following fund reported a deficit fund balance at June 30, 2007:

General Fund	<u>\$ 9,516</u>
Total	<u>\$ 9,516</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

J. Other Required Individual Fund Disclosures (Continued)

La Resolana Leadership Academy

A. One fund exceeded approved budgetary authority for the year ended June 30, 2007:

General Fund	
Support Services	\$ 4,801
Total	<u>\$ 4,801</u>

B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>
General Fund	\$ —	\$ 59,798
Instruction	—	5,717
Title I	14,180	—
Federal Stimulus	43,385	—
Public School Capital Outlay	<u>7,950</u>	<u>—</u>
Total Due to / from other funds	<u>\$ 65,515</u>	<u>\$ 65,515</u>

C. There were no funds reporting a deficit fund balance at June 30, 2007.

Los Puentes Charter School

A. No funds exceeded approved budgetary authority for the year ended June 30, 2007.

B. There were no receivables and payables from interfund transactions as of June 30, 2007.

C. There were no funds reporting a deficit fund balance at June 30, 2007.

Montessori Elementary

A. Two funds exceeded approved budgetary authority for the year ended June 30, 2007:

General Fund	
Food Services	\$ 372
Montessori Elementary Charter School	
Instructional Support	<u>15,000</u>
Total	<u>\$ 15,372</u>

B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>
General Fund	\$ —	\$ 56,284
Charter School	<u>56,284</u>	<u>—</u>
Total Due to / from other funds	<u>\$ 56,284</u>	<u>\$ 56,284</u>

C. There were no funds reporting a deficit fund balance at June 30, 2007.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

J. Other Required Individual Fund Disclosures (Continued)

Montessori of the Rio Grande

- A. No funds exceeded approved budgetary authority for the year ended June 30, 2007.
- B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General Fund	\$ —	\$ 653
Charter Schools Funds	<u>653</u>	<u>—</u>
Total	<u>\$ 653</u>	<u>\$ 653</u>

- C. There were no funds reporting a deficit fund balance at June 30, 2007.

Mountain Mahogany Community School

- A. No funds exceeded approved budgetary authority for the year ended June 30, 2007.
- B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General Fund	\$ —	\$ 14,164
IDEA-B Entitlement	5,314	—
Public School Capital Outlay	<u>8,850</u>	<u>—</u>
Total	<u>\$ 14,164</u>	<u>\$ 14,164</u>

- C. There were no funds reporting a deficit fund balance at June 30, 2007.

Native America Community Academy

- A. Four funds exceeded approved budgetary authority for the year ended June 30, 2007:

Federal Stimulus	
Support Services	\$ 18,812
Bill & Melinda Gates Foundation	
Support Services	967
State Stimulus	
Support Services	10,697
Public School Capital Outlay	
Capital Outlay	<u>51,372</u>
Total	<u>\$ 81,848</u>

- B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
Title I Fund	\$ —	\$ 13,724
State Stimulus	—	51,372
IDEA-B Entitlement	13,724	—
Public School Capital Outlay	<u>51,372</u>	<u>—</u>
Total	<u>\$ 65,096</u>	<u>\$ 65,096</u>

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ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

J. Other Required Individual Fund Disclosures (Continued)

C. The following fund reported a deficit fund balance at June 30, 2007:

Pupil Transportation	\$ 10,919
Instructional Materials	1,611
Athletics Fund	<u>10,440</u>
Total	<u>\$ 22,970</u>

North Albuquerque Co-Op

A. No funds exceeded approved budgetary authority for the year ended June 30, 2007.

B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below:

	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>
General Fund	\$ —	\$ 15,750
Federal Stimulus	<u>15,750</u>	<u>—</u>
Total	<u>\$ 15,750</u>	<u>\$ 15,750</u>

C. There were no funds reporting a deficit fund balance at June 30, 2007.

North Valley Academy

A. Five funds exceeded approved budgetary authority for the year ended June 30, 2007:

General Fund	
Instruction	\$ 2,164
Instructional Materials	
Support Services	791
Title I IASA Fund	
Support Services	47,348
IDEA-B Entitlement	
Support Services	51,606
Charter Schools Fund	
Support Services	<u>9,418</u>
Total	<u>\$ 341,472</u>

B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below:

	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>
General Fund	\$ —	\$ 32,499
Title II	—	15,769
Food Services	32,499	—
Title I IASA	3,902	—
IDEA-B	7,725	—
Teacher, Principal Training & Recruitment	<u>4,142</u>	<u>—</u>
Total	<u>\$ 48,268</u>	<u>\$ 48,268</u>

C. The following funds reported a deficit fund balance at June 30, 2007:

General Fund	\$ 81,210
Food Services	<u>39,790</u>
Total	<u>\$ 121,000</u>

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ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

J. Other Required Individual Fund Disclosures (Continued)

Nuestros Valores

- A. No funds exceeded approved budgetary authority for the year ended June 30, 2007.
- B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below:

	<u>Due to</u> <u>Other Funds</u>	<u>Due from</u> <u>Other Funds</u>
Pupil Transportation	\$ 2,416	\$ —
Title I	12,563	—
Title I School Improvement	<u>27,767</u>	<u>—</u>
Total	<u>\$ 42,746</u>	<u>\$ —</u>

- C. The following funds reported a deficit fund balance at June 30, 2007:

Pupil Transportation	<u>\$ 2,416</u>
Total	<u>\$ 2,416</u>

Public Academy for Performing Arts

- A. Four funds exceeded approved budgetary authority for the year ended June 30, 2007.

General Fund	
Support Services	\$ 37,528
IDEA-B Entitlement Fund	
Instruction	49,403
Support Services	2,202
McCune Charitable Foundation	
Support Services	1,334
Public School Capital Outlay	
Operation/ Maintenance of Plant	<u>195,300</u>
Total	<u>\$ 285,767</u>

- B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below.

	<u>Due to</u> <u>Other Funds</u>	<u>Due from</u> <u>Other Funds</u>
General Fund	\$ —	\$ 54,059
IDEA-B Competitive	6,400	—
Federal Direct	997	—
Libraries GO Bonds Laws of 2004	5,505	—
Public Schools Capital Outlay	<u>41,157</u>	<u>—</u>
Total Due to / from other funds	<u>\$ 54,059</u>	<u>\$ 54,059</u>

- C. The following fund reported a deficit fund balance at June 30, 2007.

IDEA-B – Competitive	\$ 6,400
State Stimulus	997
Library GO Bonds Laws of 2004	5,505
Public School Outlay	<u>41,157</u>
Total	<u>\$ 54,059</u>

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ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

J. Other Required Individual Fund Disclosures (Continued)

Ralph J. Bunche Academy

A. Two funds exceeded approved budgetary authority for the year ended June 30, 2007.

General Fund	
Instruction	\$ 11,578
Support Services	45,114
Title I	
Support Services	3,887
Charter School Planning	
Operation/ Maintenance of Plant	<u>2,015</u>
Total	<u>\$ 62,594</u>

B. There were no receivables and payables from interfund transactions as of June 30, 2007.

C. The following fund reported a deficit fund balance at June 30, 2007.

General Fund	<u>\$ 56,545</u>
Total	<u>\$ 56,545</u>

Robert F. Kennedy

A. Three funds exceeded approved budgetary authority for the year ended June 30, 2007.

Title I Program Improvement Fund	
Support Services	\$ 8,686
IDEA-B Entitlement	
Support Services	752
Library GO Bonds Fund	
Support Services	<u>2,000</u>
Total	<u>\$ 11,438</u>

B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below. Funds which interfund transactions were affected or created due to cash overdrafts are represented.

	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>
General Fund	\$ —	\$ 50,782
IDEA-B Entitlement	—	1,020
Title I	1,020	—
Library GO Bonds	58	—
Beginning Teacher Mentoring	1,687	—
Special Capital Outlay State	<u>49,037</u>	<u>—</u>
Total Due to / from other funds	<u>\$ 51,802</u>	<u>\$ 51,802</u>

C. The following fund reported a deficit fund balance at June 30, 2007.

Library GO Bonds	\$ 58
Beginning Teacher Mentoring	1,687
Special Capital Outlay State	<u>49,037</u>
Total	<u>\$ 50,782</u>

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ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

J. Other Required Individual Fund Disclosures (Continued)

School for Integrated Academics and Technologies Albuquerque

- A. No funds exceeded approved budgetary authority for the year ended June 30, 2007.
- B. There were no receivables and payables from interfund transactions as of June 30, 2007.
- C. There were no funds reporting a deficit fund balance at June 30, 2007.

South Valley Academy

- A. Three funds exceeded approved budgetary authority for the year ended June 30, 2007:

Title I – IASA	
Instruction	\$ 10,541
Support Services	277
Library Fund	
Support Services	509
Special Capital Outlay	
Capital Outlay	49,222
Total	<u>\$ 60,549</u>

- B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below.

	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>
General Fund	\$ —	\$ 104,347
National Endowment for the Humanities	—	24,094
McCune Charitable Foundation	—	45,438
Charter Schools	1,556	—
Daniels Fund	2,124	—
National Endowment for the Humanities	24,094	—
Library Fund	3,894	—
Federal Relief Fund	49,513	—
McCune Charitable Foundation	7,548	—
Public Schools Capital Outlay	37,933	—
Special Capital Outlay State	47,217	—
Total Due to / from other funds	<u>\$ 173,879</u>	<u>\$ 173,879</u>

- C. The following fund reported a deficit fund balance at June 30, 2007.

Daniels Fund	\$ 2,124
Library Fund	3,894
Federal Relief Fund	49,513
Special Capital Outlay State	47,416
Total	<u>\$ 102,947</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

J. Other Required Individual Fund Disclosures (Continued)

Southwest Primary Learning Center

- A. No funds exceeded approved budgetary authority for the year ended June 30, 2007.
- B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below.

	Due to Other Funds	Due from Other Funds
General Fund	\$ —	\$ 37,115
Enhancing Education Through Technology	4,615	—
Physical Education Classes	32,500	—
Total Due to / from other funds	\$ 37,115	\$ 37,115

- C. The following fund reported a deficit fund balance at June 30, 2007.

Physical Education Classes	\$ 1,003
Total	\$ 1,003

Southwest Secondary Learning Center

- A. No funds exceeded approved budgetary authority for the year ended June 30, 2007.
- B. There were no receivables and payables from interfund transactions as of June 30, 2007.
- C. There were no funds reporting a deficit fund balance at June 30, 2007.

The Bataan Military Academy

- A. No funds exceeded approved budgetary authority for the year ended June 30, 2007.
- B. There were no receivables and payables from interfund transactions as of June 30, 2007.
- C. There were no funds reporting a deficit fund balance at June 30, 2007.

The Learning Community Center

- A. Two funds exceeded approved budgetary authority for the year ended June 30, 2007:

Instructional Materials	
Capital Outlay	\$ 1,421
Total	\$ 1,421

- B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below.

	Due to Other Funds	Due from Other Funds
General Fund	\$ —	\$ 25,725
Public School Capital Outlay	25,725	—
Total Due to / from other funds	\$ 25,725	\$ 25,725

- C. There were no funds reporting a deficit fund balance at June 30, 2007.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 20. Component Unit – (Continued)

J. Other Required Individual Fund Disclosures (Continued)

Youth Build

A. Two funds exceeded approved budgetary authority for the year ended June 30, 2007:

General Fund	
Capital Outlay	\$ 1,001
Charter Schools Fund	
Instruction	<u>127</u>
Total	<u>\$ 1,128</u>

B. Receivables and payables from interfund transactions as of June 30, 2007 are listed below.

	<u>Due to</u> <u>Other Funds</u>	<u>Due from</u> <u>Other Funds</u>
General Fund	\$ —	\$ 23,566
Title I	4,984	—
IDEA-B	5,363	—
Charter School	719	—
Special Capital Outlay State	<u>12,500</u>	<u>—</u>
Total Due to / from other funds	<u>\$ 23,566</u>	<u>\$ 23,566</u>

C. There were no funds reporting a deficit fund balance at June 30, 2007.

Albuquerque Talent Development Secondary Charter School:

A. One fund exceeded approved budgetary authority for the year ended June 30, 2007:

Charter School Fund	
Instruction	\$ 80
Central Services	<u>15,384</u>
Total	<u>\$ 15,464</u>

B. There were no receivables and payables from interfund transactions as of June 30, 2007.

C. There were no funds reporting a deficit fund balance at June 30, 2007.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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:

Athletics (22000) – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC.

IDEA-B Competitive (24108) – To account for the infusion of the experimental methods into classroom curriculum and support services to promote success for all students in inclusive and special education settings. (P.L. 105-17)

Preschool IDEA-B (24109) – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

Hurricane Relief (24111) – To provide additional Federal payments under Katrina hurricane-related multi-State Section 1115 Demonstrations to reimburse affected States for the nonfederal share of specified medical care hurricane-related expenditures and associated administrative costs, and the total uncompensated care costs for affected States.

Education of Homeless Children (24113) – To reduce barriers to public education for homeless children and youth. (P.L. 100-77)

Math & Science Partnerships (24117) – To improve the academic achievement of students in mathematics and science by encouraging participating in programs that: improve and upgrade the status and stature of mathematics and science teaching by encouraging improvement of mathematics and science teacher education; focus on the education of mathematics and science teachers as a career-long process; bring mathematics and science teachers together with scientists, mathematicians, and engineers to improve their teaching skills; and develop more rigorous mathematics and science curricula that are aligned with state and local academic achievement standards expected for postsecondary study in engineering, mathematics, and science.

Partnerships in Charter Education (24129) – This grant establishes a statewide charter education program that supports expectations for charter education into every aspect of school life.

Technology Literacy Challenge (24133) – To account for a federal grant designed to strengthen teacher learning in the field of technology.

Comprehensive School Reform (24135) –To stimulate school-wide changes in schools that need to substantially improve student academics, particularly Title I schools, so that students in these schools can meet state content and performance standards. Funding authority is the State of New Mexico Department of Education.

Title III (24143) – Incentive funds for programs serving the needs of English Language Learners.

Enhancing Ed thru Technology (24149) – Funding used to support the infusion of technology into the curriculum. Funds are earmarked for professional development.

Title V – Part-A Innovative Ed Pro Strategies (24150) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

English Language Acquisition (24153) – Funds will be used to support Alternative Language Services. Funding will support professional development for teachers and principals , ESL summer schools and consulting services. P.L. 100-77.

Teacher/Principal Training & Recruiting (24154) – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students.

Safe & Drug Free Schools & Community (24157) – To establish a local program of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

21st Century Community Learning Centers (24159) – To account for federal funds utilized to expand an after school, weekend, and summer program. The program is designed to integrate the visual and performing arts with literacy, life skills and physical activity for kindergarten to 12th grade focusing on the neighborhood and the community of a classroom.

Title I-School Improvement (24162) – The major objectives of the Title I program are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Public Education Department. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

Refugee & Entrant Assistance (24165) – To improve resettlement services for refugees. Program objectives include: (1) decreasing the numbers of refugees on public assistance and the length of time refugees require such assistance; (2) promoting refugee family stability and healthy marriages; (3) encouraging the placement of refugees in locations with good job opportunities and lower costs of living; (4) enhancing services to disadvantaged refugee groups; (5) promoting older refugees' access to aging services; (6) assisting low-income refugees with matching funds for individual development accounts and with financial literacy classes; (7) providing micro-credit to refugees interested in starting new businesses but unable to access commercial sources of capital; (8) providing services to refugees in rural areas; and (9) providing preventive health services.

School Renovation IDEA & Tech (24166) – To provide funds for purchase of two portable classrooms at Nuestros Valores Charter School and lease payments at La Academia de Esperanza Charter School. (P.L. 106-554, 2001 Appropriation Act)

Reading First (24167) – To account for federal resources administered by the State Department of Education for a comprehensive reading approach which will incorporate research-based materials, intensive and systemic on-site professional development and an assessment-teaching learning cycle that feeds assessment data into dynamic instructional decision-making.

Carl D Perkins - Secondary (24174) – This program is used for the deployment of the Career-Focused Student Learning System at Secondary Level using the Career Cluster Framework.

Carl D Perkins (Tech Prep, HSTW- Current & Redistribution (24119, 24180, 24182) – The objective of this grant is to provide secondary and post-secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. Authority for creation of this fund is Carl D. Perkins Vocational and Applied Technology Education Act of 1990, as amended, Public Law 105-332.

Bilingual Education (24209) – To contribute to the overall systemic improvement of dual language bilingual education services for Limited English Proficient students.

Professional Development (25104) – To increase the learning qualifications related to the teaching of English Language Learners (ELL); to improve teaching practices of bilingual/ESL general education and Special Education teachers, to improve ELL academic achievement and ability to meet standards. (P.L. 103-382)

Teaching American History (25107) – To develop strategies and activities that will enhance the delivery of American History curriculum content.

Bilingual Education/Bilingual Ed Program Enhancement (25109) – To contribute to the overall systemic improvement of dual language bilingual education services for Limited English Proficient (LEP) students. Programs include both Spanish/English and Navajo/English languages. P.L. 103-382

Safe and Drug Free Schools (25111) – To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and are coordinated with related Federal, State, and community efforts and resources.

Collaborative Research and Development (25112) – To facilitate productivity, improving research and development and application of advanced construction technologies through collaborative research and development, field demonstration, licensing agreements, and other means of commercialization and technology transfer.

Community Prosecution and Project Safe Neighborhoods (25113) – A nationwide commitment and a comprehensive, strategic approach to reducing gun crime in America by networking existing local programs that target gun crime and providing those programs with additional tools.

Community Technology Centers (25125) – To account for a program funded by a Federal grant to educate students in Technology and community awareness.

Title XX Health & Social Services (25129) – To provide an environment specifically geared to assist expectant teenage mothers during their pregnancy at the same time keeping them in school and on track for graduation.

Johnson O'Malley (25131) – To account for revenues and expenditures funded by the Department of Interior, Bureau of Indian Affairs, through the Navajo Tribe provided to supplement programs in special education and other special needs for New Mexico public schools where eligible Indian children are enrolled. The fund was created by the authority of federal grant provisions. (PL 103-382)

Impact Aid (25145 - Special Education and 25147 - Indian Education) – To account for funding of a Federal program to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), or where there are a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b)): where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

Title XIX MEDICAID 3/21 years (25153) – To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children.

Career Access Program NSF (25158) – To account to promotion and advancement of scientific progress and education in the sciences, mathematics, and engineering areas.

APS Sentry (25164) – Sentry Anti Gang is a Sub-Grant from the Department of Public Safety. The overall purpose of the grant is to prevent gang involvement among middle school youth.

Magnet Schools Assistance (25180) – To provide grants to eligible local educational agencies (LEAs) for use in magnet schools that are part of approved desegregation plans and that are designed to bring together students from different social, economic, racial, and ethnic backgrounds.

Indian Education Formula Grant (25184) – To account for a program funded by a Federal grant to develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to: 1) Improve academic performance, 2) Reduce school dropout rates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U.S.C. 2601-2606.

Title V Indian Health Care Improvement Act (25209) – To account for a program funded by a Federal grant to develop and carry out health care education to secondary school programs.

Title III- Professional Development: Training for all Teachers (25213) – To account for revenues and expenditures funded by a grant to provide professional development training for bilingual teachers. The fund was created by federal grant provision. (PL 103-382).

Smaller Learning Communities (25217) – To conduct nationally significant programs to improve the quality of education, assist all students to meet challenging State content standards, and contribute to the achievement of the

National Education Goals. Elementary and Secondary Education Act of 1965; Title X, Part A, as amended, 20 U.S.C. 8001-8007.

Center for Disease Control Prevention and Technology Assistance (25222) – To assist State and local health authorities and other health related organizations in controlling communicable diseases, chronic diseases and disorders, and other preventable health conditions. Investigations and evaluation of all methods of controlling or preventing disease and disability are carried out by providing epidemic aid, surveillance, technical assistance, consultation, and program support; and by providing leadership and coordination of joint national, State, and local efforts.

After School Learning Centers USDE (25224) –To create after school and summer school programs that will provide significant literacy-based learning opportunities for children and youth that contribute to reduced drug use and violence. (P.L. 103-382 ESEA of 1965 as amended IASA of 1994.)

FTE Earmark Grant (25225) – To expand access to the Child Development facility, which provides comprehensive Neighborhood Action Teams and coalitions to decrease and prevent violence.

Substance Abuse and Mental Health Services (25238) – Funding to address priority substance abuse treatment, prevention and mental health needs of regional and national significance through assistance (grants and cooperative agreements) to States, political subdivisions of States, Indian tribes and tribal organizations, and other public or nonprofit private entities.

Incentive Program (25242) – To encourage students to take courses in advanced placement K-12. (P.L. 107-110 USDE/ESEA Part G, Title I.)

Community Mental Health Services (25244) – Funds will create after school and summer school programs that will provide significant Literacy-based learning opportunities for children youth that contribute to reduced drug use and violence.

ENLACE-UNM (26103) (Engaging Latino Communities for Education) – To hirer a teacher to help support programmatic work that is directly related to curriculum and instruction, that reflects the laws of NCLB, as well as the ENLACE mission, in the Albuquerque Public Schools.

Bill & Melinda Gates Foundation (26104) – This grant will be utilized to bring each Master Teacher’s classroom to a minimum technological standard and to ensure that the Master Teacher’s classroom has a presentation system available during all class hours.

LANL Foundation (26113) – Educational enrichment grant in support of Albuquerque Public Schools

ABEC-Job Mentor (26118) – Provides at risk high school students with guidance pertaining to job force future for theses students.

Wallace Foundation (26125) – Mentoring new principals and support for recruitment and training of aspiring principals

General Electric (26142) – This grant is for college bound II students at Valley Academy and is designed to encourage close cooperation between Valley High School and the University of New Mexico College of Engineering and Minority Recruitment Program.

Corporation for Public Broadcasting (26161) – This grant will support production distribution and program acquisition fees for radio station KANW-FM

National Association of School Nurses (26168) – Provides a school nurse to serve as the Diabetes Management Mentor Nurse for the intervention school nurse caring for students with type 1 diabetes.

Technology for Education PED (27117) - The purpose of this grant is to assist the District to develop and implement a strategic, long-term plan for utilizing educational technology in the school system. Funds accounted for in this fund are received from the State of New Mexico. The authority for creation of this fund is NMSA 22-15A-1 to 22-15A-10.

Obesity Program-PED (27120) – This grant will provide before and/or after school programs that contain both physical activity and nutrition components targeting elementary school-aged children.

Physical Education Classes – PED (27121) - To account for monies received from the State of New Mexico to be used for Elementary Physical Education. Funds must be utilized for salary and benefits of a PED licensed physical education instructor.

Incentives for School Improvement Act PED (27138) – To account for monies received from the Award for High Improving Schools provided by the State of New Mexico for the purpose of identifying special needs at awarded locations and to purchase items to improve those schools.

Family and Youth Resource Program-PED (27140) – To account for revenues and expenditures from a state grant. The Family Resource and Youth Services has a goal of meeting the needs of all children and their families who reside in the community. The Schools to be served are Luis. E Armijo Elementary, Don Cecilio/ Northstar Elementary, Ton Serna Elementary, WLV Middle School and Valley Elementary and MS. Authority is the Family and Your Resource Act. Sec 22-2D.

Truancy Initiative (27141) – Assist school staffs in better record keeping of truancy so that early intervention techniques are applied to prevent dropout and habitual truancy.

Legislative Appropriation-Laws of NM 2004 (27142) – To increase time in kindergarten to narrow the achievement gap for economically disadvantaged students - 2004.

Legislative Appropriation-Laws of NM 2005 (27144) – To increase time in kindergarten to narrow the achievement gap for economically disadvantaged students.

Libraries GO Bonds Laws of 2004 (27145) - In the November 2004 election, New Mexico voters approved GO Bond C for \$6,156,000 to fund public school and juvenile detention libraries statewide. Statute specifies that the funds are available to acquire library books, equipment and library resources for public school and juvenile detention libraries. Per student unit value is \$19.01.

Pre K Initiative (27149) – To account for monies received from the State of New Mexico to be used to provide direct services to 20 4 year old children in Pre-Kindergarten program s at Mariposa Elem., and Tome Elem.

Indian Education Act (27150) – To account for funds to help support the educational reform initiatives outlined in the schools' Educational Plan for Student Success (EPSS). The grant expenditures must support how the identified EPSS focus areas / activities / strategies will be deployed for addressing the needs of American Indian students to ensure improved academic performance and closing of the achievement gap.

Beginning Teacher Mentoring Program (27154) – The objective of this program is to provide beginning teachers an effective transition into the teaching profession, retain capable teachers, improve the achievement of students and improve the overall success of the school. Funding is provided by the New Mexico Board of Education. Authority for creation of this fund is NMSA 22-2-8-10.

Reading Materials Fund (27158) – To ensure that every student can read at grade level or above by the end of third grade. The Reading First program provides assistance to States and districts in establishing reading programs for students in kindergarten through third grade that are based on scientifically based reading research. Reading First also focuses on teacher development and ensuring that all teachers, including special education teachers, have the tools they need to effectively help their students learn to read. The program provides assistance to States and districts in preparing teachers to identify specific reading barriers facing their students.

Legislative Appropriations Laws of 2006 (27160) – This grant provides the money to continue the CM2 Sixth Grade Pilot that began in the 2005-2006 School year with 16 APS middle schools. CM2 Seventh Grade Pilot will buy the student and teachers books and provide in-service support in the use of two units: Patterns and Functions and Stretching & Shrinking. The in-service program will prepare teachers to understand and implement a standards-based approach to teaching. The professional development will model new teaching strategies and probe teachers' understanding of mathematics concepts and the use of representational models.

Pre-K Start-up Costs (27161) – The purpose of this program is to effectively and safely implement a preschool curriculum from funding provided by the Public Education Department. The funds provided are used to purchase age appropriate furniture, supplies and materials for the initiation stages of the four-year old pre-K program.

School Improvement Framework (27164) – This grant was awarded as a result of meeting adequate yearly progress for two consecutive years. These funds are to be used for library materials.

Graduation Reality and Dual Skills-PED (28102) –This fund was created to work with at-risk students and students who deliver their babies.

Nutrition Grant (28127) – To account for funds provided to the District through the State of New Mexico Student Nutrition Grant.

Juvenile Justice (28132) – Project will serve a minimum of 16 at-risk youth through involvement with structured after-school activities that promote positive peer support, lessons on teen pregnancy prevention, healthy life styles, choices, drug prevention, self-esteem building, structured fun actives and service learning community service.

Office of Child Development CYFD (28170) – To account for funds provided through the State of New Mexico Office of Child Development Program administered by the State of New Mexico CYFD.

Regional Quality Center (28180) – provide training to school level staff in the use of a systems approach to continuous improvement according to the PED School Improvement Framework. The funds will pay for trainers, training costs and to support the demonstration classrooms and schools that the RQC is developing and supporting.

Private Dir Grants - Categorical (29102) – To account for local grants awarded to provide additional funding for specific projects.

City/County Grants (29107) – To account for city and county grants awarded to provide additional funding for specific projects.

Honeywell (29113) – Albuquerque Public Schools hired a High School Student to work in their facility to get the students prepared for the outside world.

School Based Health Center (29130) – The Albuquerque Public School Based Health Center provides primary and behavioral health care services for the Socorro High School. The services to be offered will be aligned to the New Mexico School Based Health Care Standards and are approved by the Albuquerque Public School Board of Education. The District has contracted with Presbyterian Medical Center to provide these services.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Athletics 22000	Competitive IDEA-B 24108	Preschool IDEA-B 24109	Hurricane Relief 24111	Education of Homeless 24113
ASSETS					
<i>Current Assets</i>					
Cash and cash equivalents	\$ 1,133,645	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	89,013	-	-
Interfund receivables	-	9,178	-	112,739	72,899
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>\$ 1,133,645</u>	<u>\$ 9,178</u>	<u>\$ 89,013</u>	<u>\$ 112,739</u>	<u>\$ 72,899</u>
LIABILITIES AND FUND BALANCES					
<i>Current Liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Interfund payables	-	-	89,013	-	-
Deferred revenue - property taxes	-	-	-	-	-
Deferred revenue - other	-	9,178	-	112,739	72,899
<i>Total liabilities</i>	<u>-</u>	<u>9,178</u>	<u>89,013</u>	<u>112,739</u>	<u>72,899</u>
<i>Fund balances</i>					
Fund Balance:					
Reserved:					
Reserved for inventory	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-
Unreserved:					
Designated for subsequent year's expenditures	-	-	-	-	-
Undesignated, reported in					
General Fund	-	-	-	-	-
Special Revenue Funds	1,133,645	-	-	-	-
<i>Total fund balances</i>	<u>1,133,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,133,645</u>	<u>\$ 9,178</u>	<u>\$ 89,013</u>	<u>\$ 112,739</u>	<u>\$ 72,899</u>

Mathematics & Science Partnerships 24117	Carl Perkins Vocational Tech 24119	Partnerships in Char Ed Pilot 24129	Enhancing Ed Thru Tech 24133	Comprehensive School Reform 24135	ELL Title III Incentive Awards 24143	Enhancing Ed Thru Tech (E2T2-C) 24149
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
50,101	-	412,980	-	262,654	2,291	45,614
-	103,495	-	91,039	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 50,101</u>	<u>\$ 103,495</u>	<u>\$ 412,980</u>	<u>\$ 91,039</u>	<u>\$ 262,654</u>	<u>\$ 2,291</u>	<u>\$ 45,614</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
50,101	-	412,980	-	262,654	2,291	45,614
-	-	-	-	-	-	-
-	103,495	-	91,039	-	-	-
<u>50,101</u>	<u>103,495</u>	<u>412,980</u>	<u>91,039</u>	<u>262,654</u>	<u>2,291</u>	<u>45,614</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 50,101</u>	<u>\$ 103,495</u>	<u>\$ 412,980</u>	<u>\$ 91,039</u>	<u>\$ 262,654</u>	<u>\$ 2,291</u>	<u>\$ 45,614</u>

	Title V- Part A Innovative Ed Pro Strategies 24150	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154	Safe & Drug Free Schools & Comm. 24157	21st Century Community Living Centers 24159
ASSETS					
<i>Current Assets</i>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	80,406	460,911	1,142,008	120,486	31,558
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>\$ 80,406</u>	<u>\$ 460,911</u>	<u>\$ 1,142,008</u>	<u>\$ 120,486</u>	<u>\$ 31,558</u>
LIABILITIES AND FUND BALANCES					
<i>Current Liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Interfund payables	80,406	460,911	1,142,008	120,486	31,558
Deferred revenue - property taxes	-	-	-	-	-
Deferred revenue - other	-	-	-	-	-
<i>Total liabilities</i>	<u>80,406</u>	<u>460,911</u>	<u>1,142,008</u>	<u>120,486</u>	<u>31,558</u>
<i>Fund balances</i>					
Fund Balance:					
Reserved:					
Reserved for inventory	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-
Unreserved:					
Designated for subsequent year's expenditures	-	-	-	-	-
Undesignated, reported in					
General Fund	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 80,406</u>	<u>\$ 460,911</u>	<u>\$ 1,142,008</u>	<u>\$ 120,486</u>	<u>\$ 31,558</u>

Title I School Improvement 24162	Refugee & Entrant Assistance 24165	School Renovation IDEA & Tech 24166	Reading First 24167	Carl D Perkins Secondary Current 24174	Carl D Perkins HSTW 24180	Bilingual Education 24209
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
756,169	116,126	-	1,070,621	552,621	31,324	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 756,169</u>	<u>\$ 116,126</u>	<u>\$ -</u>	<u>\$ 1,070,621</u>	<u>\$ 552,621</u>	<u>\$ 31,324</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
756,169	116,126	-	1,070,621	552,621	12,333	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>756,169</u>	<u>116,126</u>	<u>-</u>	<u>1,070,621</u>	<u>552,621</u>	<u>12,333</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	18,991	-
-	-	-	-	-	18,991	-
<u>\$ 756,169</u>	<u>\$ 116,126</u>	<u>\$ -</u>	<u>\$ 1,070,621</u>	<u>\$ 552,621</u>	<u>\$ 31,324</u>	<u>\$ -</u>

	Professional Development 25104	Teaching American History 25107	Bilingual Ed/ Comp School Grants USDE 25109	Safe & Drug Free Schools 25111	Collaborative Research & Development 25112
ASSETS					
<i>Current Assets</i>					
Cash and cash equivalents	\$ -	\$ 27,772	\$ 169,386	\$ -	\$ 1,925
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	44,642	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 27,772</u>	<u>\$ 169,386</u>	<u>\$ 44,642</u>	<u>\$ 1,925</u>
LIABILITIES AND FUND BALANCES					
<i>Current Liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Interfund payables	-	-	-	44,642	-
Deferred revenue - property taxes	-	-	-	-	-
Deferred revenue - other	-	27,772	169,386	-	1,925
<i>Total liabilities</i>	<u>-</u>	<u>27,772</u>	<u>169,386</u>	<u>44,642</u>	<u>1,925</u>
<i>Fund balances</i>					
Fund Balance:					
Reserved:					
Reserved for inventory	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-
Unreserved:					
Designated for subsequent year's expenditures	-	-	-	-	-
Undesignated, reported in					
General Fund	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 27,772</u>	<u>\$ 169,386</u>	<u>\$ 44,642</u>	<u>\$ 1,925</u>

Comm Prosec/ Proj Safe Neighborhoods 25113	Community Technology Centers 25125	Title XX Health & Social Services 25129	Johnson O'Malley 25131	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153
\$ 1,899	\$ -	\$ 193,287	\$ -	\$ -	\$ -	\$ 5,354,630
-	-	-	-	-	-	-
-	-	-	48,673	100,061	18,123	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,899</u>	<u>\$ -</u>	<u>\$ 193,287</u>	<u>\$ 48,673</u>	<u>\$ 100,061</u>	<u>\$ 18,123</u>	<u>\$ 5,354,630</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	48,673	100,061	18,123	-
-	-	-	-	-	-	-
1,899	-	193,287	-	-	-	-
<u>1,899</u>	<u>-</u>	<u>193,287</u>	<u>48,673</u>	<u>100,061</u>	<u>18,123</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	5,354,630
-	-	-	-	-	-	5,354,630
<u>\$ 1,899</u>	<u>\$ -</u>	<u>\$ 193,287</u>	<u>\$ 48,673</u>	<u>\$ 100,061</u>	<u>\$ 18,123</u>	<u>\$ 5,354,630</u>

	Career Access Program NSF 25158	APS Sentry 25164	Magnet School Asst. 25180	Indian Ed Formula Grant 25184	Title V Indian Health Care Imprv Act 25209
ASSETS					
<i>Current Assets</i>					
Cash and cash equivalents	\$ -	\$ -	\$ 100,768	\$ 137,951	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	47,165	13,917	-	-	54,849
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>\$ 47,165</u>	<u>\$ 13,917</u>	<u>\$ 100,768</u>	<u>\$ 137,951</u>	<u>\$ 54,849</u>
LIABILITIES AND FUND BALANCES					
<i>Current Liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Interfund payables	47,165	13,917	-	-	54,849
Deferred revenue - property taxes	-	-	-	-	-
Deferred revenue - other	-	-	100,768	137,951	-
<i>Total liabilities</i>	<u>47,165</u>	<u>13,917</u>	<u>100,768</u>	<u>137,951</u>	<u>54,849</u>
<i>Fund balances</i>					
Fund Balance:					
Reserved:					
Reserved for inventory	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-
Unreserved:					
Designated for subsequent year's expenditures	-	-	-	-	-
Undesignated, reported in					
General Fund	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 47,165</u>	<u>\$ 13,917</u>	<u>\$ 100,768</u>	<u>\$ 137,951</u>	<u>\$ 54,849</u>

Prof Dev: Training for all Teachers 25213	Smaller Learning Communities 25217	Ctr Disease Control/Prev Tech Asst 25222	After School Learning Centers 25224	FTE Earmark Grant 25225	Substance Abuse & Mental Health Ser 25238	Incentive Program 25242
\$ 53,086	\$ -	\$ 44,620	\$ -	\$ -	\$ -	\$ 68,367
-	-	-	-	-	-	-
-	114,893	-	-	13,840	1,397	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 53,086</u>	<u>\$ 114,893</u>	<u>\$ 44,620</u>	<u>\$ -</u>	<u>\$ 13,840</u>	<u>\$ 1,397</u>	<u>\$ 68,367</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	114,893	-	-	13,840	1,397	-
-	-	-	-	-	-	-
53,086	-	44,620	-	-	-	68,367
<u>53,086</u>	<u>114,893</u>	<u>44,620</u>	<u>-</u>	<u>13,840</u>	<u>1,397</u>	<u>68,367</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 53,086</u>	<u>\$ 114,893</u>	<u>\$ 44,620</u>	<u>\$ -</u>	<u>\$ 13,840</u>	<u>\$ 1,397</u>	<u>\$ 68,367</u>

	Community Mental Health Services 25244	ENLACE UNM 26103	Bill & Melinda Gates Foundation 26104	LANL Foundation 26113	ABEC Job Mentor 26118
ASSETS					
<i>Current Assets</i>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Interfund receivables	-	-	-	-	-
Other	-	24,076	2,153	3,455	5,942
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 24,076</u>	<u>\$ 2,153</u>	<u>\$ 3,455</u>	<u>\$ 5,942</u>
LIABILITIES AND FUND BALANCES					
<i>Current Liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Interfund payables	-	35,588	2,153	3,027	1,412
Deferred revenue - property taxes	-	-	-	-	-
Deferred revenue - other	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>35,588</u>	<u>2,153</u>	<u>3,027</u>	<u>1,412</u>
<i>Fund balances</i>					
Fund Balance:					
Reserved:					
Reserved for inventory	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-
Unreserved:					
Designated for subsequent year's expenditures	-	-	-	-	-
Undesignated, reported in					
General Fund	-	-	-	-	-
Special Revenue Funds	-	(11,512)	-	428	4,530
<i>Total fund balances</i>	<u>-</u>	<u>(11,512)</u>	<u>-</u>	<u>428</u>	<u>4,530</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 24,076</u>	<u>\$ 2,153</u>	<u>\$ 3,455</u>	<u>\$ 5,942</u>

Wallace Foundation 26125	General Electric 26142	Corporation for Public Broadcasting 26161	National Association of School Nurses 26168	Technology for Education PED 27117	Obesity Program 27120	Physical Education Classes 27121
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	397,102	2,884	16,750
-	34,849	-	-	-	-	-
19,213	-	59,331	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 19,213</u>	<u>\$ 34,849</u>	<u>\$ 59,331</u>	<u>\$ -</u>	<u>\$ 397,102</u>	<u>\$ 2,884</u>	<u>\$ 16,750</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
50,126	-	19,851	3,130	663,488	2,516	943
-	-	-	-	-	-	-
-	85,000	-	-	-	-	-
<u>50,126</u>	<u>85,000</u>	<u>19,851</u>	<u>3,130</u>	<u>663,488</u>	<u>2,516</u>	<u>943</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(30,913)	(50,151)	39,480	(3,130)	(266,386)	368	15,807
<u>(30,913)</u>	<u>(50,151)</u>	<u>39,480</u>	<u>(3,130)</u>	<u>(266,386)</u>	<u>368</u>	<u>15,807</u>
<u>\$ 19,213</u>	<u>\$ 34,849</u>	<u>\$ 59,331</u>	<u>\$ -</u>	<u>\$ 397,102</u>	<u>\$ 2,884</u>	<u>\$ 16,750</u>

	Incentives for School Imprv Act 27138	Family & Youth Resource Pro 27140	Truancy Initiative 27141	Legis Appro Laws of NM 2004 27142	Legis Appro Laws of NM 2005 27144
ASSETS					
<i>Current Assets</i>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	72,566	-	-	213,408
Interfund receivables	221,019	-	-	19,900	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>\$ 221,019</u>	<u>\$ 72,566</u>	<u>\$ -</u>	<u>\$ 19,900</u>	<u>\$ 213,408</u>
LIABILITIES AND FUND BALANCES					
<i>Current Liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Interfund payables	-	484,681	27,824	-	186,879
Deferred revenue - property taxes	-	-	-	-	-
Deferred revenue - other	201,322	-	-	19,900	-
<i>Total liabilities</i>	<u>201,322</u>	<u>484,681</u>	<u>27,824</u>	<u>19,900</u>	<u>186,879</u>
<i>Fund balances</i>					
Fund Balance:					
Reserved:					
Reserved for inventory	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-
Unreserved:					
Designated for subsequent year's expenditures	-	-	-	-	-
Undesignated, reported in					
General Fund	-	-	-	-	-
Special Revenue Funds	19,697	(412,115)	(27,824)	-	26,529
<i>Total fund balances</i>	<u>19,697</u>	<u>(412,115)</u>	<u>(27,824)</u>	<u>-</u>	<u>26,529</u>
<i>Total liabilities and fund balances</i>	<u>\$ 221,019</u>	<u>\$ 72,566</u>	<u>\$ -</u>	<u>\$ 19,900</u>	<u>\$ 213,408</u>

Libraries GO Bonds Laws of 2004 27145	PreK Initiative 27149	Indian Education Act 27150	Beginning Teacher Mentoring Prg 27154	Reading Materials 27158	Legis Appro Laws of NM 2006 27160	Pre-K Start-up Costs 27161
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
610,063	48,253	41,607	125,527	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 610,063</u>	<u>\$ 48,253</u>	<u>\$ 41,607</u>	<u>\$ 125,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
133,888	74,277	66,841	179,834	2,688	120,600	7,528
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>133,888</u>	<u>74,277</u>	<u>66,841</u>	<u>179,834</u>	<u>2,688</u>	<u>120,600</u>	<u>7,528</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
476,175	(26,024)	(25,234)	(54,307)	(2,688)	(120,600)	(7,528)
<u>476,175</u>	<u>(26,024)</u>	<u>(25,234)</u>	<u>(54,307)</u>	<u>(2,688)</u>	<u>(120,600)</u>	<u>(7,528)</u>
<u>\$ 610,063</u>	<u>\$ 48,253</u>	<u>\$ 41,607</u>	<u>\$ 125,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	School Improvement Framework 27164	Graduation Reality & Dual Skills 28102	Nutrition Grant 28127	Juvenile Justice 28132	Office of Child Development CYFD 28170
ASSETS					
<i>Current Assets</i>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	4,051	57,000	-	-
Interfund receivables	-	-	-	21,489	11,934
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 4,051</u>	<u>\$ 57,000</u>	<u>\$ 21,489</u>	<u>\$ 11,934</u>
LIABILITIES AND FUND BALANCES					
<i>Current Liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Interfund payables	1,493	6,943	5,928	-	-
Deferred revenue - property taxes	-	-	-	-	-
Deferred revenue - other	-	-	-	21,489	11,934
<i>Total liabilities</i>	<u>1,493</u>	<u>6,943</u>	<u>5,928</u>	<u>21,489</u>	<u>11,934</u>
<i>Fund balances</i>					
Fund Balance:					
Reserved:					
Reserved for inventory	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Reserved for capital projects	-	-	-	-	-
Unreserved:					
Designated for subsequent year's expenditures	-	-	-	-	-
Undesignated, reported in					
General Fund	-	-	-	-	-
Special Revenue Funds	(1,493)	(2,892)	51,072	-	-
<i>Total fund balances</i>	<u>(1,493)</u>	<u>(2,892)</u>	<u>51,072</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 4,051</u>	<u>\$ 57,000</u>	<u>\$ 21,489</u>	<u>\$ 11,934</u>

Regional Quality Center 28180	Private Dir Grants (Categorical) 29102	City/County Grants 29107	Honeywell 29113	School Based Health Cntr 29130	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,287,336
-	-	-	-	-	-
23,894	-	-	-	-	7,295,548
-	-	-	1,422	116,728	816,691
-	157,812	994,231	-	-	1,266,213
-	-	-	-	-	-
<u>\$ 23,894</u>	<u>\$ 157,812</u>	<u>\$ 994,231</u>	<u>\$ 1,422</u>	<u>\$ 116,728</u>	<u>\$ 16,665,788</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
53,578	343,468	829,312	-	-	8,971,448
-	-	-	-	-	-
-	-	-	1,422	-	1,529,478
<u>53,578</u>	<u>343,468</u>	<u>829,312</u>	<u>1,422</u>	<u>-</u>	<u>10,500,926</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(29,684)	(185,656)	164,919	-	116,728	6,164,862
<u>(29,684)</u>	<u>(185,656)</u>	<u>164,919</u>	<u>-</u>	<u>116,728</u>	<u>6,164,862</u>
<u>\$ 23,894</u>	<u>\$ 157,812</u>	<u>\$ 994,231</u>	<u>\$ 1,422</u>	<u>\$ 116,728</u>	<u>\$ 16,665,788</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NON MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Athletics 22000	Competitive IDEA-B 24108	Preschool IDEA-B 24109	Hurricane Relief 24111	Education of Homeless 24113
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	-	5,245	392,268	148,761	73,140
Miscellaneous	718,920	-	-	-	-
Interest	61,018	-	-	-	-
<i>Total revenues</i>	<u>779,938</u>	<u>5,245</u>	<u>392,268</u>	<u>148,761</u>	<u>73,140</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	478,273	5,086	-	147,092	66,343
Support Services					
Students	-	-	387,687	-	6,073
Instruction	-	-	-	-	-
General Administration	-	159	4,581	1,669	724
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Other Support Services	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Service	-	-	-	-	-
Facilities, Materials, and Supplies	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
<i>Total expenditures</i>	<u>478,273</u>	<u>5,245</u>	<u>392,268</u>	<u>148,761</u>	<u>73,140</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>301,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>301,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>831,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Reclassification</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year (restated)</i>	<u>831,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 1,133,645</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Title V- Part A Innovative Ed Pro Strategies 24150	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154	Safe & Drug Free Schools & Comm. 24157	21st Century Community Living Centers 24159
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	330,393	695,234	6,588,015	302,845	1,306,537
Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total revenues</i>	<u>330,393</u>	<u>695,234</u>	<u>6,588,015</u>	<u>302,845</u>	<u>1,306,537</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	169,692	504,631	96,934	61,534	-
Support Services					
Students	152,545	123,149	6,351,920	236,000	336,587
Instruction	-	-	-	-	-
General Administration	8,156	18,389	139,161	5,311	14,170
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Other Support Services	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Service	-	49,065	-	-	955,780
Facilities, Materials, and Supplies	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
<i>Total expenditures</i>	<u>330,393</u>	<u>695,234</u>	<u>6,588,015</u>	<u>302,845</u>	<u>1,306,537</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Reclassification</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year (restated)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Title I School Improvement 24162	Refugee &Entrant Assistance 24165	School Renovation IDEA & Tech 24166	Reading First 24167	Carl D Perkins Secondary Current 24174	Carl D Perkins HSTW Current 24180	Bilingual Education 24209
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
690,906	-	-	481,267	889,242	55,114	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>690,906</u>	<u>-</u>	<u>-</u>	<u>481,267</u>	<u>889,242</u>	<u>55,114</u>	<u>-</u>
675,015	-	-	430,891	492,849	29,412	-
7,976	-	-	45,036	387,339	6,313	-
-	-	-	-	-	-	-
7,915	-	-	5,340	9,054	398	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>690,906</u>	<u>-</u>	<u>-</u>	<u>481,267</u>	<u>889,242</u>	<u>36,123</u>	<u>-</u>
-	-	-	-	-	18,991	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	18,991	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,991</u>	<u>\$ -</u>

	Professional Development 25104	Teaching American History 25107	Bilingual Ed/ Comp School Grants USDE 25109	Safe & Drug Free Schools 25111	Collaborative Research & Development 25112
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	-	273,783	-	494,550	1,204
Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>273,783</u>	<u>-</u>	<u>494,550</u>	<u>1,204</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	270,092	-	374	1,204
Support Services					
Students	-	-	-	488,661	-
Instruction	-	-	-	-	-
General Administration	-	3,691	-	5,515	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Other Support Services	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Service	-	-	-	-	-
Facilities, Materials and Supplies	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>273,783</u>	<u>-</u>	<u>494,550</u>	<u>1,204</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	-	-	-	-	-
<i>Reclassification</i>	-	-	-	-	-
<i>Fund balances - beginning of year (restated)</i>	-	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Comm Prosec/ Proj Safe Neighborhoods 25113	Title XX Health & Social Services 25125	Title XX Health & Social Services 25129	Johnson O'Malley 25131	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
41,857	-	494,949	180,815	84,924	19,962	2,682,100
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>41,857</u>	<u>-</u>	<u>494,949</u>	<u>180,815</u>	<u>84,924</u>	<u>19,962</u>	<u>2,682,100</u>
1,122	-	489,671	135,760	-	188	180,047
40,278	-	-	43,732	84,924	18,412	1,858,148.00
-	-	-	-	-	-	-
457	-	5,278	303	-	251	23,093
-	-	-	-	-	-	-
-	-	-	1,020	-	1,111	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>41,857</u>	<u>-</u>	<u>494,949</u>	<u>180,815</u>	<u>84,924</u>	<u>19,962</u>	<u>2,061,288</u>
-	-	-	-	-	-	620,812
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	620,812
-	-	-	-	-	-	-
-	-	-	-	-	-	4,733,818
-	-	-	-	-	-	4,733,818
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,354,630</u>

	Career Access Program NSF 25158	APS Sentry 25164	Magnet School Asst. 25180	Indian Ed Formula Grant 25184	Title V Indian Health Care Imprv Act 25209
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	55,897	13,917	-	1,023,458	-
Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total revenues</i>	<u>55,897</u>	<u>13,917</u>	<u>-</u>	<u>1,023,458</u>	<u>-</u>
<i>Expenditures:</i>					
Current:					
Instruction	27,118	-	-	878,010	-
Support Services					
Students	28,226	13,917	-	88,980	-
Instruction	-	-	-	-	-
General Administration	553	-	-	10,081	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	727	-
Student Transportation	-	-	-	-	-
Other Support Services	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Service	-	-	-	45,660	-
Facilities, Materials and Supplies	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
<i>Total expenditures</i>	<u>55,897</u>	<u>13,917</u>	<u>-</u>	<u>1,023,458</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Reclassification</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year (restated)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Community Mental Health Services 25244	ENLACE UNM 26103	Bill & Melinda Gates Foundation 26104	LANL Foundation 26113	ABEC Job Mentor 26118
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Federal grants	-	-	-	-	-
Miscellaneous	-	117,057	-	22,676	145,655
Interest	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>117,057</u>	<u>-</u>	<u>22,676</u>	<u>145,655</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	23,569	-	-	141,106
Support Services					
Students	-	105,000	-	22,005	19
Instruction	-	-	-	-	-
General Administration	-	-	-	243	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Other Support Services	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Service	-	-	-	-	-
Facilities, Materials and Supplies	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>128,569</u>	<u>-</u>	<u>22,248</u>	<u>141,125</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(11,512)</u>	<u>-</u>	<u>428</u>	<u>4,530</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>(11,512)</u>	<u>-</u>	<u>428</u>	<u>4,530</u>
<i>Fund balances - beginning of year</i>	-	-	-	-	-
<i>Reclassification</i>	-	-	-	-	-
<i>Fund balances - beginning of year (restated)</i>	-	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ (11,512)</u>	<u>\$ -</u>	<u>\$ 428</u>	<u>\$ 4,530</u>

Wallace Foundation 26125	General Electric 26142	Corporation for Public Broadcasting 26161	National Association of School Nurses 26168	Technology for Education PED 27117	Obesity Program 27120	Physical Education Classes 27121
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	1,014,364	8,204	15,807
-	-	-	-	-	-	-
9,568	9,774	180,380	15,555	-	-	-
-	-	-	-	-	-	-
<u>9,568</u>	<u>9,774</u>	<u>180,380</u>	<u>15,555</u>	<u>1,014,364</u>	<u>8,204</u>	<u>15,807</u>
-	18,546	-	-	10,101	7,748	-
40,000	40,640	140,900	18,685	1,255,268	-	-
-	-	-	-	-	-	-
481	739	-	-	15,381	88	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>40,481</u>	<u>59,925</u>	<u>140,900</u>	<u>18,685</u>	<u>1,280,750</u>	<u>7,836</u>	<u>-</u>
<u>(30,913)</u>	<u>(50,151)</u>	<u>39,480</u>	<u>(3,130)</u>	<u>(266,386)</u>	<u>368</u>	<u>15,807</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(30,913)</u>	<u>(50,151)</u>	<u>39,480</u>	<u>(3,130)</u>	<u>(266,386)</u>	<u>368</u>	<u>15,807</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ (30,913)</u>	<u>\$ (50,151)</u>	<u>\$ 39,480</u>	<u>\$ (3,130)</u>	<u>\$ (266,386)</u>	<u>\$ 368</u>	<u>\$ 15,807</u>

	Incentives for School Imprv Act 27138	Family & Youth Resource Pro 27140	Truancy Initiative 27141	Legis Appro Laws of NM 2004 27142	Legis Appro Laws of NM 2005 27144
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	372,527	125,510	-	-	183,167
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total revenues</i>	<u>372,527</u>	<u>125,510</u>	<u>-</u>	<u>-</u>	<u>183,167</u>
<i>Expenditures:</i>					
Current:					
Instruction	352,830	54,610	-	-	132,185
Support Services					
Students	-	477,341	27,824	-	22,702
Instruction	-	-	-	-	-
General Administration	-	5,674	-	-	1,751
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Other Support Services	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Service	-	-	-	-	-
Facilities, Materials, and Supplies	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
<i>Total expenditures</i>	<u>352,830</u>	<u>537,625</u>	<u>27,824</u>	<u>-</u>	<u>156,638</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>19,697</u>	<u>(412,115)</u>	<u>(27,824)</u>	<u>-</u>	<u>26,529</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>19,697</u>	<u>(412,115)</u>	<u>(27,824)</u>	<u>-</u>	<u>26,529</u>
<i>Fund balances - beginning of year</i>	-	-	-	-	-
<i>Reclassification</i>	-	-	-	-	-
<i>Fund balances - beginning of year (restated)</i>	-	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ 19,697</u>	<u>\$ (412,115)</u>	<u>\$ (27,824)</u>	<u>\$ -</u>	<u>\$ 26,529</u>

Libraries GO Bonds Laws of 2004 27145	PreK Initiative 27149	Indian Education Act 27150	Beginning Teacher Mentoring Prg 27154	Reading Materials 27158	Legis Appro Laws of NM 2006 27160	Pre-K Start-up Costs 27161
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,516,143	85,206	17,078	58,519	194,102	65,143	-
-	-	-	-	-	-	-
-	2	-	-	-	7,493	-
-	-	-	-	-	-	-
<u>1,516,143</u>	<u>85,208</u>	<u>17,078</u>	<u>58,519</u>	<u>194,102</u>	<u>72,636</u>	<u>-</u>
-	109,894	-	111,595	194,467	191,906	-
1,029,535	-	-	-	-	-	7,528
-	-	-	-	-	-	-
10,433	1,338	1,334	1,231	2,323	1,330	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	40,978	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,039,968</u>	<u>111,232</u>	<u>42,312</u>	<u>112,826</u>	<u>196,790</u>	<u>193,236</u>	<u>7,528</u>
<u>476,175</u>	<u>(26,024)</u>	<u>(25,234)</u>	<u>(54,307)</u>	<u>(2,688)</u>	<u>(120,600)</u>	<u>(7,528)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>476,175</u>	<u>(26,024)</u>	<u>(25,234)</u>	<u>(54,307)</u>	<u>(2,688)</u>	<u>(120,600)</u>	<u>(7,528)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 476,175</u>	<u>\$ (26,024)</u>	<u>\$ (25,234)</u>	<u>\$ (54,307)</u>	<u>\$ (2,688)</u>	<u>\$ (120,600)</u>	<u>\$ (7,528)</u>

	School Improvement Framework 27164	Graduation Reality & Dual Skills 28102	Nutrition Grant 28127	Juvenile Justice 28132	Office of Child Development CYFD 28170
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	1	51,072	-	-
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1</u>	<u>51,072</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>					
Current:					
Instruction	-	2,893	-	-	-
Support Services					
Students	1,493	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Other Support Services	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Community Service	-	-	-	-	-
Facilities, Materials, and Supplies	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
<i>Total expenditures</i>	<u>1,493</u>	<u>2,893</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,493)</u>	<u>(2,892)</u>	<u>51,072</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
Proceeds from bond issues	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(1,493)</u>	<u>(2,892)</u>	<u>51,072</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	-	-	-	-	-
<i>Reclassification</i>	-	-	-	-	-
<i>Fund balances - beginning of year (restated)</i>	-	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ (1,493)</u>	<u>\$ (2,892)</u>	<u>\$ 51,072</u>	<u>\$ -</u>	<u>\$ -</u>

Regional Quality Center 28180	Private Dir Grants (Categorical) 29102	City/County Grants 29107	Honeywell 29113	School Based Health Cntr 29130	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
73,933	-	-	-	-	3,780,776
-	-	-	-	-	19,564,469
1	15,763	2,414,677	-	125,000	3,782,521
-	-	-	-	-	61,018
<u>73,934</u>	<u>15,763</u>	<u>2,414,677</u>	<u>-</u>	<u>125,000</u>	<u>27,188,784</u>
-	34,784	662,600	-	-	8,358,386
102,695	164,255	288,123	-	-	15,487,596
-	-	-	-	-	-
923	2,380	757	-	-	342,847
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,858
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,298,278	-	-	2,389,761
-	-	-	-	8,272	8,272
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>103,618</u>	<u>201,419</u>	<u>2,249,758</u>	<u>-</u>	<u>8,272</u>	<u>26,589,720</u>
<u>(29,684)</u>	<u>(185,656)</u>	<u>164,919</u>	<u>-</u>	<u>116,728</u>	<u>599,064</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(29,684)</u>	<u>(185,656)</u>	<u>164,919</u>	<u>-</u>	<u>116,728</u>	<u>599,064</u>
-	-	-	-	-	831,980
-	-	-	-	-	4,733,818
-	-	-	-	-	5,565,798
<u>\$ (29,684)</u>	<u>\$ (185,656)</u>	<u>\$ 164,919</u>	<u>\$ -</u>	<u>\$ 116,728</u>	<u>\$ 6,164,862</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
ATHLETICS SPECIAL REVENUE FUND (22000)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-3

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	698,996	698,996	718,920	19,924
Interest	-	-	61,018	61,018
<i>Total revenues</i>	698,996	698,996	779,938	80,942
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,028,996	1,530,976	478,273	1,052,703
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,028,996	1,530,976	478,273	1,052,703
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(330,000)	(831,980)	301,665	1,133,645
<i>Other financing sources (uses):</i>				
Designated cash	330,000	831,980	-	(831,980)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	330,000	831,980	-	(831,980)
<i>Net changes in fund balances</i>	-	-	301,665	301,665
<i>Fund balances - beginning of year</i>	-	-	831,980	831,980
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1,133,645	\$ 1,133,645
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 301,665	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
COMPETITIVE IDEA-B SPECIAL REVENUE FUND (24108)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-4

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	10,679	119,735	109,056
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	10,679	119,735	109,056
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	10,679	5,086	5,593
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	159	(159)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	10,679	5,245	5,434
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	114,490	114,490
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	114,490	114,490
<i>Fund balances - beginning of year</i>	-	-	(105,313)	(105,313)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 9,177	\$ 9,177
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(114,490)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ -	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
PRESCHOOL IDEA-B SPECIAL REVENUE FUND (24109)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-5

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	419,098	886,591	1,042,788	156,197
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	419,098	886,591	1,042,788	156,197
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	409,777	458,172	409,758	48,414
Instruction	-	-	-	-
General Administration	9,321	9,321	4,581	4,740
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	419,098	467,493	414,339	53,154
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	419,098	628,449	209,351
<i>Other financing sources (uses):</i>				
Designated cash	-	(419,098)	-	419,098
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	(419,098)	-	419,098
<i>Net changes in fund balances</i>	-	-	628,449	628,449
<i>Fund balances - beginning of year</i>	-	-	(739,531)	(739,531)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (111,082)	\$ (111,082)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(650,520)	
Adjustments to expenditures			22,071	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
HURRICANE RELIEF SPECIAL REVENUE FUND (24111)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-6

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	261,500	261,499	(1)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	261,500	261,499	(1)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	255,860	147,092	108,768
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	5,640	1,669	3,971
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	261,500	148,761	112,739
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	112,738	112,738
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	112,738	112,738
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 112,738	\$ 112,738
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(112,738)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
EDUCATION OF HOMELESS SPECIAL REVENUE FUND (24113)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-7

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	74,000	98,975	24,975
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	74,000	98,975	24,975
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	66,343	66,343	-
Support Services				
Students	-	7,657	6,073	1,584
Instruction	-	-	-	-
General Administration	-	-	724	(724)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	74,000	73,140	860
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	25,835	25,835
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	25,835	25,835
<i>Fund balances - beginning of year</i>	-	-	(25,835)	(25,835)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(25,835)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

STATE OF NEW MEXICO

Statement A-8

ALBUQUERQUE PUBLIC SCHOOLS

MATHEMATICS & SCIENCE PARTNERSHIPS SPECIAL REVENUE FUND (24117)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	78,883	77,248	(1,635)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>78,883</u>	<u>77,248</u>	<u>(1,635)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	77,147	55,491	21,656
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	1,736	635	1,101
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>78,883</u>	<u>56,126</u>	<u>22,757</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>21,122</u>	<u>21,122</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>21,122</u>	<u>21,122</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(71,223)</u>	<u>(71,223)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,101)</u>	<u>\$ (50,101)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(21,122)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
CARL PERKINS VOCATIONAL TECH SPECIAL REVENUE FUND (24119)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-9

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	598,545	598,545
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	598,545	598,545
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	598,545	598,545
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	598,545	598,545
<i>Fund balances - beginning of year</i>	-	-	(495,050)	(495,050)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 103,495	\$ 103,495
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(598,545)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

STATE OF NEW MEXICO

Statement A-10

ALBUQUERQUE PUBLIC SCHOOLS

PARTNERSHIPS IN CHARTER EDUCATION PILOT SPECIAL REVENUE FUND (24129)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	438,850	697,137	258,287
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>438,850</u>	<u>697,137</u>	<u>258,287</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	105,247	101,671	3,576
Support Services				
Students	-	-	301,331	(301,331)
Instruction	-	-	-	-
General Administration	-	333,603	4,473	329,130
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>438,850</u>	<u>407,475</u>	<u>31,375</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>289,662</u>	<u>289,662</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>289,662</u>	<u>289,662</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(702,642)</u>	<u>(702,642)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (412,980)</u>	<u>\$ (412,980)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(289,662)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-11

ALBUQUERQUE PUBLIC SCHOOLS

ENHANCING EDUCATION THROUGH TECHNOLOGY SPECIAL REVENUE FUND (24133)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	262,475	768,249	505,774
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>262,475</u>	<u>768,249</u>	<u>505,774</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	77,244	(77,244)
Instruction	-	-	-	-
General Administration	-	262,475	3,424	259,051
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>262,475</u>	<u>80,668</u>	<u>181,807</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>687,581</u>	<u>687,581</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>687,581</u>	<u>687,581</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(596,542)</u>	<u>(596,542)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,039</u>	<u>\$ 91,039</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(687,581)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
COMPREHENSIVE SCHOOL REFORM SPECIAL REVENUE FUND (24135)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-12

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	623,571	770,348	146,777
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>623,571</u>	<u>770,348</u>	<u>146,777</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	610,844	509,473	101,371
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	12,727	7,077	5,650
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>623,571</u>	<u>516,550</u>	<u>107,021</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>253,798</u>	<u>253,798</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>253,798</u>	<u>253,798</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(516,453)</u>	<u>(516,453)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (262,655)</u>	<u>\$ (262,655)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(253,798)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
ELL TITLE III INCENTIVES SPECIAL REVENUE FUND (24143)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-13

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	9,708	41,299	31,591
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	9,708	41,299	31,591
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	9,579	-	9,579
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	129	-	129
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	9,708	-	9,708
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	41,299	41,299
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	41,299	41,299
<i>Fund balances - beginning of year</i>	-	-	(39,008)	(39,008)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,291	\$ 2,291
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(41,299)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

STATE OF NEW MEXICO

Statement A-14

ALBUQUERQUE PUBLIC SCHOOLS

ENHANCING EDUCATION THROUGH TECHNOLOGY (E2T2) SPECIAL REVENUE FUND (24149)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	25,000	181,002	156,002
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>25,000</u>	<u>181,002</u>	<u>156,002</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	24,225	24,135	90
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	775	494	281
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>25,000</u>	<u>24,629</u>	<u>371</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>156,373</u>	<u>156,373</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>156,373</u>	<u>156,373</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(201,987)</u>	<u>(201,987)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (45,614)</u>	<u>\$ (45,614)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(156,373)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-15

ALBUQUERQUE PUBLIC SCHOOLS

TITLE V-PART A INNOVATIVE ED PRO STRATEGIES SPECIAL REVENUE FUND (24150)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	128,620	380,982	727,761	346,779
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>128,620</u>	<u>380,982</u>	<u>727,761</u>	<u>346,779</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	120,847	103,922	169,692	(65,770)
Support Services				
Students	-	-	152,545	(152,545)
Instruction	-	-	-	-
General Administration	7,773	277,060	8,156	268,904
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>128,620</u>	<u>380,982</u>	<u>330,393</u>	<u>50,589</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>397,368</u>	<u>397,368</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>397,368</u>	<u>397,368</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(477,774)</u>	<u>(477,774)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (80,406)</u>	<u>\$ (80,406)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(397,368)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
ENGLISH LANGUAGE ACQUISITION SPECIAL REVENUE FUND (24153)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-16

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	1,009,944	1,352,769	2,242,750	889,981
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,009,944</u>	<u>1,352,769</u>	<u>2,242,750</u>	<u>889,981</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	732,986	1,011,602	504,631	506,971
Support Services				
Students	233,774	293,439	123,149	170,290
Instruction	-	-	-	-
General Administration	43,184	47,728	18,389	29,339
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	49,065	(49,065)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,009,944</u>	<u>1,352,769</u>	<u>695,234</u>	<u>657,535</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,547,516</u>	<u>1,547,516</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,547,516</u>	<u>1,547,516</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,008,426)</u>	<u>(2,008,426)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (460,910)</u>	<u>\$ (460,910)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(1,547,516)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-17

ALBUQUERQUE PUBLIC SCHOOLS

TEACHER / PRINCIPAL TRAINING / RECRUITING SPECIAL REVENUE FUND (24154)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	5,093,690	8,050,073	10,908,982	2,858,909
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>5,093,690</u>	<u>8,050,073</u>	<u>10,908,982</u>	<u>2,858,909</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	65,289	174,373	96,934	77,439
Support Services				
Students	4,818,540	7,607,301	6,351,920	1,255,381
Instruction	-	-	-	-
General Administration	209,861	268,399	139,161	129,238
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,093,690</u>	<u>8,050,073</u>	<u>6,588,015</u>	<u>1,462,058</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>4,320,967</u>	<u>4,320,967</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>4,320,967</u>	<u>4,320,967</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,462,975)</u>	<u>(5,462,975)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,142,008)</u>	<u>\$ (1,142,008)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(4,320,967)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-18

ALBUQUERQUE PUBLIC SCHOOLS

SAFE & DRUG FREE SCHOOLS & COMMUNITY SPECIAL REVENUE FUND (24157)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	497,333	497,333	1,314,767	817,434
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>497,333</u>	<u>497,333</u>	<u>1,314,767</u>	<u>817,434</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	106,747	113,589	61,534	52,055
Support Services				
Students	366,515	359,675	236,000	123,675
Instruction	-	-	-	-
General Administration	24,071	24,069	5,311	18,758
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>497,333</u>	<u>497,333</u>	<u>302,845</u>	<u>194,488</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1,011,922</u>	<u>1,011,922</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1,011,922</u>	<u>1,011,922</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,132,412)</u>	<u>(1,132,412)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (120,490)</u>	<u>\$ (120,490)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(1,011,922)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-19

ALBUQUERQUE PUBLIC SCHOOLS

21ST CENTURY COMMUNITY LIVING CENTERS SPECIAL REVENUE FUND (24159)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	1,234,531	1,596,254	498,167	(1,098,087)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,234,531</u>	<u>1,596,254</u>	<u>498,167</u>	<u>(1,098,087)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	336,588	336,588	336,587	1
Instruction	-	-	-	-
General Administration	26,935	35,165	14,170	20,995
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	871,008	1,224,464	955,780	268,684
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,234,531</u>	<u>1,596,217</u>	<u>1,306,537</u>	<u>289,680</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>37</u>	<u>(808,370)</u>	<u>(808,407)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	(37)	-	37
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(37)</u>	<u>-</u>	<u>37</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(808,370)</u>	<u>(808,370)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>776,812</u>	<u>776,812</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (31,558)</u>	<u>\$ (31,558)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			808,370	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
TITLE I SCHOOL IMPROVEMENT SPECIAL REVENUE FUND (24162)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-20

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	731,957	823,051	91,094
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>731,957</u>	<u>823,051</u>	<u>91,094</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	679,990	675,015	4,975
Support Services				
Students	-	50,892	7,976	42,916
Instruction	-	-	-	-
General Administration	-	-	7,915	(7,915)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>730,882</u>	<u>690,906</u>	<u>39,976</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>1,075</u>	<u>132,145</u>	<u>131,070</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	(1,075)	-	1,075
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(1,075)</u>	<u>-</u>	<u>1,075</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>132,145</u>	<u>132,145</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(888,316)</u>	<u>(888,316)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (756,171)</u>	<u>\$ (756,171)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(132,145)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
REFUGEE AND ENTRANT ASSISTANCE SPECIAL REVENUE FUND (24165)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-21

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	105	105
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>105</u>	<u>105</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>105</u>	<u>105</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>105</u>	<u>105</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(116,231)</u>	<u>(116,231)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (116,126)</u>	<u>\$ (116,126)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(105)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SCHOOL RENOVATION IDEA & TECH SPECIAL REVENUE FUND (24166)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-22

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	35,854	35,854
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>35,854</u>	<u>35,854</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>35,854</u>	<u>35,854</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>35,854</u>	<u>35,854</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,854</u>	<u>\$ 35,854</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(35,854)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
READING FIRST SPECIAL REVENUE FUND (24167)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-23

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	631,833	1,287,193	655,360
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	631,833	1,287,193	655,360
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	631,258	430,891	200,367
Support Services				
Students	-	-	45,036	(45,036)
Instruction	-	-	-	-
General Administration	-	-	5,340	(5,340)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	575	-	575
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	631,833	481,267	150,566
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	805,926	805,926
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	805,926	805,926
<i>Fund balances - beginning of year</i>	-	-	(1,876,546)	(1,876,546)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (1,070,620)	\$ (1,070,620)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(805,926)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

STATE OF NEW MEXICO

Statement A-24

ALBUQUERQUE PUBLIC SCHOOLS

CARL D. PERKINS SECONDARY - CURRENT SPECIAL REVENUE FUND (24174)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	1,069,132	1,069,132	861,765	(207,367)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>1,069,132</u>	<u>1,069,132</u>	<u>861,765</u>	<u>(207,367)</u>
<i>Expenditures:</i>				
Current:				
Instruction	582,805	582,005	492,849	89,156
Support Services				
Students	463,697	463,697	387,339	76,358
Instruction	-	-	-	-
General Administration	22,630	22,630	9,054	13,576
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,069,132</u>	<u>1,068,332</u>	<u>889,242</u>	<u>179,090</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>800</u>	<u>(27,477)</u>	<u>(28,277)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	(800)	-	800
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(800)</u>	<u>-</u>	<u>800</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(27,477)</u>	<u>(27,477)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(525,146)</u>	<u>(525,146)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (552,623)</u>	<u>\$ (552,623)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			27,477	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
CARL D PERKINS HSTW CURRENT SPECIAL REVENUE FUND (24182)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-25

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	40,000	40,000	55,114	15,114
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>40,000</u>	<u>40,000</u>	<u>55,114</u>	<u>15,114</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	28,500	32,807	29,412	3,395
Support Services				
Students	10,620	6,313	6,313	-
Instruction	-	-	-	-
General Administration	880	880	398	482
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>40,000</u>	<u>40,000</u>	<u>36,123</u>	<u>3,877</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>18,991</u>	<u>18,991</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>18,991</u>	<u>18,991</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(31,324)</u>	<u>(31,324)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,333)</u>	<u>\$ (12,333)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 18,991</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
BILINGUAL EDUCATION SPECIAL REVENUE FUND (24209)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-26

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
PROFESSIONAL DEVELOPMENT SPECIAL REVENUE FUND (25104)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-27

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
TEACHING AMERICAN HISTORY SPECIAL REVENUE FUND (25107)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-28

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	301,555	301,555
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>301,555</u>	<u>301,555</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	270,092	(270,092)
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	3,691	(3,691)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>273,783</u>	<u>(273,783)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>27,772</u>	<u>27,772</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>27,772</u>	<u>27,772</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,772</u>	<u>\$ 27,772</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(27,772)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-29

ALBUQUERQUE PUBLIC SCHOOLS

BILINGUAL ED/COMP SCHOOL GRANTS USDE SPECIAL REVENUE FUND (25109)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	199,008	199,008
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>199,008</u>	<u>199,008</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>199,008</u>	<u>199,008</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>199,008</u>	<u>199,008</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(29,614)</u>	<u>(29,614)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,394</u>	<u>\$ 169,394</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(199,008)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-30

ALBUQUERQUE PUBLIC SCHOOLS
SAFE & DRUG FREE SCHOOLS SPECIAL REVENUE FUND (25111)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	254,900	640,246	440,597	(199,649)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>254,900</u>	<u>640,246</u>	<u>440,597</u>	<u>(199,649)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	7,131	374	6,757
Support Services				
Students	249,307	618,672	488,661	130,011
Instruction	-	-	-	-
General Administration	5,593	14,443	5,515	8,928
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>254,900</u>	<u>640,246</u>	<u>494,550</u>	<u>145,696</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(53,953)</u>	<u>(53,953)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(53,953)</u>	<u>(53,953)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>9,312</u>	<u>9,312</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,641)</u>	<u>\$ (44,641)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			53,953	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-31

ALBUQUERQUE PUBLIC SCHOOLS

COLLABORATIVE RESEARCH & DEVELOPMENT SPECIAL REVENUE FUND (25112)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL

FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	1,500	1,647	147
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,500</u>	<u>1,647</u>	<u>147</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	1,500	1,204	296
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,500</u>	<u>1,204</u>	<u>296</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>443</u>	<u>443</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>443</u>	<u>443</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,483</u>	<u>1,483</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,926</u>	<u>\$ 1,926</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(443)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-32

ALBUQUERQUE PUBLIC SCHOOLS

COMM PROSEC/PROJ SAFE NEIGHBORHOODS SPECIAL REVENUE FUND (25113)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	42,125	61,930	156,747	94,817
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>42,125</u>	<u>61,930</u>	<u>156,747</u>	<u>94,817</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	3,877	3,871	1,122	2,749
Support Services				
Students	37,310	57,121	40,278	16,843
Instruction	-	-	-	-
General Administration	938	938	457	481
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>42,125</u>	<u>61,930</u>	<u>41,857</u>	<u>20,073</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>114,890</u>	<u>114,890</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>114,890</u>	<u>114,890</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(112,990)</u>	<u>(112,990)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,900</u>	<u>\$ 1,900</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(114,890)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
COMMUNITY TECHNOLOGY CENTERS SPECIAL REVENUE FUND (25125)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-33

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-34

ALBUQUERQUE PUBLIC SCHOOLS

TITLE XX HEALTH & SOCIAL SERVICES SPECIAL REVENUE FUND (25129)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	485,000	581,000	371,879	(209,121)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>485,000</u>	<u>581,000</u>	<u>371,879</u>	<u>(209,121)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	474,330	570,330	489,671	80,659
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	10,670	10,670	5,278	5,392
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>485,000</u>	<u>581,000</u>	<u>494,949</u>	<u>86,051</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(123,070)</u>	<u>(123,070)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(123,070)</u>	<u>(123,070)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>316,355</u>	<u>316,355</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,285</u>	<u>\$ 193,285</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			123,070	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
JOHNSON O'MALLEY SPECIAL REVENUE FUND (25131)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-35

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	187,325	198,199	55,969	(142,230)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>187,325</u>	<u>198,199</u>	<u>55,969</u>	<u>(142,230)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	147,956	152,817	135,760	17,057
Support Services				
Students	38,346	44,059	43,732	327
Instruction	-	-	-	-
General Administration	303	303	303	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	720	1,020	1,020	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>187,325</u>	<u>198,199</u>	<u>180,815</u>	<u>17,384</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(124,846)</u>	<u>(124,846)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(124,846)</u>	<u>(124,846)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>76,170</u>	<u>76,170</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,676)</u>	<u>\$ (48,676)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			124,846	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
IMPACT AID SPECIAL EDUCATION SPECIAL REVENUE FUND (25145)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-36

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	(463,968)	(463,968)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>(463,968)</u>	<u>(463,968)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	105,679	84,924	20,755
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>105,679</u>	<u>84,924</u>	<u>20,755</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(105,679)</u>	<u>(548,892)</u>	<u>(443,213)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	105,679	-	(105,679)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>105,679</u>	<u>-</u>	<u>(105,679)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(548,892)</u>	<u>(548,892)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>448,832</u>	<u>448,832</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (100,060)</u>	<u>\$ (100,060)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			548,892	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
IMPACT AID INDIAN EDUCATION SPECIAL REVENUE FUND (25147)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-37

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	53,013	55,478	(59,754)	(115,232)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	53,013	55,478	(59,754)	(115,232)
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	6,169	6,169	188	5,981
Support Services				
Students	44,171	46,636	18,412	28,224
Instruction	-	-	-	-
General Administration	1,173	1,173	251	922
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	1,500	1,500	1,111	389
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	53,013	55,478	19,962	35,516
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	(79,716)	(79,716)
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	(79,716)	(79,716)
<i>Fund balances - beginning of year</i>	-	-	61,593	61,593
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (18,123)	\$ (18,123)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			79,716	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
TITLE XIX MEDICAID 3/21 YEARS SPECIAL REVENUE FUND (25153)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-38

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	2,700,000	2,700,000	(2,059,679)	(4,759,679)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>2,700,000</u>	<u>2,700,000</u>	<u>(2,059,679)</u>	<u>(4,759,679)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	252,818	252,818	180,047	72,771
Support Services				
Students	2,389,011	2,389,011	1,858,148	530,863
Instruction	-	-	-	-
General Administration	58,171	58,171	23,093	35,078
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,700,000</u>	<u>2,700,000</u>	<u>2,061,288</u>	<u>638,712</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,120,967)</u>	<u>(4,120,967)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(4,120,967)</u>	<u>(4,120,967)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>9,475,598</u>	<u>9,475,598</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,354,631</u>	<u>\$ 5,354,631</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			4,741,779	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 620,812</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
CAREER ACCESS PROGRAM NSF SPECIAL REVENUE FUND (25158)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-39

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	46,747	191,972	176,089	(15,883)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>46,747</u>	<u>191,972</u>	<u>176,089</u>	<u>(15,883)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	45,785	73,901	27,118	46,783
Support Services				
Students	-	69,995	28,226	41,769
Instruction	-	-	-	-
General Administration	962	3,059	553	2,506
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>46,747</u>	<u>146,955</u>	<u>55,897</u>	<u>91,058</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>45,017</u>	<u>120,192</u>	<u>75,175</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	(45,017)	-	45,017
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(45,017)</u>	<u>-</u>	<u>45,017</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>120,192</u>	<u>120,192</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(167,357)</u>	<u>(167,357)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47,165)</u>	<u>\$ (47,165)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(120,192)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
APS SENTRY SPECIAL REVENUE FUND (25164)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-40

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	34,116	-	(34,116)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>34,116</u>	<u>-</u>	<u>(34,116)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	34,116	-	34,116
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>34,116</u>	<u>-</u>	<u>34,116</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(13,917)</u>	<u>(13,917)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,917)</u>	<u>\$ (13,917)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			13,917	
Adjustments to expenditures			<u>(13,917)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
MAGNET SCHOOLS ASSISTANCE SPECIAL REVENUE FUND (25180)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-41

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	(20,044)	(20,044)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>(20,044)</u>	<u>(20,044)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(20,044)</u>	<u>(20,044)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(20,044)</u>	<u>(20,044)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>120,812</u>	<u>120,812</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,768</u>	<u>\$ 100,768</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			20,044	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
INDIAN ED FORMULA SPECIAL REVENUE FUND (25184)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-42

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	115,268	1,117,109	719,504	(397,605)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>115,268</u>	<u>1,117,109</u>	<u>719,504</u>	<u>(397,605)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	65,986	970,208	878,010	92,198
Support Services				
Students	12,000	111,911	88,980	22,931
Instruction	-	-	-	-
General Administration	-	-	10,081	(10,081)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	1,002	727	275
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	37,282	33,988	45,660	(11,672)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>115,268</u>	<u>1,117,109</u>	<u>1,023,458</u>	<u>93,651</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(303,954)</u>	<u>(303,954)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(303,954)</u>	<u>(303,954)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>441,905</u>	<u>441,905</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,951</u>	<u>\$ 137,951</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			303,954	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-43

ALBUQUERQUE PUBLIC SCHOOLS

TITLE V INDIAN HEALTH CARE IMPROVEMENT SPECIAL REVENUE FUND (25209)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	(113,782)	(113,782)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>(113,782)</u>	<u>(113,782)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(113,782)</u>	<u>(113,782)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(113,782)</u>	<u>(113,782)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>58,933</u>	<u>58,933</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (54,849)</u>	<u>\$ (54,849)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			113,782	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-44

ALBUQUERQUE PUBLIC SCHOOLS

PROFESSIONAL DEVELOPMENT: TRAINING FOR ALL TEACHERS SPECIAL REVENUE FUND (25213)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	123,807	123,807	107,144	(16,663)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>123,807</u>	<u>123,807</u>	<u>107,144</u>	<u>(16,663)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	121,137	121,137	104,574	16,563
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	2,670	2,670	2,670	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>123,807</u>	<u>123,807</u>	<u>107,244</u>	<u>16,563</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(100)</u>	<u>(100)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(100)</u>	<u>(100)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(53,943)</u>	<u>(53,943)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (54,043)</u>	<u>\$ (54,043)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			100	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SMALLER LEARNING COMMUNITIES SPECIAL REVENUE FUND (25217)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-45

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	432,729	830,144	379,377	(450,767)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>432,729</u>	<u>830,144</u>	<u>379,377</u>	<u>(450,767)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	190,841	305,564	158,601	146,963
Support Services				
Students	232,554	506,673	267,770	238,903
Instruction	-	-	-	-
General Administration	9,334	17,907	5,103	12,804
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>432,729</u>	<u>830,144</u>	<u>431,474</u>	<u>398,670</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(52,097)</u>	<u>(52,097)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(52,097)</u>	<u>(52,097)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(62,796)</u>	<u>(62,796)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (114,893)</u>	<u>\$ (114,893)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			52,097	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-46

ALBUQUERQUE PUBLIC SCHOOLS

CENTER FOR DISEASE CONTROL & PREVENTION TECH ASST SPECIAL REVENUE FUND (25222)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	233,900	383,897	217,448	(166,449)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>233,900</u>	<u>383,897</u>	<u>217,448</u>	<u>(166,449)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	5,652	16,153	7,054	9,099
Support Services				
Students	223,082	359,547	262,364	97,183
Instruction	-	-	-	-
General Administration	5,166	8,197	2,976	5,221
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>233,900</u>	<u>383,897</u>	<u>272,394</u>	<u>111,503</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(54,946)</u>	<u>(54,946)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(54,946)</u>	<u>(54,946)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>99,568</u>	<u>99,568</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,622</u>	<u>\$ 44,622</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			54,946	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
AFTER SCHOOL LEARNING CENTERS SPECIAL REVENUE FUND (25224)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-47

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	54,138	54,138
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>54,138</u>	<u>54,138</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>54,138</u>	<u>54,138</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>54,138</u>	<u>54,138</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(27,069)</u>	<u>(27,069)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,069</u>	<u>\$ 27,069</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(54,138)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
FTE EARMARK GRANT SPECIAL REVENUE FUND (25225)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-48

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	231,368	241,223	376,135	134,912
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>231,368</u>	<u>241,223</u>	<u>376,135</u>	<u>134,912</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	214,242	223,884	205,505	18,379
Support Services				
Students	10,135	10,135	10,135	-
Instruction	-	-	-	-
General Administration	6,991	7,204	3,987	3,217
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>231,368</u>	<u>241,223</u>	<u>219,627</u>	<u>21,596</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>156,508</u>	<u>156,508</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>156,508</u>	<u>156,508</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(170,348)</u>	<u>(170,348)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,840)</u>	<u>\$ (13,840)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(156,508)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-49

ALBUQUERQUE PUBLIC SCHOOLS

SUBSTANCE ABUSE & MENTAL HEALTH SERVICES SPECIAL REVENUE FUND (25238)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	145,755	124,791	196,543	71,752
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>145,755</u>	<u>124,791</u>	<u>196,543</u>	<u>71,752</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	142,513	121,549	118,836	2,713
Instruction	-	-	-	-
General Administration	3,242	3,242	1,336	1,906
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>145,755</u>	<u>124,791</u>	<u>120,172</u>	<u>4,619</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>76,371</u>	<u>76,371</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>76,371</u>	<u>76,371</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(77,768)</u>	<u>(77,768)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,397)</u>	<u>\$ (1,397)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(76,371)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
INCENTIVE PROGRAM SPECIAL REVENUE FUND (25242)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-50

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	1,934	(17,607)	(19,541)
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,934</u>	<u>(17,607)</u>	<u>(19,541)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	1,896	1,710	186
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	38	17	21
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,934</u>	<u>1,727</u>	<u>207</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(19,334)</u>	<u>(19,334)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(19,334)</u>	<u>(19,334)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(16,254)</u>	<u>(16,254)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (35,588)</u>	<u>\$ (35,588)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			19,334	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO

Statement A-51

ALBUQUERQUE PUBLIC SCHOOLS

COMMUNITY MENTAL HEALTH SERVICES SPECIAL REVENUE FUND (25244)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
ENLACE UNM SPECIAL REVENUE FUND (26103)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-52

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	90,000	117,056	27,056
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>90,000</u>	<u>117,056</u>	<u>27,056</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	24,485	23,569	916
Support Services				
Students	-	65,515	105,000	(39,485)
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>90,000</u>	<u>128,569</u>	<u>(38,569)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(11,513)</u>	<u>(11,513)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(11,513)</u>	<u>(11,513)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>9,360</u>	<u>9,360</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,153)</u>	<u>\$ (2,153)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (11,512)</u>	

STATE OF NEW MEXICO

Statement A-53

ALBUQUERQUE PUBLIC SCHOOLS

BILL & MELINDA GATES FOUNDATION SPECIAL REVENUE FUND (26104)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
LANL FOUNDATION SPECIAL REVENUE FUND (26113)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-54

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	22,676	22,676	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>22,676</u>	<u>22,676</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	22,676	22,005	671
Instruction	-	-	-	-
General Administration	-	-	243	(243)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>22,676</u>	<u>22,248</u>	<u>428</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>428</u>	<u>428</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>428</u>	<u>428</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,455)</u>	<u>(3,455)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,027)</u>	<u>\$ (3,027)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 428</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
ABEC JOB MENTOR SPECIAL REVENUE FUND (26118)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-55

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	155,455	155,455	145,656	(9,799)
Interest	-	-	-	-
<i>Total revenues</i>	<u>155,455</u>	<u>155,455</u>	<u>145,656</u>	<u>(9,799)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	154,132	154,124	141,106	13,018
Support Services				
Students	1,323	1,331	19	1,312
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>155,455</u>	<u>155,455</u>	<u>141,125</u>	<u>14,330</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>4,531</u>	<u>4,531</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>4,531</u>	<u>4,531</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(5,943)</u>	<u>(5,943)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,412)</u>	<u>\$ (1,412)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(1)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 4,530</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
WALLACE FOUNDATION SPECIAL REVENUE FUND (26125)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-56

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	80,000	9,567	(70,433)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>80,000</u>	<u>9,567</u>	<u>(70,433)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	80,000	40,000	40,000
Instruction	-	-	-	-
General Administration	-	-	481	(481)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>80,000</u>	<u>40,481</u>	<u>39,519</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(30,914)</u>	<u>(30,914)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(30,914)</u>	<u>(30,914)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(19,212)</u>	<u>(19,212)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,126)</u>	<u>\$ (50,126)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (30,913)</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
GENERAL ELECTRIC SPECIAL REVENUE FUND (26142)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-57

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	145,444	176,611	9,774	(166,837)
Interest	-	-	-	-
<i>Total revenues</i>	<u>145,444</u>	<u>176,611</u>	<u>9,774</u>	<u>(166,837)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	64,255	64,255	18,546	45,709
Support Services				
Students	78,300	108,793	40,640	68,153
Instruction	-	-	-	-
General Administration	2,889	3,563	739	2,824
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>145,444</u>	<u>176,611</u>	<u>59,925</u>	<u>116,686</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(50,151)</u>	<u>(50,151)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(50,151)</u>	<u>(50,151)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>85,000</u>	<u>85,000</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,849</u>	<u>\$ 34,849</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (50,151)</u>	

STATE OF NEW MEXICO

Statement A-58

ALBUQUERQUE PUBLIC SCHOOLS

CORPORATION FOR PUBLIC BROADCASTING SPECIAL REVENUE FUND (26161)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	118,149	315,392	180,380	(135,012)
Interest	-	-	-	-
<i>Total revenues</i>	<u>118,149</u>	<u>315,392</u>	<u>180,380</u>	<u>(135,012)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	118,149	315,392	140,900	174,492
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>118,149</u>	<u>315,392</u>	<u>140,900</u>	<u>174,492</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>39,480</u>	<u>39,480</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>39,480</u>	<u>39,480</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(59,331)</u>	<u>(59,331)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,851)</u>	<u>\$ (19,851)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 39,480</u>	

STATE OF NEW MEXICO

Statement A-59

ALBUQUERQUE PUBLIC SCHOOLS

NATIONAL ASSOCIATION OF SCHOOL NURSES SPECIAL REVENUE FUND (26168)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	43,292	15,554	(27,738)
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>43,292</u>	<u>15,554</u>	<u>(27,738)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	43,292	18,685	24,607
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>43,292</u>	<u>18,685</u>	<u>24,607</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,131)</u>	<u>(3,131)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(3,131)</u>	<u>(3,131)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,130)</u>	<u>\$ (3,130)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (3,130)</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
TECHNOLOGY FOR EDUCATION SPECIAL REVENUE FUND (27117)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-60

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	2,486,775	1,014,365	(1,472,410)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>2,486,775</u>	<u>1,014,365</u>	<u>(1,472,410)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	270,735	10,101	260,634
Support Services				
Students	-	2,576,040	1,255,268	1,320,772
Instruction	-	-	-	-
General Administration	-	-	15,381	(15,381)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,846,775</u>	<u>1,280,750</u>	<u>1,566,025</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(360,000)</u>	<u>(266,385)</u>	<u>93,615</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	360,000	-	(360,000)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>360,000</u>	<u>-</u>	<u>(360,000)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(266,385)</u>	<u>(266,385)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(397,103)</u>	<u>(397,103)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (663,488)</u>	<u>\$ (663,488)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(1)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (266,386)</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
OBESITY PROGRAM SPECIAL REVENUE FUND (27120)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-61

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	10,000	8,204	(1,796)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>10,000</u>	<u>8,204</u>	<u>(1,796)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	9,780	7,748	2,032
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	220	88	132
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>10,000</u>	<u>7,836</u>	<u>2,164</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>368</u>	<u>368</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>368</u>	<u>368</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(2,884)</u>	<u>(2,884)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,516)</u>	<u>\$ (2,516)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 368</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
PHYSICAL EDUCATION CLASSES SPECIAL REVENUE FUND (27121)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-62

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	5,000	15,807	10,807
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	5,000	15,807	10,807
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	5,000	-	5,000
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	5,000	-	5,000
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	15,807	15,807
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	15,807	15,807
<i>Fund balances - beginning of year</i>	-	-	(16,750)	(16,750)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (943)	\$ (943)
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 15,807	

STATE OF NEW MEXICO

Statement A-63

ALBUQUERQUE PUBLIC SCHOOLS

INCENTIVES FOR SCHOOL IMPROVEMENT ACT SPECIAL REVENUE FUND (27138)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	632,707	372,527	(260,180)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>632,707</u>	<u>372,527</u>	<u>(260,180)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	632,707	352,830	279,877
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>632,707</u>	<u>352,830</u>	<u>279,877</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>19,697</u>	<u>19,697</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>19,697</u>	<u>19,697</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>201,322</u>	<u>201,322</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 221,019</u>	<u>\$ 221,019</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 19,697</u>	

STATE OF NEW MEXICO

Statement A-64

ALBUQUERQUE PUBLIC SCHOOLS

FAMILY & YOUTH RESOURCE PROGRAM SPECIAL REVENUE FUND (27140)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	565,425	125,511	(439,914)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>565,425</u>	<u>125,511</u>	<u>(439,914)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	60,608	54,610	5,998
Support Services				
Students	-	504,817	477,341	27,476
Instruction	-	-	-	-
General Administration	-	-	5,674	(5,674)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>565,425</u>	<u>537,625</u>	<u>27,800</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(412,114)</u>	<u>(412,114)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(412,114)</u>	<u>(412,114)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(72,567)</u>	<u>(72,567)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (484,681)</u>	<u>\$ (484,681)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(1)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (412,115)</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
TRUANCY INITIATIVE SPECIAL REVENUE FUND (27141)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-65

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	30,000	-	(30,000)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	30,000	27,824	2,176
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>30,000</u>	<u>27,824</u>	<u>2,176</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(27,824)</u>	<u>(27,824)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(27,824)</u>	<u>(27,824)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,824)</u>	<u>\$ (27,824)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (27,824)</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
 LEGIS APPRO LAWS OF NM 2004 SPECIAL REVENUE FUND (27142)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

Statement A-66

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>19,900</u>	<u>19,900</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,900</u>	<u>\$ 19,900</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
 LEGIS APPRO LAWS OF NM 2005 SPECIAL REVENUE FUND (27144)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

Statement A-67

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	200,000	183,166	(16,834)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>200,000</u>	<u>183,166</u>	<u>(16,834)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	171,195	132,185	39,010
Support Services				
Students	-	28,805	22,702	6,103
Instruction	-	-	-	-
General Administration	-	-	1,751	(1,751)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>200,000</u>	<u>156,638</u>	<u>43,362</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>26,528</u>	<u>26,528</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>26,528</u>	<u>26,528</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(213,407)</u>	<u>(213,407)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (186,879)</u>	<u>\$ (186,879)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 26,529</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
LIBRARY GO BONDS LAWS OF 2004 SPECIAL REVENUE FUND (27145)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-68

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	1,043,315	1,516,143	472,828
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,043,315</u>	<u>1,516,143</u>	<u>472,828</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	1,043,315	1,029,535	13,780
Instruction	-	-	-	-
General Administration	-	-	10,433	(10,433)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,043,315</u>	<u>1,039,968</u>	<u>3,347</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>476,175</u>	<u>476,175</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>476,175</u>	<u>476,175</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(610,063)</u>	<u>(610,063)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (133,888)</u>	<u>\$ (133,888)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 476,175</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
PREK INITIATIVE SPECIAL REVENUE FUND (27149)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-69

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	312,619	85,206	(227,413)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>312,619</u>	<u>85,206</u>	<u>(227,413)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	305,927	109,894	196,033
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	6,764	1,338	5,426
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>312,691</u>	<u>111,232</u>	<u>201,459</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(72)</u>	<u>(26,026)</u>	<u>(25,954)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	72	-	(72)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>72</u>	<u>-</u>	<u>(72)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(26,026)</u>	<u>(26,026)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(48,251)</u>	<u>(48,251)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (74,277)</u>	<u>\$ (74,277)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			2	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (26,024)</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
INDIAN EDUCATION ACT SPECIAL REVENUE FUND (27150)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-70

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	50,000	17,079	(32,921)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>50,000</u>	<u>17,079</u>	<u>(32,921)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	50,000	1,334	48,666
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	40,978	(40,978)
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>50,000</u>	<u>42,312</u>	<u>7,688</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(25,233)</u>	<u>(25,233)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(25,233)</u>	<u>(25,233)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(41,608)</u>	<u>(41,608)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (66,841)</u>	<u>\$ (66,841)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(1)	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (25,234)</u>	

STATE OF NEW MEXICO

Statement A-71

ALBUQUERQUE PUBLIC SCHOOLS

BEGINNING TEACHER MENTORING PROGRAM SPECIAL REVENUE FUND (27154)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	114,080	114,080	58,520	(55,560)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>114,080</u>	<u>114,080</u>	<u>58,520</u>	<u>(55,560)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	111,620	111,620	111,595	25
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	2,460	2,460	1,231	1,229
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>114,080</u>	<u>114,080</u>	<u>112,826</u>	<u>1,254</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(54,306)</u>	<u>(54,306)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(54,306)</u>	<u>(54,306)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(125,528)</u>	<u>(125,528)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (179,834)</u>	<u>\$ (179,834)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(1)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (54,307)</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
READING MATERIALS SPECIAL REVENUE FUND (27158)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-72

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	239,381	194,102	(45,279)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>239,381</u>	<u>194,102</u>	<u>(45,279)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	234,218	194,467	39,751
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	5,163	2,323	2,840
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>239,381</u>	<u>196,790</u>	<u>42,591</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,688)</u>	<u>(2,688)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,688)</u>	<u>(2,688)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,688)</u>	<u>\$ (2,688)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (2,688)</u>	

STATE OF NEW MEXICO

Statement A-73

ALBUQUERQUE PUBLIC SCHOOLS

LEGISLATIVE APPROPRIATION - LAWS OF 2006 SPECIAL REVENUE FUND (27160)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	194,395	65,143	(129,252)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>194,395</u>	<u>65,143</u>	<u>(129,252)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	191,372	191,906	(534)
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	3,023	1,330	1,693
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>194,395</u>	<u>193,236</u>	<u>1,159</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(128,093)</u>	<u>(128,093)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(128,093)</u>	<u>(128,093)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>7,493</u>	<u>7,493</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (120,600)</u>	<u>\$ (120,600)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			7,493	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (120,600)</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
PRE-K START-UP COSTS SPECIAL REVENUE FUND (27161)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-74

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	22,341	-	(22,341)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>22,341</u>	<u>-</u>	<u>(22,341)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	22,171	-	22,171
Support Services				
Students	-	170	-	170
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>22,341</u>	<u>-</u>	<u>22,341</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(7,528)</u>	<u>(7,528)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,528)</u>	<u>\$ (7,528)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			(7,528)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (7,528)</u>	

STATE OF NEW MEXICO

Statement A-75

ALBUQUERQUE PUBLIC SCHOOLS

SCHOOL IMPROVEMENT FRAMEWORK SPECIAL REVENUE FUND (27164)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	1,500	-	(1,500)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	1,500	1,493	7
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,500</u>	<u>1,493</u>	<u>7</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,493)</u>	<u>(1,493)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1,493)</u>	<u>(1,493)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,493)</u>	<u>\$ (1,493)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (1,493)</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
GRADUATION REALITY & DUAL SKILLS SPECIAL REVENUE FUND (28102)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-76

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	10,640	11,438	-	(11,438)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>10,640</u>	<u>11,438</u>	<u>-</u>	<u>(11,438)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	10,640	11,438	2,893	8,545
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,640</u>	<u>11,438</u>	<u>2,893</u>	<u>8,545</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,893)</u>	<u>(2,893)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(2,893)</u>	<u>(2,893)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,050)</u>	<u>(4,050)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,943)</u>	<u>\$ (6,943)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (2,892)</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
NUTRITION GRANT SPECIAL REVENUE FUND (28127)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-77

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	51,072	51,072
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>51,072</u>	<u>51,072</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>51,072</u>	<u>51,072</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>51,072</u>	<u>51,072</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(57,000)</u>	<u>(57,000)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,928)</u>	<u>\$ (5,928)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 51,072</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
JUVENILE JUSTICE SPECIAL REVENUE FUND (28132)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-78

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net changes in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	21,489	21,489
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 21,489	\$ 21,489
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

STATE OF NEW MEXICO

Statement A-79

ALBUQUERQUE PUBLIC SCHOOLS

OFFICE OF CHILD DEVELOPMENT CYFD SPECIAL REVENUE FUND (28170)
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>11,934</u>	<u>11,934</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,934</u>	<u>\$ 11,934</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
REGIONAL QUALITY CENTER SPECIAL REVENUE FUND (28180)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-80

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	151,106	73,933	(77,173)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>151,106</u>	<u>73,933</u>	<u>(77,173)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	151,106	102,695	48,411
Instruction	-	-	-	-
General Administration	-	-	923	(923)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>151,106</u>	<u>103,618</u>	<u>47,488</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(29,685)</u>	<u>(29,685)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(29,685)</u>	<u>(29,685)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(23,894)</u>	<u>(23,894)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (53,579)</u>	<u>\$ (53,579)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			1	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (29,684)</u>	

STATE OF NEW MEXICO

Statement A-81

ALBUQUERQUE PUBLIC SCHOOLS

PRIVATE DIRECT GRANTS (CATEGORICAL) SPECIAL REVENUE FUND (29102)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	83,333	157,395	-	(157,395)
Federal grants	-	-	-	-
Miscellaneous	39,375	190,418	15,763	(174,655)
Interest	-	-	-	-
<i>Total revenues</i>	<u>122,708</u>	<u>347,813</u>	<u>15,763</u>	<u>(332,050)</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	110,442	34,784	75,658
Support Services				
Students	120,828	235,433	164,255	71,178
Instruction	-	-	-	-
General Administration	1,880	1,938	2,380	(442)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>122,708</u>	<u>347,813</u>	<u>201,419</u>	<u>146,394</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(185,656)</u>	<u>(185,656)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(185,656)</u>	<u>(185,656)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(157,812)</u>	<u>(157,812)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (343,468)</u>	<u>\$ (343,468)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (185,656)</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
CITY/COUNTY GRANTS SPECIAL REVENUE FUND (29107)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-82

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	2,475,650	2,510,953	2,414,677	(96,276)
Interest	-	-	-	-
<i>Total revenues</i>	<u>2,475,650</u>	<u>2,510,953</u>	<u>2,414,677</u>	<u>(96,276)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	893,025	750,279	662,600	87,679
Support Services				
Students	218,178	203,419	288,123	(84,704)
Instruction	-	-	-	-
General Administration	3,336	-	757	(757)
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	1,361,111	1,557,255	1,298,278	258,977
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,475,650</u>	<u>2,510,953</u>	<u>2,249,758</u>	<u>261,195</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>164,919</u>	<u>164,919</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>164,919</u>	<u>164,919</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(994,231)</u>	<u>(994,231)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (829,312)</u>	<u>\$ (829,312)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 164,919</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
HONEYWELL SPECIAL REVENUE FUND (29113)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-83

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	129,568	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>129,568</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	129,568	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>129,568</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,422</u>	<u>1,422</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,422</u>	<u>\$ 1,422</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SCHOOL BASED HEALTH CENTER SPECIAL REVENUE FUND (29130)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement A-84

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	125,000	125,000	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	125,000	8,272	116,728
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>125,000</u>	<u>8,272</u>	<u>116,728</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>116,728</u>	<u>116,728</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>116,728</u>	<u>116,728</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,728</u>	<u>\$ 116,728</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 116,728</u>	

CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Special Capital Outlay-Local (31300) – To account revenues that are derived from local sources such as the sale of a building.

Special Capital Outlay-State (31400) – To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996.

Capital Outlay-School Improvement (32100) – To account for the 20 percent of the operational property tax revenues that have been set aside for capital outlay projects.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2007

Statement B-1

	Special Capital Outlay - Local 31300	Special Capital Outlay - State 31400	Public School Capital Oultay 32100	Total
ASSETS				
<i>Current Assets</i>				
Cash and cash equivalents	\$ 5,767,274	\$ -	\$ 1,126,117	\$ 6,893,391
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	3,384,915	-	3,384,915
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>\$ 5,767,274</u>	<u>\$ 3,384,915</u>	<u>\$ 1,126,117</u>	<u>\$ 10,278,306</u>
LIABILITIES AND FUND BALANCES				
<i>Current Liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-
Accrued compensated absences	-	-	-	-
Interfund payables	-	13,230,085	-	13,230,085
Deferred revenue - property taxes	-	-	-	-
Deferred revenue - other	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>13,230,085</u>	<u>-</u>	<u>13,230,085</u>
<i>Fund balances</i>				
Fund Balance:				
Reserved:				
Reserved for inventory	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	5,767,274	(9,845,170)	1,126,117	(2,951,779)
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	-
Undesignated, reported in				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
<i>Total fund balances</i>	<u>5,767,274</u>	<u>(9,845,170)</u>	<u>1,126,117</u>	<u>(2,951,779)</u>
<i>Total liabilities and fund balances</i>	<u>\$ 5,767,274</u>	<u>\$ 3,384,915</u>	<u>\$ 1,126,117</u>	<u>\$ 10,278,306</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDING JUNE 30, 2007

Statement B-2

	Special Capital Outlay - Local 31300	Special Capital Outlay - State 31400	Public School Capital Outlay 32100	Total
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	975,690	25,819,285	-	26,794,975
Federal grants	-	-	-	-
Miscellaneous	162,375	-	-	162,375
Interest	324,404	-	60,720	385,124
<i>Total revenues</i>	<u>1,462,469</u>	<u>25,819,285</u>	<u>60,720</u>	<u>27,342,474</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Service	-	-	-	-
Facilities, Materials and Supplies	13,072	1,531,461	31,702	1,576,235
Capital Outlay	1,952,285	13,372,249	-	15,324,534
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,965,357</u>	<u>14,903,710</u>	<u>31,702</u>	<u>16,900,769</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(502,888)</u>	<u>10,915,575</u>	<u>29,018</u>	<u>10,441,705</u>
<i>Other financing sources (uses):</i>				
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(502,888)</u>	<u>10,915,575</u>	<u>29,018</u>	<u>10,441,705</u>
<i>Fund balances - beginning of year</i>	<u>6,270,162</u>	<u>(20,760,745)</u>	<u>1,097,099</u>	<u>(13,393,484)</u>
<i>Fund balances - end of year</i>	<u>\$ 5,767,274</u>	<u>\$ (9,845,170)</u>	<u>\$ 1,126,117</u>	<u>\$ (2,951,779)</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
BOND BUILDING CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement B-3

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	73,150,000	-	-	-
Miscellaneous	-	-	-	-
Interest	600,000	600,000	2,314,974	1,714,974
<i>Total revenues</i>	<u>73,750,000</u>	<u>600,000</u>	<u>2,314,974</u>	<u>1,714,974</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	91,607,310	86,781,104	34,349,998	52,431,106
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>91,607,310</u>	<u>86,781,104</u>	<u>34,349,998</u>	<u>52,431,106</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(17,857,310)</u>	<u>(86,181,104)</u>	<u>(32,035,024)</u>	<u>54,146,080</u>
<i>Other financing sources (uses):</i>				
Designated cash	17,857,310	86,181,104	-	(86,181,104)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	50,743,024	50,743,024
<i>Total other financing sources (uses)</i>	<u>17,857,310</u>	<u>86,181,104</u>	<u>50,743,024</u>	<u>(35,438,080)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>18,708,000</u>	<u>18,708,000</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>12,750,936</u>	<u>12,750,936</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,458,936</u>	<u>\$ 31,458,936</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			13,236,976	
Adjustments to expenditures			(16,777,295)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 15,167,681</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SPECIAL CAPITAL OUTLAY - LOCAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement B-4

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	975,690	975,690
Federal grants	-	-	-	-
Miscellaneous	-	-	162,375	162,375
Interest	-	-	324,404	324,404
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,462,469</u>	<u>1,462,469</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	10,283,872	10,295,162	1,965,357	8,329,805
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,283,872</u>	<u>10,295,162</u>	<u>1,965,357</u>	<u>8,329,805</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(10,283,872)</u>	<u>(10,295,162)</u>	<u>(502,888)</u>	<u>9,792,274</u>
<i>Other financing sources (uses):</i>				
Designated cash	10,283,872	10,295,162	-	(10,295,162)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,283,872</u>	<u>10,295,162</u>	<u>-</u>	<u>(10,295,162)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(502,888)</u>	<u>(502,888)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,270,162</u>	<u>6,270,162</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,767,274</u>	<u>\$ 5,767,274</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (502,888)</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SPECIAL CAPITAL OUTLAY - STATE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement B-5

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	19,479,200	19,479,200	22,434,370	2,955,170
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
<i>Total revenues</i>	<u>19,479,200</u>	<u>19,479,200</u>	<u>22,434,370</u>	<u>2,955,170</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	24,225,434	24,225,434	8,719,956	15,505,478
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>24,225,434</u>	<u>24,225,434</u>	<u>8,719,956</u>	<u>15,505,478</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(4,746,234)</u>	<u>(4,746,234)</u>	<u>13,714,414</u>	<u>18,460,648</u>
<i>Other financing sources (uses):</i>				
Designated cash	4,746,234	4,746,234	-	(4,746,234)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,746,234</u>	<u>4,746,234</u>	<u>-</u>	<u>(4,746,234)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>13,714,414</u>	<u>13,714,414</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(26,944,499)</u>	<u>(26,944,499)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,230,085)</u>	<u>\$ (13,230,085)</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			3,384,915	
Adjustments to expenditures			<u>(6,183,754)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 10,915,575</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
CAPITAL IMPROVEMENTS HB-33 FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement B-6

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ 46,023,136	\$ 46,023,136	\$ 48,015,038	\$ 1,991,902
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	900,000	900,000	1,680,265	780,265
<i>Total revenues</i>	<u>46,923,136</u>	<u>46,923,136</u>	<u>49,695,303</u>	<u>2,772,167</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	114,036,967	104,141,920	56,702,527	47,439,393
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>114,036,967</u>	<u>104,141,920</u>	<u>56,702,527</u>	<u>47,439,393</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(67,113,831)</u>	<u>(57,218,784)</u>	<u>(7,007,224)</u>	<u>50,211,560</u>
<i>Other financing sources (uses):</i>				
Designated cash	67,113,831	57,218,784	-	(57,218,784)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>67,113,831</u>	<u>57,218,784</u>	<u>-</u>	<u>(57,218,784)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>(7,007,224)</u>	<u>(7,007,224)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>57,119,726</u>	<u>57,119,726</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,112,502</u>	<u>\$ 50,112,502</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			446,744	
Adjustments to expenditures			<u>593,787</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (5,966,693)</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
CAPITAL IMPROVEMENTS SB-9 FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement B-7

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ 22,341,510	\$ 22,341,510	\$ 23,932,440	\$ 1,590,930
State grants	-	-	7,166,779	7,166,779
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	750,775	750,775	2,475,087	1,724,312
<i>Total revenues</i>	<u>23,092,285</u>	<u>23,092,285</u>	<u>33,574,306</u>	<u>10,482,021</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	64,944,189	63,837,998	19,311,308	44,526,690
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>64,944,189</u>	<u>63,837,998</u>	<u>19,311,308</u>	<u>44,526,690</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(41,851,904)</u>	<u>(40,745,713)</u>	<u>14,262,998</u>	<u>55,008,711</u>
<i>Other financing sources (uses):</i>				
Designated cash	41,851,904	40,745,713	-	(40,745,713)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>41,851,904</u>	<u>40,745,713</u>	<u>-</u>	<u>(40,745,713)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>14,262,998</u>	<u>14,262,998</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>40,745,713</u>	<u>40,745,713</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,008,711</u>	<u>\$ 55,008,711</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			230,462	
Adjustments to expenditures			(1,257,767)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 13,235,693</u>	

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SCHOOL IMPROVEMENT CAPITAL OUTLAY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDING JUNE 30, 2007

Statement B-8

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Interest	10,000	10,000	60,720	50,720
<i>Total revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>60,720</u>	<u>50,720</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	1,127,901	382,099	31,702	350,397
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,127,901</u>	<u>382,099</u>	<u>31,702</u>	<u>350,397</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,117,901)</u>	<u>(372,099)</u>	<u>29,018</u>	<u>401,117</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,117,901	372,099	-	(372,099)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,117,901</u>	<u>372,099</u>	<u>-</u>	<u>(372,099)</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>29,018</u>	<u>29,018</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,097,099</u>	<u>1,097,099</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,126,117</u>	<u>\$ 1,126,117</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			-	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 29,018</u>	

DEBT SERVICE FUND

DEBT SERVICE FUND

Debt Service (41000) - To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
DEBT SERVICE FUND

Statement C-1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDING JUNE 30, 2007

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 21,993,221	\$ 21,993,221	\$ 25,764,452	\$ 3,771,231
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	258,758	258,758
Interest	288,000	288,000	885,743	597,743
<i>Total revenues</i>	22,281,221	22,281,221	26,908,953	4,627,732
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support Services				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	24,062,728	24,208,945	258,759	23,950,186
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Community Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	15,395,000	15,395,000	14,872,180	522,820
Interest	6,598,221	6,598,221	5,034,532	1,563,689
<i>Total expenditures</i>	46,055,949	46,202,166	20,165,471	26,036,695
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(23,774,728)	(23,920,945)	6,743,482	30,664,427
<i>Other financing sources (uses):</i>				
Designated cash	23,774,728	23,920,945	-	(23,920,945)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	23,774,728	23,920,945	-	(23,920,945)
<i>Net changes in fund balances</i>	-	-	6,743,482	6,743,482
<i>Fund balances - beginning of year</i>	-	-	23,920,944	23,920,944
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 30,664,426	\$ 30,664,426
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues			(388,817)	
Adjustments to expenditures			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 6,354,665	

COMPONENT UNIT

STATE OF NEW MEXICO
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12
CHARTER SCHOOLS
COMBINING OF STATEMENTS OF NET ASSETS
JUNE 30, 2007

Exhibit A-1

	21st Century Public Academy	Academia De Lengua Y Cultura	Albuquerque Institute for Math & Science	Amy Beihl High School
ASSETS				
Cash and cash equivalents	\$ 215,859	\$ 226,330	\$ 225,342	\$ 238,303
Receivables (net of allowance for uncollectibles)				
Due from other governments	-	-	-	-
Other	339,112	30,000	-	2,995
Deposits	-	25,000	14,137	-
Prepays	9,500	-	-	-
Total current assets	<u>\$ 564,471</u>	<u>\$ 281,330</u>	<u>\$ 239,479</u>	<u>\$ 241,298</u>
Prepays - noncurrent	-	-	-	-
Capital assets (net of accumulated depreciation):				
Furniture, fixtures and equipment	151,656	202,855	-	3,570,058
Less: accumulated depreciation	<u>(58,705)</u>	<u>(158,965)</u>	<u>-</u>	<u>(290,782)</u>
Total noncurrent assets	<u>92,951</u>	<u>43,890</u>	<u>-</u>	<u>3,279,276</u>
Total assets	<u>\$ 657,422</u>	<u>\$ 325,220</u>	<u>\$ 239,479</u>	<u>\$ 3,520,574</u>
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 68,704	\$ 53,780	\$ 3,584	\$ 4,739
Accrued Liabilities	138,630	-	-	-
Accrued Salaries	-	53,798	-	-
Deferred revenue	296,677	41,339	-	116,000
Due to other funds	2,785	-	-	-
Accrued Compensated Absences	-	-	-	-
Current portion of long-term debt	-	-	-	-
Total current liabilities	<u>\$ 506,796</u>	<u>\$ 148,917</u>	<u>\$ 3,584</u>	<u>\$ 120,739</u>
Noncurrent liabilities:				
Accrued compensated absences				
Due in more than one year	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 506,796</u>	<u>\$ 148,917</u>	<u>\$ 3,584</u>	<u>\$ 120,739</u>
Invested in capital assets, net of related debt	\$ 92,951	\$ 43,890	\$ -	\$ 3,279,276
Restricted for:				
Capital projects	-	-	-	-
Other	57,675	-	-	-
Unrestricted	<u>-</u>	<u>132,413</u>	<u>235,895</u>	<u>120,559</u>
Total net assets	<u>\$ 150,626</u>	<u>\$ 176,303</u>	<u>\$ 235,895</u>	<u>\$ 3,399,835</u>
Total liabilities and net assets	<u>\$ 657,422</u>	<u>\$ 325,220</u>	<u>\$ 239,479</u>	<u>\$ 3,520,574</u>

The accompanying notes are an integral part of these financial statements

Career, Academic & Technical Academy	Cesar Chavez Community School	Christine Duncan	Creative Education Preparatory Institute #1	Creative Education Preparatory Institute #2
\$ (7,321)	\$ 349,820	\$ 49,304	\$ 349,596	\$ 258,104
5,959	15,046	-	-	89,400
-	-	180,345	51,300	-
-	-	-	-	-
-	-	-	-	-
<u>\$ (1,362)</u>	<u>\$ 364,866</u>	<u>\$ 229,649</u>	<u>\$ 400,896</u>	<u>\$ 347,504</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	122,403	24,131	-	101,582
-	(30,138)	(3,533)	-	(47,519)
<u>-</u>	<u>92,265</u>	<u>20,598</u>	<u>-</u>	<u>54,063</u>
<u>\$ (1,362)</u>	<u>\$ 457,131</u>	<u>\$ 250,247</u>	<u>\$ 400,896</u>	<u>\$ 401,567</u>
\$ -	\$ 2,287	\$ 37,628	\$ -	\$ 68,251
-	-	-	-	56,793
-	19,409	-	46,305	-
-	-	64,500	-	-
-	181	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ 21,877</u>	<u>\$ 102,128</u>	<u>\$ 46,305</u>	<u>\$ 125,044</u>
\$ -	\$ -	\$ -	\$ 65,335	\$ -
-	-	-	65,335	-
\$ -	\$ 21,877	\$ 102,128	\$ 111,640	\$ 125,044
\$ -	\$ 92,265	\$ 20,598	\$ -	\$ 54,063
-	-	-	51,650	-
-	-	-	-	-
<u>(1,362)</u>	<u>342,989</u>	<u>127,521</u>	<u>237,606</u>	<u>222,460</u>
<u>\$ (1,362)</u>	<u>\$ 435,254</u>	<u>\$ 148,119</u>	<u>\$ 289,256</u>	<u>\$ 276,523</u>
<u>\$ (1,362)</u>	<u>\$ 457,131</u>	<u>\$ 250,247</u>	<u>\$ 400,896</u>	<u>\$ 401,567</u>

The accompanying notes are an integral part of these financial statements

	Digital Arts and Technology Academy (formerly Charter Vocational)	East Mountain High School	El Camino Real Academy (formerly Horizon Academy South)
ASSETS			
Cash and cash equivalents	\$ 550,606	\$ 198,841	\$ 231,075
Receivables (net of allowance for uncollectibles)			
Due from other governments	23,459	-	37,029
Other	200,540	61,780	-
Deposits	-	-	-
Prepays	48,560	-	-
Total current assets	<u>\$ 823,165</u>	<u>\$ 260,621</u>	<u>\$ 268,104</u>
Prepays - noncurrent	\$ -	\$ -	\$ -
Capital assets (net of accumulated depreciation):			
Furniture, fixtures and equipment	677,054	796,135	150,905
Less: accumulated depreciation	<u>(300,577)</u>	<u>(572,413)</u>	<u>(97,693)</u>
Total noncurrent assets	<u>376,477</u>	<u>223,722</u>	<u>53,212</u>
Total assets	<u>\$ 1,199,642</u>	<u>\$ 484,343</u>	<u>\$ 321,316</u>
LIABILITIES AND NET ASSETS			
Accounts payable	\$ 14,801	\$ 11,630	\$ 98,340
Accrued Liabilities	112,658	54,272	-
Accrued Salaries	-	-	157,349
Deferred revenue	92,060	9,189	6,211
Due to other funds	-	-	-
Accrued Compensated Absences	6,183	52,159	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>\$ 225,702</u>	<u>\$ 127,250</u>	<u>\$ 261,900</u>
Noncurrent liabilities:			
Accrued compensated absences			
Due in more than one year	\$ -	\$ -	\$ 24,513
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>24,513</u>
Total liabilities	<u>\$ 225,702</u>	<u>\$ 127,250</u>	<u>\$ 286,413</u>
Invested in capital assets, net of related debt	\$ 376,477	\$ 223,722	\$ 53,212
Restricted for:			
Capital projects	-	-	-
Other	-	-	-
Unrestricted	<u>597,463</u>	<u>133,371</u>	<u>(18,309)</u>
Total net assets	<u>\$ 973,940</u>	<u>\$ 357,093</u>	<u>\$ 34,903</u>
Total liabilities and net assets	<u>\$ 1,199,642</u>	<u>\$ 484,343</u>	<u>\$ 321,316</u>

The accompanying notes are an integral part of these financial statements

<u>Horizon Academy West</u>	<u>La Academia De Esperanza</u>	<u>La Luz Del Monte Learning Center</u>	<u>La Promesa Early Learning Center</u>	<u>La Resolana Leadership Academy</u>
\$ 272,386	\$ 252,078	\$ 164,752	\$ 16,214	\$ 22,010
49,273	27,221	-	15,855	81,516
-	-	-	-	-
-	-	-	-	-
-	6,577	-	-	-
<u>\$ 321,659</u>	<u>\$ 285,876</u>	<u>\$ 164,752</u>	<u>\$ 32,069</u>	<u>\$ 103,526</u>
\$ -	\$ -	\$ -	\$ -	\$ -
37,457	214,910	132,750	6,661	-
(15,262)	(73,251)	(59,148)	(944)	-
<u>22,195</u>	<u>141,659</u>	<u>73,602</u>	<u>5,717</u>	<u>-</u>
<u>\$ 343,854</u>	<u>\$ 427,535</u>	<u>\$ 238,354</u>	<u>\$ 37,786</u>	<u>\$ 103,526</u>
\$ 2,161	\$ 1,459	\$ 1,456	\$ 4,297	\$ 40,072
-	-	-	28,960	21,786
-	185,210	-	-	-
46,389	111	7,015	2,346	-
-	-	-	-	-
-	-	-	-	-
40,998	-	2,811	-	-
<u>\$ 89,548</u>	<u>\$ 186,780</u>	<u>\$ 11,282</u>	<u>\$ 35,603</u>	<u>\$ 61,858</u>
\$ 40,998	\$ 3,555	\$ -	\$ -	\$ -
<u>40,998</u>	<u>3,555</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 130,546	\$ 190,335	\$ 11,282	\$ 35,603	\$ 61,858
\$ 22,195	\$ 141,659	\$ 73,602	\$ 5,717	\$ -
-	-	-	-	-
-	-	-	-	-
<u>191,113</u>	<u>95,541</u>	<u>153,470</u>	<u>(3,534)</u>	<u>41,668</u>
<u>\$ 213,308</u>	<u>\$ 237,200</u>	<u>\$ 227,072</u>	<u>\$ 2,183</u>	<u>\$ 41,668</u>
<u>\$ 343,854</u>	<u>\$ 427,535</u>	<u>\$ 238,354</u>	<u>\$ 37,786</u>	<u>\$ 103,526</u>

The accompanying notes are an integral part of these financial statements

	Los Puentes Charter School	Montessori Elementary	Montessori of the Rio Grande
ASSETS			
Cash and cash equivalents	\$ 230,064	\$ 62,988	\$ 156,549
Receivables (net of allowance for uncollectibles)			
Due from other governments	-	56,284	2,343
Other	64,465	-	-
Deposits	-	-	-
Prepays	-	-	-
Total current assets	<u>\$ 294,529</u>	<u>\$ 119,272</u>	<u>\$ 158,892</u>
Prepays - noncurrent	\$ -	\$ -	\$ -
Capital assets (net of accumulated depreciation):			
Furniture, fixtures and equipment	265,190	-	215,094
Less: accumulated depreciation	<u>(58,686)</u>	<u>-</u>	<u>(38,406)</u>
Total noncurrent assets	<u>206,504</u>	<u>-</u>	<u>176,688</u>
Total assets	<u><u>\$ 501,033</u></u>	<u><u>\$ 119,272</u></u>	<u><u>\$ 335,580</u></u>
LIABILITIES AND NET ASSETS			
Accounts payable	\$ -	\$ 11,487	\$ -
Accrued Liabilities	78,917	63,490	-
Accrued Salaries	-	-	15,928
Deferred revenue	-	-	1,669
Due to other funds	-	-	-
Accrued Compensated Absences	-	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>\$ 78,917</u>	<u>\$ 74,977</u>	<u>\$ 17,597</u>
Noncurrent liabilities:			
Accrued compensated absences			
Due in more than one year	\$ -	\$ -	\$ -
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	\$ 78,917	\$ 74,977	\$ 17,597
Invested in capital assets, net of related debt	\$ 206,504	\$ -	\$ 176,688
Restricted for:			
Capital projects	-	-	-
Other	-	-	-
Unrestricted	<u>215,612</u>	<u>44,295</u>	<u>141,295</u>
Total net assets	<u><u>\$ 422,116</u></u>	<u><u>\$ 44,295</u></u>	<u><u>\$ 317,983</u></u>
Total liabilities and net assets	<u><u>\$ 501,033</u></u>	<u><u>\$ 119,272</u></u>	<u><u>\$ 335,580</u></u>

The accompanying notes are an integral part of these financial statements

Mountain Mahogany	Native American Community Academy	North Albuquerque Co-Op Charter	North Valley Academy (formerly Horizon Academy Northwest)	Nuestros Valores
\$ 69,822	\$ 168,504	\$ 215,548	\$ 38,075	\$ 140,043
-	-	6,433	24,358	56,760
80,814	64,175	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 150,636</u>	<u>\$ 232,679</u>	<u>\$ 221,981</u>	<u>\$ 62,433</u>	<u>\$ 196,803</u>
\$ -	\$ -	\$ -	\$ -	\$ -
44,424	8,448	20,985	81,930	349,520
(14,808)	(1,549)	(2,159)	(20,805)	(185,334)
<u>29,616</u>	<u>6,899</u>	<u>18,826</u>	<u>61,125</u>	<u>164,186</u>
<u>\$ 180,252</u>	<u>\$ 239,578</u>	<u>\$ 240,807</u>	<u>\$ 123,558</u>	<u>\$ 360,989</u>
\$ 69,528	\$ 2,606	\$ 3,568	\$ 36,774	\$ 16,625
10,253	3,385	35,938	-	14,276
-	-	-	81,365	-
779	12,296	-	7,291	4,737
-	-	-	-	55
-	-	-	-	-
-	-	-	35,205	15,065
<u>\$ 80,560</u>	<u>\$ 18,287</u>	<u>\$ 39,506</u>	<u>\$ 160,635</u>	<u>\$ 50,758</u>
\$ -	\$ -	\$ -	\$ 35,205	\$ -
-	-	-	35,205	-
\$ 80,560	\$ 18,287	\$ 39,506	\$ 195,840	\$ 50,758
\$ 29,616	\$ 6,899	\$ 18,826	\$ 61,125	\$ 164,186
-	-	-	-	-
-	-	-	-	-
<u>70,076</u>	<u>214,392</u>	<u>182,475</u>	<u>(133,407)</u>	<u>146,045</u>
<u>\$ 99,692</u>	<u>\$ 221,291</u>	<u>\$ 201,301</u>	<u>\$ (72,282)</u>	<u>\$ 310,231</u>
<u>\$ 180,252</u>	<u>\$ 239,578</u>	<u>\$ 240,807</u>	<u>\$ 123,558</u>	<u>\$ 360,989</u>

The accompanying notes are an integral part of these financial statements

	Public Academy for Performing Arts	Ralph J. Bunche Academy	Robert F. Kennedy
ASSETS			
Cash and cash equivalents	\$ 76,636	\$ 37,129	\$ 295,338
Receivables (net of allowance for uncollectibles)			
Due from other governments	6,666	99,293	1,020
Other	-	-	10,000
Deposits	-	-	-
Prepays	-	-	-
Total current assets	<u>\$ 83,302</u>	<u>\$ 136,422</u>	<u>\$ 306,358</u>
Prepays - noncurrent	\$ -	\$ -	\$ -
Capital assets (net of accumulated depreciation):			
Furniture, fixtures and equipment	165,304	12,589	266,553
Less: accumulated depreciation	<u>(150,914)</u>	<u>(2,098)</u>	<u>(157,680)</u>
Total noncurrent assets	<u>14,390</u>	<u>10,491</u>	<u>108,873</u>
Total assets	<u><u>\$ 97,692</u></u>	<u><u>\$ 146,913</u></u>	<u><u>\$ 415,231</u></u>
LIABILITIES AND NET ASSETS			
Accounts payable	\$ 14,138	\$ 35,284	\$ 3,319
Accrued Liabilities	-	-	-
Accrued Salaries	72,592	54,407	71,670
Deferred revenue	-	3,124	3,349
Due to other funds	-	-	-
Accrued Compensated Absences	-	-	-
Current portion of long-term debt	-	-	-
Total current liabilities	<u>\$ 86,730</u>	<u>\$ 92,815</u>	<u>\$ 78,338</u>
Noncurrent liabilities:			
Accrued compensated absences			
Due in more than one year	\$ -	\$ -	\$ 12,414
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>12,414</u>
Total liabilities	\$ 86,730	\$ 92,815	\$ 90,752
Invested in capital assets, net of related debt	\$ 14,390	\$ 10,491	\$ 108,873
Restricted for:			
Capital projects	(41,157)	-	(49,036)
Other	-	-	-
Unrestricted	<u>37,729</u>	<u>43,607</u>	<u>264,642</u>
Total net assets	<u><u>\$ 10,962</u></u>	<u><u>\$ 54,098</u></u>	<u><u>\$ 324,479</u></u>
Total liabilities and net assets	<u><u>\$ 97,692</u></u>	<u><u>\$ 146,913</u></u>	<u><u>\$ 415,231</u></u>

The accompanying notes are an integral part of these financial statements

<u>School for Integrated Academics & Tech</u>	<u>South Valley Academy</u>	<u>Southwest Primary Learning Center</u>	<u>Southwest Secondary Learning Center</u>	<u>The Bataan Military Academy</u>
\$ 117,652	\$ 452,638	\$ 117,312	\$ 356,044	\$ 5,920
39,521	1,556	36,112	-	41,168
10,874	37,933	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 168,047</u>	<u>\$ 492,127</u>	<u>\$ 153,424</u>	<u>\$ 356,044</u>	<u>\$ 47,088</u>
\$ 6,000	\$ -	\$ -	\$ -	\$ -
315,010	1,648,332	30,690	1,299,915	-
(250,808)	(415,319)	(13,537)	(771,544)	-
<u>70,202</u>	<u>1,233,013</u>	<u>17,153</u>	<u>528,371</u>	<u>-</u>
<u>\$ 238,249</u>	<u>\$ 1,725,140</u>	<u>\$ 170,577</u>	<u>\$ 884,415</u>	<u>\$ 47,088</u>
\$ 27,292	\$ 2,457	\$ 11,640	\$ 28,125	\$ 44,988
4,346	-	-	-	-
-	109,305	-	-	-
15,227	102,352	3,002	228	-
-	-	-	-	-
-	-	-	-	-
-	-	2,811	2,811	-
<u>\$ 46,865</u>	<u>\$ 214,114</u>	<u>\$ 17,453</u>	<u>\$ 31,164</u>	<u>\$ 44,988</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
\$ 46,865	\$ 214,114	\$ 17,453	\$ 31,164	\$ 44,988
\$ 64,202	\$ 1,233,013	\$ 17,153	\$ 528,371	\$ -
-	(47,716)	-	-	-
6,000	-	-	-	-
<u>121,182</u>	<u>325,729</u>	<u>135,971</u>	<u>324,880</u>	<u>2,100</u>
<u>\$ 191,384</u>	<u>\$ 1,511,026</u>	<u>\$ 153,124</u>	<u>\$ 853,251</u>	<u>\$ 2,100</u>
<u>\$ 238,249</u>	<u>\$ 1,725,140</u>	<u>\$ 170,577</u>	<u>\$ 884,415</u>	<u>\$ 47,088</u>

The accompanying notes are an integral part of these financial statements

	The Learning Community Charter School	YouthBuild Trade & Technology Community	Albuquerque Talent & Development Secondary Charter	Sub-Total
ASSETS				
Cash and cash equivalents	\$ 136,113	\$ 150,050	\$ 10,890	\$ 6,450,614
Receivables (net of allowance for uncollectibles)				
Due from other governments	25,725	51,529	246,356	1,039,882
Other	-	-	-	1,134,333
Deposits	-	-	-	39,137
Prepays	-	530	-	65,167
Total current assets	<u>\$ 161,838</u>	<u>\$ 202,109</u>	<u>\$ 257,246</u>	<u>\$ 8,729,133</u>
Prepays - noncurrent	\$ -	\$ -	\$ -	\$ 6,000
Capital assets (net of accumulated depreciation):				
Furniture, fixtures and equipment	429,334	180,556	-	11,522,431
Less: accumulated depreciation	(381,057)	(13,399)	-	(4,187,033)
Total noncurrent assets	<u>48,277</u>	<u>167,157</u>	<u>-</u>	<u>\$ 7,341,398</u>
Total assets	<u>\$ 210,115</u>	<u>\$ 369,266</u>	<u>\$ 257,246</u>	<u>\$ 16,070,531</u>
LIABILITIES AND NET ASSETS				
Accounts payable	\$ -	\$ 6,260	\$ 255,530	\$ 982,810
Accrued Liabilities	-	-	-	623,704
Accrued Salaries	66,491	41,068	-	974,897
Deferred revenue	-	11,171	1,716	848,778
Due to other funds	-	-	-	3,021
Accrued Compensated Absences	-	-	-	58,342
Current portion of long-term debt	-	-	-	99,701
Total current liabilities	<u>\$ 66,491</u>	<u>\$ 58,499</u>	<u>\$ 257,246</u>	<u>\$ 3,591,253</u>
Noncurrent liabilities:				
Accrued compensated absences				
Due in more than one year	\$ -	\$ -	\$ -	\$ 182,020
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 182,020</u>
Total liabilities	<u>\$ 66,491</u>	<u>\$ 58,499</u>	<u>\$ 257,246</u>	<u>\$ 3,773,273</u>
Invested in capital assets, net of related debt	\$ 48,277	\$ 167,157	\$ -	\$ 7,335,398
Restricted for:				
Capital projects	-	-	-	(86,259)
Other	-	-	-	63,675
Unrestricted	95,347	143,610	-	4,984,444
Total net assets	<u>\$ 143,624</u>	<u>\$ 310,767</u>	<u>\$ -</u>	<u>\$ 12,297,258</u>
Total liabilities and net assets	<u>\$ 210,115</u>	<u>\$ 369,266</u>	<u>\$ 257,246</u>	<u>\$ 16,070,531</u>

The accompanying notes are an integral part of these financial statements

Amy Biehl Foundation	East Mountain Foundation	La Promesa Foundation	South Valley Academy Foundation	Totals
\$ 41,018	\$ 246,524	\$ 3,466	\$ 48,560	\$ 6,790,182
-	-	158,643	-	1,198,525
220	3,911	-	-	1,138,464
-	-	-	-	39,137
-	499	-	-	65,666
<u>\$ 41,238</u>	<u>\$ 250,934</u>	<u>\$ 162,109</u>	<u>\$ 48,560</u>	<u>\$ 9,231,974</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,000
-	3,854,981	-	1,376,341	16,753,753
-	(485,551)	-	-	(4,672,584)
<u>-</u>	<u>3,369,430</u>	<u>-</u>	<u>1,376,341</u>	<u>12,081,169</u>
<u>\$ 41,238</u>	<u>\$ 3,620,364</u>	<u>\$ 162,109</u>	<u>\$ 1,424,901</u>	<u>\$ 21,319,143</u>
\$ 4,061	\$ 11,300	\$ -	\$ 1,005,321	\$ 2,003,492
-	-	14,659	-	638,363
-	-	-	-	974,897
-	-	-	-	848,778
-	-	-	-	3,021
-	-	-	-	58,342
3,931	108,000	-	-	211,632
<u>\$ 7,992</u>	<u>\$ 119,300</u>	<u>\$ 14,659</u>	<u>\$ 1,005,321</u>	<u>\$ 4,738,525</u>
\$ 11,485	\$ 2,417,968	\$ -	\$ -	\$ 2,611,473
11,485	2,417,968	-	-	2,611,473
\$ 19,477	\$ 2,537,268	\$ 14,659	\$ 1,005,321	\$ 7,349,998
\$ -	\$ -	\$ -	\$ -	\$ 7,335,398
-	-	-	-	(86,259)
-	-	-	-	63,675
<u>21,761</u>	<u>1,083,096</u>	<u>147,450</u>	<u>419,580</u>	<u>6,656,331</u>
<u>\$ 21,761</u>	<u>\$ 1,083,096</u>	<u>\$ 147,450</u>	<u>\$ 419,580</u>	<u>\$ 13,969,145</u>
<u>\$ 41,238</u>	<u>\$ 3,620,364</u>	<u>\$ 162,109</u>	<u>\$ 1,424,901</u>	<u>\$ 21,319,143</u>

The accompanying notes are an integral part of these financial statements

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2007

Schedule I
 (Page 1 of 3)

	Balance	Additions	Deductions	Balance
ASSETS - CASH AND CASH EQUIVALENTS	June 30, 2006	June 30, 2006	June 30, 2006	June 30, 2007
<u>Alternative Schools</u>				
Albuquerque Evening	\$ 134,641	\$ 115,228	\$ 84,974	\$ 164,895
Career Enrichment Center	57,669	84,384	69,528	72,525
Family School	2,441	2,317	1,532	3,226
Freedom	5,851	3,853	5,215	4,489
New Futures	16,209	30,350	28,535	18,024
School on Wheels	21,323	7,011	9,807	18,527
Sierra Alternative	10,107	3,756	4,242	9,621
Transition Services/ACCESS/CTAP	-	2,879	1,882	997
Vision Quest Alternative	286	346	-	632
Total Alternative Schools	248,527	250,124	205,715	292,936
<u>High Schools</u>				
Albuquerque	184,596	863,033	856,893	190,736
Cibola	349,485	1,012,234	1,011,015	350,704
Del Norte	198,252	538,629	536,575	200,306
Eldorado	379,277	1,141,421	1,142,760	377,938
Highland	163,349	620,308	623,693	159,964
La Cueva	281,066	1,104,574	1,063,934	321,706
Manzano	210,567	917,145	906,983	220,729
Rio Grande	181,654	595,938	597,267	180,325
Sandia	299,323	829,195	827,292	301,226
Valley	273,372	625,669	663,966	235,075
Volcano Vista	-	12,465	6,478	5,987
West Mesa	180,892	955,514	958,925	177,481
Total High Schools	2,701,833	9,216,125	9,195,781	2,722,177
<u>Middle Schools</u>				
Adams	46,322	87,187	95,914	37,595
Carter	43,954	99,111	90,784	52,281
Cleveland	36,214	88,837	101,679	23,372
Desert Ridge	80,186	271,577	277,126	74,637
Eisenhower	52,667	135,964	141,795	46,836
Ernie Pyle	1,378	76,743	75,361	2,760
Garfield	26,584	46,519	32,300	40,803
Grant	51,540	124,520	122,609	53,451
Harrison	13,774	70,654	65,763	18,665
Hayes	62,173	39,547	53,952	47,768
Hoover	55,781	87,866	88,579	55,068
Jackson	26,815	55,015	60,435	21,395
Jefferson	53,309	138,896	149,706	42,499
Kennedy	11,478	19,518	24,235	6,761
Lyndon B. Johnson	94,009	120,534	134,707	79,836
Madison	58,421	77,080	77,173	58,328
McKinley	30,140	93,588	86,369	37,359

	Balance			Balance
	June 30, 2006	Additions	Deductions	June 30, 2007
<u>Middle Schools (continued)</u>				
Monroe	78,951	169,491	140,407	108,035
Polk	29,569	35,282	51,152	13,699
Roosevelt	31,027	82,300	77,575	35,752
Taft	35,531	82,641	86,944	31,228
Taylor	55,289	55,726	63,737	47,278
Truman	31,357	91,586	87,254	35,689
Van Buren	3,036	36,182	28,692	10,526
Washington	44,028	42,859	44,453	42,434
Wilson	14,192	45,546	47,582	12,156
Total Middle Schools	1,067,725	2,274,769	2,306,283	1,036,211

	Balance			Balance
	June 30, 2006	Additions	Deductions	June 30, 2007
<u>Elementary Schools</u>				
Acoma	\$ 15,111	\$ 11,622	\$ 11,332	\$ 15,401
Adobe Acres	4,315	15,663	13,997	5,981
Alameda	9,480	21,602	20,457	10,625
Alamosa	5,606	42,776	34,780	13,602
Alvarado	2,553	3,984	4,267	2,270
Apache	17,748	21,321	21,667	17,402
Armijo	20,463	41,095	44,711	16,847
Arroyo del Oso	9,488	15,209	10,938	13,759
Atrisco	12,732	17,178	22,263	7,647
John Baker	13,939	26,686	29,575	11,050
Bandelier	14,350	44,650	41,466	17,534
Barcelona	16,721	64,775	65,976	15,520
Bel-Air	7,032	29,385	30,501	5,916
Bellehaven	7,260	7,936	6,412	8,784
Mary Ann Binford	11,331	53,753	49,666	15,418
Kit Carson	15,535	43,393	46,349	12,579
Chamiza	9,762	18,933	19,747	8,948
Chaparral	8,001	32,837	34,439	6,399
Dennis Chavez	7,129	20,054	17,672	9,511
Reginald Chavez	5,596	34,896	23,245	17,247
Chelwood	5,892	10,214	9,989	6,117
Cochiti	4,651	21,201	19,701	6,151
Collet Park	4,396	6,860	8,289	2,967
Comanche	28,016	41,831	25,361	44,486
Corrales	14,057	9,459	7,254	16,262
Double Eagle	14,092	22,464	20,691	15,865
Duranes	594	4,001	4,088	507
East San Jose	27,145	32,161	38,184	21,122
Emerson	8,487	3,817	7,066	5,238
Eubank	7,734	8,540	8,330	7,944
Eugene Field	13,499	17,834	13,276	18,057
Dolores Gonzales	17,386	5,289	6,744	15,931
Edward Gonzales	7,110	33,088	29,899	10,299
Governor Bent	13,229	34,170	40,781	6,618
Griegos	15,886	18,239	14,034	20,091
Hawthorne	6,196	10,795	12,898	4,093
Hodgin	14,799	37,427	34,967	17,259
Marie Hughes	5,175	21,428	21,913	4,690
Hubert Humphrey	4,487	14,891	17,624	1,754
Inez	8,426	9,504	7,579	10,351

<u>Elementary Schools (continued)</u>	Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007
S.Y. Jackson	26,227	74,830	69,023	32,034
Kirtland	6,005	12,868	13,416	5,457
La Luz	4,182	19,500	14,783	8,899
La Mesa	31,047	27,991	31,526	27,512
Lavaland	7,248	28,751	28,403	7,596
Longfellow	11,346	34,322	28,733	16,935
Los Padillas	3,648	12,051	11,277	4,422
Los Ranchos	11,150	19,411	19,232	11,329
Lowell	3,874	7,703	9,976	1,601
MacArthur	4,524	16,046	16,172	4,398
Manzano Mesa	4,409	25,512	23,230	6,691
Susie Rayos Marmon	9,450	20,270	17,605	12,115
Matheson Park	1,398	11,331	9,809	2,920
McCollum	16,865	29,879	36,009	10,735
Mission Avenue	219	7,566	7,030	755
Mitchell	5,790	4,902	3,142	7,550
Monte Vista	6,266	71,216	60,291	17,191
Montezuma	18,454	16,030	22,015	12,469
A. Montoya	6,616	14,857	18,335	3,138
Mountain View	13,692	30,379	30,623	13,448
Navajo	29,350	14,729	13,674	30,405
North Star	-	9,749	3,863	5,886
Georgia O'Keeffe	11,154	29,893	23,545	17,502
Onate	34,231	17,046	8,183	43,094
Osuna	9,268	17,214	16,051	10,431
Painted Sky	20,938	34,109	33,304	21,743
Pajarito	35,145	51,381	70,989	15,537
Petroglyph	38,673	29,734	36,575	31,832
Carlos Rey	5,467	8,543	5,289	8,721
Edmund G. Ross	8,052	13,798	14,972	6,878
San Antonito	8,479	12,301	11,934	8,846
Sandia Base	2,142	6,996	5,546	3,592
Seven Bar	9,743	56,405	51,764	14,384
Sierra Vista	32,096	64,767	77,547	19,316
Sombra del Monte	12,784	13,641	14,504	11,921
Tomasita	3,888	35,242	33,496	5,634
Mark Twain	21,458	20,624	17,737	24,345
Valle Vista	6,853	17,673	17,406	7,120
Ventana Ranch	3,740	70,454	63,699	10,495
Lew Wallace	5,426	6,143	6,860	4,709
Wherry	7,593	10,759	10,558	7,794
Whittier	6,402	6,468	7,614	5,256
Zia	9,499	3,944	6,120	7,323
Zuni	22,156	35,780	32,222	25,714
Total Elementary Schools	972,356	2,003,769	1,952,210	1,023,915
TOTAL ASSETS	\$ 4,990,441	\$ 13,744,787	\$ 13,659,989	\$ 5,075,239
LIABILITIES - FUNDS HELD FOR THE BENEFIT OF OTHERS	\$ 4,990,441	\$ 13,744,787	\$ 13,659,989	\$ 5,075,239

STATE OF NEW MEXICO
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12
SCHEDULE OF PLEDGED COLLATERAL
JUNE 30, 2007

CASH IN CHECKING ACCOUNTS AND CERTIFICATES OF DEPOSIT:

<u>Wells Fargo Bank</u>		
Total Deposits	\$ 219,150,491	
FDIC Insurance	(100,000)	
Uninsured public funds		<u>219,050,491</u>
50% Collateral requirement		109,525,246
Collateral:	Market Value	
Wells FargoFNCL6% matures12/1/2035;Cusip#31371MLC9	\$ 4,276,104	
Wells FargoFNIONP6% matures7/1/2036;Cusip#31371MVU8	46,607,325	
Wells FargoFNIONP6% matures7/1/2036;Cusip#31371MVU8	22,378,401	
Wells FargoFNIONP6% matures7/1/2036;Cusip#31371MVU8	13,091,365	
Wells FargoFNCL6% matures11/1/2031;Cusip#31385HXE7	274,894	
Wells FargoFNCL6% matures2/1/2036;Cusip#31409APT0	429,585	
Wells FargoFNCL6% matures5/1/2036;Cusip#31409UJZ6	6,445,301	
Wells FargoFNCL6% matures4/1/2036;Cusip#31409WNJ6	25,301,412	
Wells FargoFNCL6% matures6/1/2036;Cusip#31409YNR4	2,782,622	
Wells FargoG2SF6% matures4/20/2031;Cusip#36202DMO1	309,801	
Wells FargoG2SF6.5% matures4/20/2032;Cusip#36202DSR3	87,479	
Wells FargoG2SF6% matures9/20/2032;Cusip#36202DUJ8	59,448	
Wells FargoG2SF6% matures10/20/2032;Cusip#36202DUV1	141,864	
Wells FargoGNSF6.5% matures6/15/2029;Cusip#36225BEV6	16,547	
Wells FargoGNSF6.5% matures10/15/2029;Cusip#36225BG326	131,087	
Wells FargoGNSF7% matures1/15/2030;Cusip#36225BHF8	5,854	
Wells FargoGNSF6% matures7/15/2029;Cusip#36225BHZ4	51,527	
Wells FargoGNSF6.5% matures9/15/2029;Cusip#36225BK49	7,822	
Wells FargoGNSF6% matures2/15/2031;Cusip#36225BL30	404,057	
Wells FargoGNSF6% matures3/15/2031;Cusip#36225BMG0	98,262	
Wells FargoGNSF6% matures3/15/2031;Cusip#36225BMH8	300,196	
Wells FargoGNSF6% matures6/20/2031;Cusip#36225BNS3	62,273	
		<u>123,263,226</u>
Over collateralized		<u>\$ 13,737,981</u>
<u>First Community Bank</u>		
Total Deposits	\$ 3,000,000	
FDIC Insurance	(100,000)	
Uninsured public funds		<u>2,900,000</u>
50% Collateral requirement		1,450,000
Collateral:		
Federal Home Loan Bank matures 05/27/2004;CUSIP #3133MVZA4	\$ 1,580,928	
		<u>1,580,928</u>
Over collateralized		<u>\$ 130,928</u>
<u>Bank of America</u>		
Total Deposits	\$ 182,294	
FDIC Insurance	(100,000)	
Uninsured public funds		<u>82,294</u>
50% Collateral requirement		41,147
Collateral:		
FNMA Pool 555424, matures 07/15/2033;CUSIP #31385XAZ0	\$ 933,304	
		<u>933,304</u>
Over collateralized		<u>\$ 892,157</u>
<u>Activity Funds - Various Banks</u>		
Total insured deposits		<u>\$ 5,311,052</u>

The FDIC has issued an opinion that due to the fiduciary nature of these funds that each school is independently insured at each financial institution up to a maximum of \$100,000. District policy states that no school can maintain more than \$100,000 in any one financial institution.

STATE OF NEW MEXICO
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12
SCHEDULE OF PLEDGED COLLATERAL
JUNE 30, 2007

CASH IN REPURCHASE AGREEMENTS:

<u>Bank of America</u>		
Repurchase Agreement matures 07/02/2007	\$ 9,677,596	
		\$ 9,677,596
102% Collateral requirement		9,871,148
Securities Purchased:		
Bank of America FHLM 5.5%,matures 6/1/2033:CUSIP#31283HWY7	\$ 10	
Bank of America FNMA 5%,matures 7/1/2034:CUSIP#31402DC24	7,726,586	
Bank of America FHLM 5%,matures 9/1/2033:CUSIP#31283HSX9	2,144,552	
		9,871,148
Over (under) collateralized		\$ 0
<u>Wells Fargo Bank</u>		
Repurchase Agreement matures 07/02/2007	\$ 31,160,075	
		31,160,075
102% Collateral requirement		31,783,277
Securities Purchased:		
Wells Fargo FNCL 6% matures 8/1/2034:CUSIP#31402DF70	\$ 2,161,801	
Wells Fargo FNCL 5.5% matures 2/1/2037:CUSIP#31371M7J0	\$ 28,161,223	
Wells Fargo FNCL 5.5% matures 12/1/2036:CUSIP#31411FJ47	\$ 1,460,253	
		31,783,277
Over (under) collateralized		\$ 1
<u>New Mexico State Treasurer</u>		
Investment Pool matures 07/02/2007	\$ 35,240,836	
		\$ 35,240,836

The New Mexico State Treasurer purchases securities valued at 102% of the pool's total value.
Full information may be obtained from the separate audited financial statements of the State Treasurer's Office.
These securities are comprised of United States Treasury Bills or Notes.

See notes to financial statements

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2007

Schedule III

Bank Account Type/Name	Wells Fargo Bank	First State Bank	Bank of America	New Mexico St. Treasurer	Totals
Wells Fargo					
Checking - Consolidated #1	\$ 1,101	\$ -	\$ -	\$ -	\$ 1,101
Checking - Accounts Payable	-	-	-	-	-
Checking - Federal	4,806,532	-	-	-	4,806,532
Checking - Flexible Spending Account	7,150	-	-	-	7,150
Checking - Athletic Activity	760,164	-	-	-	760,164
Savings	180,447,985	-	-	-	180,447,985
Savings	2,626	-	-	-	2,626
Savings - Bond Account	33,124,933	-	-	-	33,124,933
Repurchase Agreement	31,160,075	-	-	-	31,160,075
First State Bank					
Certificate of Deposit - APS	-	1,000,000	-	-	1,000,000
Certificate of Deposit - APS	-	2,000,000	-	-	2,000,000
Bank of America					
Checking - Consolidated #3	-	-	182,279	-	182,279
Checking - Payroll	-	-	-	-	-
Checking - Cafeteria	-	-	15	-	15
Repurchase Agreement	-	-	9,677,597	-	9,677,597
New Mexico State Treasurer					
Repurchase Agreement	-	-	-	35,240,836	35,240,836
Total On Deposit	250,310,566	3,000,000	9,859,891	35,240,836	298,411,293
Reconciling Items	(16,215,949)	-	(426,960)	-	(16,642,909)
Reconciled Balance June 30, 2007	<u>\$ 234,094,617</u>	<u>\$ 3,000,000</u>	<u>\$ 9,432,931</u>	<u>\$ 35,240,836</u>	281,768,384
Petty Cash					<u>200</u>
Combined Balance Sheet Total June 30, 2007					<u><u>\$ 281,768,584</u></u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
CASH RECONCILIATION
JUNE 30, 2007

Schedule IV
(Page 1 of 3)

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000	Food Services Account 21000	Athletics Account 22000	Non-Instruction Account 23000	Federal Flowthrough 24000	Federal Direct 25000
Cash, June 30, 2006	\$ 71,764,176	\$ 94,529	\$ 1,572,665	\$ 630,458	\$ 831,982		\$ 1,913,828	
Add:								
2006-07 revenues	523,730,782	21,882,149	8,793,465	26,854,432	779,938		73,183,742	12,510,493
Loans from other funds	41,967,225	-	-	-	-	-	816,693	-
Total cash available	637,462,183	21,976,678	10,366,130	27,484,890	1,611,920	-	75,914,263	12,510,493
Less:								
2006-07 expenditures	(560,894,798)	(19,317,493)	(8,903,772)	(24,828,823)	(478,275)	-	(58,735,981)	(5,899,242)
Adjustments	-			10				
Loans to other funds	-	(2,521,851)	(73,055)	(45,931)	-	-	(22,219,319)	(457,560)
Cash, June 30, 2007	<u>76,567,385</u>	<u>137,334</u>	<u>1,389,303</u>	<u>2,610,146</u>	<u>1,133,645</u>	<u>-</u>	<u>(5,041,037)</u>	<u>6,153,691</u>

The accompanying notes are an integral part of these financial statements

Schedule IV
(Page 1 of 2)

	Local Grants 26000	State Flowthrough 27000	State Direct 28000	Local / State 29000	Bond Building Account 31100	Special Capital Outlay Account 31300	Special Capital Outlay-State Account 31400	HB33 Capital Improvement Account 31600
Cash, June 30, 2006					\$ 13,451,670	\$ 7,046,350		\$ 61,042,161
Add:								
2006-07 revenues	632,370	5,781,449	109,853	3,514,078	55,999,951	686,278	18,288,625	45,764,643
Loans from other funds	-	-	-	-	-	-	-	-
Total cash available	632,370	5,781,449	109,853	3,514,078	69,451,621	7,732,628	18,288,625	106,806,804
Less:								
2006-07 expenditures	(551,933)	(4,068,888)	(76,827)	(2,459,449)	(37,992,685)	(1,965,354)	(14,903,710)	(56,108,740)
Adjustments								
Loans to other funds	(80,437)	(1,712,561)	(33,026)	(1,054,629)	-	-	(13,230,085)	(292,781)
Cash, June 30, 2007	-	-	-	-	31,458,936	5,767,274	(9,845,170)	50,405,283

The accompanying notes are an integral part of these financial statements

	SB9 Capital Improvement Account 31700	Public School Capital Outlay 32100	Debt Service Fund 41000	Total
Cash, June 30, 2006	\$ 41,176,761	\$ 1,097,099	\$ 23,920,945	\$ 224,542,624
				-
Add:				
2006-07 revenues	34,401,025	60,720	26,908,953	859,882,946
Loans from other funds	-	-	-	42,783,918
Total cash available	75,577,786	1,157,819	50,829,898	\$ 1,127,209,488
Less:				
2006-07 expenditures	(20,569,075)	(31,702)	(20,165,471)	(837,952,218)
Adjustments				10
Loans to other funds	-	-	-	(41,721,235)
Cash, June 30, 2007	<u>55,008,711</u>	<u>1,126,117</u>	<u>30,664,427</u>	<u>\$ 247,536,045</u>
		Business-type Activities		34,232,539
		Total cash per Exhibit A-1		<u>\$ 281,768,584</u>

The accompanying notes are an integral part of these financial statements

COMPLIANCE SECTION

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

State of New Mexico
Albuquerque Municipal School District No. 12
To the Board of Education
and
Hector H. Balderas
New Mexico State Auditor

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the budgetary comparisons for the general fund and major special revenue funds, and the remaining aggregate fund information of the Albuquerque Municipal School District No. 12, New Mexico (District) as of and for the year ended June 30, 2007, and have issued our report thereon dated September 26, 2008. Our report was modified to include an emphasis of a matter addressing certain prior period restatements to correct errors as discussed in Note 19 to the financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our 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, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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Albuquerque Municipal School District No. 12
To the Board of Education
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Hector H. Balderas
New Mexico State Auditor

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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as items FS 06-01, FS 06-08, FS-06-11, FS 06-13, FS 06-14, FS 07-02, FS 07-03, FS 07-04, FS 07-05, FS 06-27, FS 07-09, FS 07-10, FS 07-11, FS 07-12, FS 07-13, FS 06-29, FS 06-33, FS 06-34, FS 06-35, FS 06-37, FS 06-38, FS 06-41, FS 07-14, FS 07-15, FS 07-19, FS 07-21, FS 07-22, FS 07-23, FS 07-26, FS 06-45, FS 06-27, FS 07-30, FS 07-31, FS 07-32, FS 07-33, FS 07-35, FS 07-36, FS 07-37, FS 07-38, FS 07-40, FS 07-42, FS 07-43, FS 07-44, FS 0-45, FS 07-46, FS 07-47, FS 07-48, FS 07-49, FS 07-50, FS 07-51, FS 07-52, FS 07-53, FS 06-59, FS 07-54, FS 07-55, FS 07-61, FS 07-62, FS 07-63, FS 07-65, FS 07-66, FS 07-67, FS 06-51, FS 06-52, FS 06-57, FS 07-68, FS 06-66, FS 06-67, FS 06-68, FS 07-70, FS 07-71, FS 07-73, FS 07-74, FS 07-75, FS 06-88, FS 07-77, FS 07-78, FS 07-79, FS 06-89, FS 06-93, FS 07-83, FS 07-84, FS 07-86, FS 07-88, FS 07-90, FS 07-91, FS 07-92, FS 07-93, FS 07-94, FS 07-95, FS 07-96, FS 07-97, FS 07-99, FS 06-98, FS 06-99, FS 06-101, FS 06-103, FS 06-105, FS 06-106, FS 06-109, FS 07-101, FS 07-103, FS 07-105, FS 07-106, FS 07-107, FS 06-117, FS 07-108, FS 07-110, FS 07-111, FS 07-112, FS 07-113, FS 07-115, FS 07-116, FS 07-117, FS 07-118, FS 07-119, FS 07-120, FS 07-121, FS 07-124, FS 07-125, FS 07-126, FS 07-128, FS 06-137, FS 07-131, FS 07-132, FS 07-133, FS 07-134, FS 07-137, FS 07-138, FS 07-139, FS 07-141, FS 07-142, FS 06-148, FS 07-143, FS 07-144, FS 07-146, FS 07-147, FS 07-148, FS 07-149, FS 07-150, FS 07-151, FS 07-153, FS 07-156, FS 07-157, FS 07-158, FS 07-159, FS 06-153, FS 07-161, FS 07-162, FS 07-163, FS 06-156, FS 06-158, FS 06-162, FS 06-164, FS 07-166, FS 07-167, FS 07-170, FS 07-171, FS 07-172, FS 06-178, FS 07-173, FS 07-174, FS 06-179, FS 06-183, FS 07-176, FS 07-177,

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FS 07-178, FS 07-180, FS 07-183, FS 07-184, FS 07-185, FS 07-186, FS 07-187, FS 07-188, FS 06-188, FS 06-189, FS 07-190, FS 07-191, FS 07-193, FS 07-195, and FS 07-197.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items FS 06-01, FS 06-11 and FS 06-14 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 questioned costs as items FS 07-01, FS 07-06, FS 07-07, FS 06-28, FS 07-08, FS 07-16, FS 07-17, FS 07-18, FS 07-20, FS 07-24, FS 07-25, FS 07-28, FS 07-29, FS 07-34, FS 07-39, FS 07-41, FS 06-58, FS 07-56, FS 07-57, FS 07-58, FS 07-59, FS 07-60, FS 07-64, FS 07-69, FS 07-72, FS 07-76, FS 07-80, FS 07-81, FS 06-95, FS 07-82, FS 07-85, FS 07-87, FS 07-89, FS 07-98, FS 06-104, FS 07-100, FS 07-102, FS 07-104, FS 07-109, FS 07-114, FS 06-128, FS 07-122, FS 07-123, FS 07-127, FS 07-129, FS 07-130, FS 07-135,

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FS 07-136, FS 07-140, FS 07-145, FS 07-152, FS 07-154, FS 07-155, FS 07-160, FS 07-164, FS 07-165, FS 07-168, FS 07-169, FS 06-177, FS 07-175, FS 07-179, FS 07-181, FS 07-182, FS 07-189, FS 07-192, FS 07-194, FS 07-196, and FS 07-198.

We noted certain matters that are required to be reported under *Government Auditing Standards* January 2007 Revision paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as finding FS 06-07.

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

The significant deficiencies, material weaknesses and other compliance matters are limited to those regarding the Albuquerque Municipal School District No. 12 and do not include significant deficiencies noted at the charter schools. For details on these significant deficiencies see the 2007 audited financial statements dated September 26, 2008.

This report is intended solely for the information and use of management, the Albuquerque Municipal District No. 12 Board of Education, others within the District, the audit committee, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration and applicable federal grantors and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Albuquerque, New Mexico
September 26, 2008

FEDERAL FINANCIAL ASSISTANCE

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

State of New Mexico
Albuquerque Municipal School District No. 12
To the Board of Education
and
Hector H. Balderas
New Mexico State Auditor

Compliance

We have audited the compliance of Albuquerque Municipal School District No. 12, New Mexico (District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

State of New Mexico
Albuquerque Municipal School District No. 12
To the Board of Education
and
Hector H. Balderas
New Mexico State Auditor

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items FA 06-05, FA 06-06, FA 06-08, FA 07-04, FA 07-09, FA 07-10, FA 07-11 and FA 07-12.

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a

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To the Board of Education
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federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items FA 07-01, FA 07-02, FA 07-03, FA 07-05, FA 07-06, FA 07-7, and FA 07-08 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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

This report is intended solely for the information and use of management, the Albuquerque Municipal District No. 12 Board of Education, others within the District, the audit committee, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and applicable federal grantors and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Albuquerque, New Mexico
September 26, 2008

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007

Schedule V

Federal Grantor or Pass-Through Grantor / Program Title	Grant Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Health and Human Services			
<i>Passthrough State of New Mexico Children Youth & Families Department</i>			
Center for Disease Control and Prevention Technical Assistance	25222	93.283	\$ 272,394
Refugee and Entrant Assistance	24165	93.567	-
Title XX Health & Social Services	25129	93.669	494,949
Hurricane Relief	24111	93.776	148,761
Substance Abuse & Mental Health Services	25238	93.unknown	120,172
<i>Subtotal - Passthrough State of New Mexico Children Youth & Families Department</i>			<u>1,036,276</u>
Total U.S. Department of Health and Human Services			<u>1,036,276</u>
U.S. Department of Justice			
<i>Direct to Albuquerque Public Schools</i>			
Community Prosecution and Project Safe Neighborhoods	25113	16.609	41,857
Total U.S. Department of Labor			<u>41,857</u>
U.S. Department of Education			
<i>Passthrough State of New Mexico Department of Education</i>			
Title I (1)	24101	84.010	23,777,047
Title I School Improvement	24162	84.010	690,906
Entitlement IDEA B (1)	24106	84.027	21,933,510
Competitive IDEA-B	24108	84.027	5,245
Impact Aid Special Education	25145	84.041	84,924
Impact Aid Indian Education	25147	84.041	19,962
Carl Perkins Secondary - Current	24174	84.048	889,242
Indian Education Formula Grant	25184	84.060	1,023,458
Preschool IDEA-B	24109	84.173	392,268
Professional Development: Training for all Teachers	25213	84.195	107,244
Education of Homeless	24113	84.196	73,140
Title V Part A Innovative Ed Pro Strategies	24150	84.298	330,393
Enhancing Education through Technology	24133	84.318	105,297
Reading First	24167	84.357	481,267
English Language Acquisition	24153	84.365	695,234
Mathematics & Science Partnerships	24117	84.366	56,126
Safe & Drug Free Schools	25111	84.184a	494,550
Safe & Drug Free Schools & Community	24157	84.186A	302,845
Incentive Program	25242	84.215k	1,727
Smaller Learning Communities	25217	84.215l	431,474
21st Century Community Living Centers	24159	84.287a	1,306,537
Partnerships in Charter Education - Pilot	24129	84.315v	407,475
Comprehensive School Reform	24135	84.332a	516,550
Teacher / Principal Training / Recruiting	24154	84.367A	6,588,015
APS Sentry Grant	25164	84.unknown	13,917
FTE Earmark	25225	84.unknown	219,627
Carl D. Perkins-HSTW Redistribution	24182	84.unknown	36,123
Teaching American History	25107	84.unknown	273,783
Total U.S. Department of Education			<u>61,257,886</u>
U.S. Department of the Interior			
<i>Direct to Albuquerque Public Schools</i>			
Johnson O'Malley	25131	15.unknown	180,815
Total U.S. Department of the Interior			<u>180,815</u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2007

Schedule V

Federal Grantor or Pass-Through Grantor / Program Title	Fund Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Defense			
<i>Direct to Albuquerque Public Schools</i>			
Collaborative Research & Development	25112	12.114	\$ 1,204
Total U.S. Department of Defense			<u>1,204</u>
National Science Foundation			
Career Access Program NSF	25158	47.076	55,897
Total National Science Foundation			<u>55,897</u>
U.S. Department of Agriculture			
<i>Passthrough State of New Mexico Department of Education</i>			
School Lunch Program (1)	21000	10.555	24,901,769
Total U.S. Department of Agriculture			<u>24,901,769</u>
Total Federal Grants			\$ 87,475,704
U.S.D.A. Commodities			10.550 1,533,219
			<u>89,008,923</u>

(1) Denotes Major Federal Financial Assistance Program

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Albuquerque Public School District (District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Non-Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2007 was \$1,533,219 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.550. Commodities are recorded as revenues and expenditures in the food service fund.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	87,475,704
Total expenditures funded by other sources	<u>670,306,592</u>
Total expenditures	<u><u>757,782,296</u></u>

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

Section I – Summary of Audit Results*Financial Statements:*

- | | |
|--|-------------|
| 1. Type of auditors' report issued | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | Yes |
| b. Significant deficiencies identified not considered to be a material weaknesses? | Yes |
| c. Noncompliance material to financial statements noted? | Yes |

Federal Awards:

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 2. Type of auditors' report issued on compliance for major programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | Yes |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
84.367	Title IIA
84.010	Title I
10.555	National School Lunch

- | | |
|---|-------------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$2,624,271 |
| 6. Auditee qualified as low-risk auditee? | No |

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

Section II – Financial Statement Findings

FS 06-01 Prior Period Restatements (repeated)

Condition: The District notified the auditors of prior period restatements to beginning net assets. These adjustments reflect a change to construction in progress which was previously overstated by \$30,063,026 and accumulated depreciation which was previously understated by \$6,626,874. A large portion of the overstatement of construction in progress, approximately \$21 million, was related to 2006 building improvement additions that were incorrectly capitalized in both the Building and Improvements and Construction in Progress categories. The remaining \$9 million relates to capital expenditures that were improperly capitalized and included payments for maintenance and supplies as well as other expenditures that should have been expensed. The understatement of accumulated depreciation that should have been expensed in previous years on projects that were complete but were erroneously included in construction in progress. In addition, there were errors in accounting for deferred revenue in a Special Revenue. In previous years there was \$4,733,818 of funds received that were earned by the District that were erroneously included as deferred revenue.

Criteria: According to the District's capital asset reconciliation policies and procedures as well as minimum capitalization limits in accordance with NMAC Audit Rule 2.2.2, maintenance and supplies expenditures should not be capitalized. Additionally, in accordance with Generally Accepted Accounting Principles ("GAAP"), construction in progress projects should be capitalized upon completion and removed from construction in progress and transferred to the appropriate capital asset category simultaneously. Finally, in accordance in GAAP revenue should be recorded as it is earned.

Cause: The District's existing policies and procedures over capital asset account reconciliations were not followed. Additionally, the District wasn't properly closing a special revenue fund to account for all revenues earned.

Effect: These prior period adjustments reflect a change in beginning net assets of \$31,946,082. As of July 1, 2006, restricted net assets were understated and deferred revenue was overstated by \$4,733,818. Additionally, net assets invested in capital assets were understated and capital assets were overstated by \$36,679,900.

Auditor's Recommendation: The District should ensure compliance with relevant accounting principles and strengthen in internal controls over reporting of capital assets and non-capital expenditures. In order to ensure compliance with such principles, there should be continuing oversight of internal controls over financial reporting, classification of account types, recording of maintenance and expenditure transactions and reconciliation of capital asset accounts. On a monthly basis the District needs to ensure that all revenues are appropriately recognized. The District needs to establish policies and procedures to ensure that this is done on a monthly basis.

Management Response: It is the District's intent to ensure compliance with all relevant accounting principles to prevent deficiencies in internal controls over reporting and classification of non-capital expenditures. We were able to identify the need for these prior period adjustments through a comprehensive review and reconciliation of the District's asset schedules. Through this process our Accounting Department has been able to develop an accurate baseline and improved processes for tracking capital versus non-capital assets. The District will continue implementing controls that will provide oversight over financial reporting, classification and recording of assets types, reconciliation of capital assets accounts and clarification of capitalization thresholds with Facilities, Design and Construction.

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

FS 06-07 Late Financial Audit Report (repeated)

Condition: The audit report was received by the State Auditor's Office on September 29, 2008.

Criteria: State Audit Rule 2.2.2.9. (A), NMAC state that public schools are required to submit the audit report for the year ended June 30, 2007 on or before November 15, 2007.

Cause: APS was unable to submit the June 30, 2007 audit report on a timely basis.

Effect: Late audit reports delay the release of the financial statements for the District. Not having current financial information can negatively impact the District's ability to issue new bonds.

Auditor's Recommendation: APS must ensure that all future audit reports are filed in a timely manner. APS should ensure this process is timely in the future through communication with the new state auditor.

Management Response: APS management agrees that audit reports need to be filed in a timely manner. Planning for the next audit cycle has already begun. The District has been struggling with turnover and vacancies in critical accounting positions. We believe those issues are resolved. Also, due to the complexity and size of the annual audit and the numerous component units that are reported with the District's results, APS is looking at a reallocation of resources within the Finance Division that will allow the appropriate focus on this function. We will also coordinate more closely with our component units to ensure they understand the importance of timely financial reporting.

FS 06-08 Purchasing (repeated)

Condition: During our test work we noted 8 of the 22 items tested did not contain applicable supporting documentation, i.e. invoice, purchase order, etc. We also noted that 10 out of the 22 transactions were not stamped "PAID." Additionally one transaction was missing the account number on the SPO.

Criteria: According to State Audit Rule 2.2.2.10 (G) (1) and 13-1-1 to 13-1-199 NMSA 1978, cash disbursements are required to be supported by adequate documentation, and to be recorded in the correct expenditure account.

Cause: Audit procedures indicate that checks have been misfiled, invoices have been paid without adequate supporting documentation, have not been stamped "PAID", and some expenditures have been charged to incorrect general ledger accounts.

Effect: APS is not in compliance with the State Audit Rule as well as NMSA 1978 and increasing the potential for paying an invoice twice.

Auditor's Recommendations: Controls over purchasing should be tightened to ensure compliance with purchasing requirements.

Management Response: APS will evaluate current invoice payment procedures, implement changes as needed and train staff on any updates. Invoice processing will include ensuring that all payments are supported by the appropriate supporting documentation, marked as paid, and charged to the proper general ledger account. In addition, changes are planned to increase the amount of information printed on Accounts Payable check stubs and Purchase Orders to facilitate management of this requirement.

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FS 06-11 Timely Reconciliation of Capital Asset Inventory (repeated)

Condition: The annual audit for the District was due to the State Auditor's Office by November 15th, 2007. The auditors were not provided with complete and accurate supporting schedules relating to capital assets until June 2007. We were unable to perform test work of capital asset activity in a timely manner.

Criteria: According to 6-15 and 22-24 through 26, NMSA 1978, the District must maintain an inventory of capital assets, which shall be tested at the time of the annual audit.

Cause: The finance department tracks equipment purchases and disposals throughout the year, but waits until after year-end to track current year activity relating to land, buildings, and construction projects as this information must be provided by the facilities department of the District.

Effect: The District's financial statement audit was submitted to the State Auditor's Office late.

Auditor's Recommendations: We recommend that the facilities department track all capital asset activity assigned to the department throughout the year and reconcile the information with the information maintained in the finance department and the Lawson accounting system no less than quarterly. Final annual reports should be available for internal and external audit review no later than 60 days subsequent to the fiscal year end.

Management Response: Through the development of improved procedures related to capital assets, APS will ensure that capital assets are reconciled at least quarterly and be available for internal and external audit review no later than 60 days subsequent to fiscal year end. The Finance Division will also improve communication processes with Facilities, Design and Construction so that construction projects are appropriately recognized for financial statement reporting purposes upon completion. Though much of the delay in reporting the June 30, 2007 balances was due to the fact that management was verifying the validity of capital asset balances, evaluating internal reconciliation processes, and accounting vacancies in critical positions, it is clear there is need for improvement in this area.

FS 06-13 Overspending of Budgeted Amounts (repeated)

Condition: The District maintained expenditure functions in various funds where actual expenditures exceeded budgetary authority.

Criteria: Sound financial management and 6-6-6 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts, the expenditure function is the legal level of control.

Cause: The District did not make the appropriate budgetary transfers to alleviate the over-expenditure.

Effect: The District is not in compliance with New Mexico law, and the control established by the use of budgets has been compromised.

Auditor's Recommendation: The District should establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Management Response: APS will establish the appropriate process to ensure compliance with 6-6-6 NMSA 1978. Good budget management requires regular, periodic review of budget activity information to ensure expenditure line items do not exceed budget authority. An extensive review will take place at least quarterly.

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FS 06-14 Capital Assets Recognition (repeated)

Condition: The District is maintaining a capital asset listing, however, audit procedures indicate that the finance department is not consistently provided necessary and accurate construction in progress information from the facilities department regarding the status of District construction in progress projects.

Criteria: Per NMAC 22.24 through 26, capital assets shall be acquired and accounted for through the development and implementation of a complete property control system.

Cause: The District is extremely active with construction transactions as a result of a growing community and increased student counts.

Effect: The District has issued bond for the purpose of constructing facilities to meet the needs of the District. Communication between the District's facilities department and the finance office is important to insure each asset owned by the District is recorded and recognized on the capital asset listing as required by Generally Accepted Accounting Principals and Governmental Accounting Standards. The process is important to insure the District's assets are accurately recognized in the financial statements which affect the District's bonding issues relating to the construction and maintenance of District Facilities.

Auditor's Recommendation: We recommend that the District implement a system in which finance office receives timely and accurate information relating to construction transactions from the District's facilities department in a form which complies with related accounting principals.

Management Response: The Finance Division will improve communication processes with Facilities, Design and Construction so that construction projects are appropriately recognized for financial statement reporting purposes upon completion. A process will be developed that allows for a fully functional property control system for all capital assets.

FS 07-01 – Cash Receipts

Condition: During our audit, we noted 2 of the 22 receipts tested totaling \$18,984.39 were not deposited within 24 hours of receipt as required by State Statute 6-10-2 NMSA, 1978. In addition, 1 of the 22 receipts tested for \$1162.03 did not match the deposit slip.

Criteria: NMAC 6.20.2.14 states that a School District shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular 102, and applicable state and federal laws and regulations.

Cause: Albuquerque Public School District policies and procedures require the District and its employees to follow required state statutes and regulations.

Effect: The District failed to follow state regulations and District policies resulting in non-compliance with State Statute.

Auditor's Recommendations: We recommend that the District review cash management procedures with the responsible individuals annually to ensure that each is aware of the requirements so as not to violate State Statute 6-10-2 NMSA, 1978 and NMAC 6.20.2.14.

Management Response: All cash receipts received directly in the Accounting Department are deposited within one business day of receipt. Problems do occur when other departments/schools receipt funds but do not forward them to the Accounting Department for deposit in a timely manner. We will continue to communicate directly to sites not complying with statute informing them of the need to get funds to accounting within 24 hours of receipt for deposit purposes.

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FS 07-02 – Journal Entries

Condition: During our testwork over the journal entry process we found that there is no review or approval process for journal entries. We also noted several cases where entries were reversed and corrected.

Criteria: State Board of Education Title 6, section 6.20.2.11 states that Policies and Procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practice recommends review and approval of all non-standard journal entries.

Effect: The Districts ability to effectively manage its operations in order to meet its mission, goals, objectives, statutory mandates and compliance requirements was impaired. The risk that errors or fraud could go undetected was significantly increased.

Auditor's Recommendations: We recommend that APS implement controls in order to ensure that journal entries are appropriately reviewed and approved prior to posting.

Management Response: To reduce the risk of error or fraud, the District agrees that there needs to be an appropriate review and approval of journal entries, prior to processing. APS plans to develop a process flow within the business system that will allow journal entries to automatically flow to the appropriate accounting department approver for processing. Currently the Director of Accounting is reviewing and approving all journal entries.

FS 07-03 – Disbursements

Condition: During fieldwork we noted that a payment was incorrectly paid to La Promesa Charter School when it should have been made to A+ Tutors (La Promesa Foundation).

Criteria: NMAC 6.20.2.17 states that each school shall establish and implement written policies and procedures for purchasing, which shall be in compliance with the procurement code Section 13-1-21, NMSA 1978

Cause: The vendor name on the invoice is A+ Tutors – La Promesa Early Learning Center, which is the Foundation. APS made the check out to just La Promesa Early Learning Center, which is the school.

Effect: APS is paying the wrong vendor.

Auditor's Recommendations: We recommend that APS ensures they are paying the Foundation for the tutoring services and not the school in the future.

Management Response: APS will evaluate current invoice payment procedures, implement changes as needed and train staff on any updates. Invoice processing will include ensuring that all payments are supported by the appropriate supporting documentation, marked as paid, and charged to the proper general ledger account.

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FS 07-04 – Maintenance of Records and Documents

Condition: During the course of the audit, accounting personnel and management were unable to readily provide us with copies of invoices and supporting documentation. During our testing of travel and per diem, we noted 2 out of 22 disbursements did not contain supporting documentation for travel expenses; in our testing of p-cards we noted 1 of 22 disbursements did not contain supporting documentation for p-card purchases; in our testing of construction in process, we noted 1 of 16 items tested did not contain invoices for CIP additions and in our testing of fixed asset additions, we noted 4 vehicle additions out of 9 total fixed asset additions where invoices could not be located.

Criteria: It is good accounting practice to maintain source documentation for all disbursements made in order to ensure that the costs incurred are proper and in accordance with New Mexico State Statute (6-5-8) where “all purchase vouchers for goods and services, other than personnel, shall be accompanied by supporting invoices and documentation required by the division.”

Cause: The District archives their documentation with a separate company. The room where the District’s documentation was flooded and documentation was destroyed.

Effect: The client is unable to support transactions that are made throughout the year and are not in compliance with GAAP or state guidelines.

Auditor’s Recommendation: While most of the documents requested were obtained, they were provided only with considerable difficulty. We recommend that the Accounting Department establish and maintain a filing system that will include all documentation currently in effect. This will provide for easy reference within the accounting department.

Management Response: The District agrees that document storage improvements are absolutely critical. As of July 1, 2008, budget is approved to develop and implement an imaging system for the Accounts Payable Department. Additional imaging options are available and in the planning stages for the Capital Outlay Department and the Accounting Department. The documents that will be addressed immediately are Accounts Payable (voucher, invoice, receiver, purchase order) and Capital Assets (specifically additions to land, land improvements, building, and building improvements). Additional efforts will include Journal Entry documentation.

FS 07-05 – 941 Reconciliation

Condition: During our testing of the 941 reconciliation, we noted a \$30 difference between the FICA wages general ledger balance from the 941 and a \$101,956.87 difference in FICA between the general ledger balance and the 941.

Criteria: Per NMSA 1978 Section 12-6-5, require the annual financial and compliance audit agencies to “set out in detail, in separate section, any violation of law or good accounting practices found by the auditor or examination.” Therefore, any instance of weakness in internal control as defined by GAGAS 5.13 and SAS AU 325.21 must be reported.

Cause: The District is performing year end reconciliations where adjustments could have been posted and not reconciled to the 941.

Effect: This could result in penalties and/or interest being assessed to the school.

Auditor’s Recommendation: We recommend that the District reconcile the general ledger to the 941 prior and after submission to ensure that wages and withholdings are reported accurately.

Management Response: The Accounting Department agrees that 941 reconciliations are critical to many areas of the Finance Division. Reports and processes are being developed that will accomplish the task of tracking these types of differences and allowing a full reconciliation between these reports.

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FS 07-06 – Board of Directors Reimbursement

Condition: It was noted during our inquiry of the client and review of accounts payable checks that the member's of the board are not paid through payroll, rather they are paid through regular disbursements through accounts payable.

Criteria: Publication 963, Chapter 4 and IRC §3401(c), states that “the term employee includes an officer, employee, or elected official of the United States, a State, or any political subdivision thereof.” In other words, an officer, employee, or elected official of a state or local government is an employee for income tax withholding purposes. For purposes of social security and Medicare (FICA) taxes, employee status is determined under the common-law control test, unless a Section 218 Agreement is in place and specifically covers the position.”

Cause: The District was not aware of the publication requirements and processed board reimbursements through accounts payable.

Effect: The District is not in compliance with state and federal wage laws.

Auditor's Recommendation: We recommend that the District begin processing board reimbursements accordingly in order to avoid potential penalties for not complying with state and federal wage laws.

Management Response: The District was unaware of this requirement until recently and will begin the research required to ensure compliance with this publication.

FS 07-07 – PED Chart of Accounts

Condition: The chart of accounts that APS is using not in compliance with the State of New Mexico's Public Education Department Uniform Chart of Accounts (UCOA).

Criteria: Per the School Budget and Analysis Bureau, school districts are required to uses the UCOA.

Cause: APS was not aware of the requirement when creating the chart of accounts in Lawson.

Effect: APS is not in compliance with state statutes.

Auditor's Recommendation: We recommend that APS implement a chart of accounts that is compliant with the State of New Mexico Public Education Department's requirements for chart of account.

Management Response: APS Management has upgraded the Lawson Financial System to better accommodate the PED's defined Chart of Accounts as of July 1, 2007. The payroll system conversion was completed in January 2008. As of July 1, 2008, APS is in compliance with the new chart of accounts in almost all areas. Adjustments will continue to be made until the remaining areas are addressed.

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Component Unit Findings

21st Century Public Academy

FS 06-27 Internal Controls over Journal Entries (repeated)

Condition: The Charter School does not have adequate internal controls over non-standard journal entries entered into its accounting system.

Criteria: According to State Board of Education Title 6, section 6.20.2.11, Policies and Procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practice recommends review and approval of all non-standard journal entries.

Cause: The school recently began operations and is continually updating its policies and procedures manual. The school has not developed a review and approval process for non-standard journal entries in Apta Fund. Charter schools must have the ability to monitor the operation of the accounting department as outlined in applicable regulations.

Effect: There could be incorrect or inappropriate journal entries posted to the general ledger.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding the review and approval of manual journal entries and implement a procedure to insure non-standard journal entries are reviewed and approved.

Management Response: Principal will be responsible for reviewing non-standard journal entries,

FS 06-28 PED Reports (repeated)

Condition: The School's cash report to the Public Education Department did not match the General Ledger.

Criteria: According to State regulation 6.20.2.11 (B) (6), NMAC and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger.

Cause: The report sent to PED was not reviewed to ensure that it reflects what is in the general ledger. The school is in violation of NMAC 6.20.2.11 (b) (6) and Regulation SBE-6.

Effect: PED does not have an accurate accounting of the school activity.

Auditor's Recommendation: The appropriate personnel should complete the PED report based upon the general ledger. Additionally, an individual should review the report to ensure that the report does match the general ledger.

Management Response: Management contracted license CPA to assist in matching GL with PED reports in 2007-08 all GL reports were directly up loaded to PED from accounting system to avoid these errors

FS 07-08 Timely Deposits

Condition: During our test work, we noted four deposits, in the amounts of \$1,170.50, \$181.00, \$73,063.23 and \$285.00 that were not made until several days after the money was received.

Criteria: NMSA 6.20.2.14 requires that the school makes all deposits within 24 hours of receiving the money.

Cause: The likely cause is forgetting to make the deposit.

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Effect: This resulted in a violation of the State statute. Additionally, the school has exposed itself to possible misappropriation of assets.

Auditor's Recommendation: We recommend the school implement procedures to ensure deposits are made within 24 hours of receipt.

Management Response: Bank will pick up deposits on Mondays, Wednesdays and Fridays.

FS 07-09 Cash Receipts-Inadequate Documentation

Condition: There were 4 out of 11 instances, for a total amount of \$1,669.50, where for which there was no receipts available.

Criteria: All cash receipts are required to have supporting documentation; including receipt of deposit that indicates deposit was made within 24 hours.

Cause: Due to possible errors in record keeping, supporting documentation may not be properly completed or may be misplaced.

Effect: Lack of supporting documentation increases the risk of an entry that is fraudulent to be posted to the system. The School was not in compliance with State Statute.

Auditor's Recommendation: We recommend that policies and procedures be implemented that tracks and maintains all items relating to cash receipts.

Management Response: Receipts are issued for all funds received or \$5.00.

FS 07-10 Payroll-Lack of Supporting Documentation

Condition: During our test work we noted the following:

- 4 out of 11 did not have voided checks for direct deposit authorization on file.
- 1 out of 11 had a missing I-9.

Criteria: NMAC 6.20.2.18 requires that schools maintain and have ready for inspection payroll documents such as employment contracts, certification records, and personnel/payroll action forms. I-9's, W-4's, pay deduction authorizations, pay posting change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Cause: The school did not follow its policies and procedures regarding payroll.

Effect: Due to possible errors in record keeping, supporting documentation may not be properly completed or misplaced. The School is noncompliant with NMAC 6.20.2.18.

Auditor's Recommendation: We recommend the school follow NMAC 6.20.2.18 to ensure all required payroll related documentation is completed and properly filled out.

Management Response: Voided checks for direct deposits will be kept in the locked personnel files for auditors review. I-9 has been obtained for the file that was missing one.

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FS 07-11 Internal Control Structure

Condition: During our journal entry test work we noted two instances where the expense was coded incorrectly.

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Cause: Management posted expenses to the wrong expense accounts.

Effect: This led to a violation of NMAC 6.20.2.11. Additionally, PED does not have an accurate reporting of the school's activity.

Auditor's Recommendation: Account coding should be carefully checked against invoice and purchase order.

Management Response: Expense codes will be closely monitored and checked with the budget office in the PED.

FS 07-12 Gross Pay Does Not Agree to Contract Amount

Condition: During our test work, we noted one instance where gross wages do not agree to the stated contract amount. There was a difference of \$4,000.

Criteria: NMAC 6.20.2.18 states that schools must have internal controls in place so that employees are paid the correct amounts and that all related deductions are properly accounted for.

Cause: Management did not change contract amount after the employee when from half time to $\frac{3}{4}$ time.

Effect: The School did not maintain proper authorization for wage rates and teachers could have been over paid.

Auditor's Recommendation: The School must insure that for every increase in salary that there is a signed contract in the employee file showing the amount of the increase has been approved by management. This also insures that related payroll deductions are being calculated correctly and are properly accounted for.

Management Response: Contract for salary increase for employee has been placed in personal file.

FS 07-13 Checks Issued

Condition: During review of cancelled checks, we noted that the checks do not have "void after one year from date" written on face.

Criteria: According to NMAC 6.20.2.14 cash control standards, each warrant or check issued is required to have printed on its face the words, "void after one year from date." Whenever any warrant or check is unpaid for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57 (A), NMSA 1978.

Cause: School does not order checks with required words on face.

Effect: School is in violation of NMAC 6.20.2.14 and could be liable to pay a check that would be potentially cancelled.

Auditor's Recommendation: We recommend the school order checks that have the words "void after one year from date" printed clearly on face of warrant or check.

Management Response: School will place required words "void after one year from date" on checks and void all checks not cash within one year of being written.

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Academia de Lengua y Cultura

FS 06-29 Pledged Collateral (repeated)

Condition: Academia De Lengua Y Cultura has deposits in excess of \$100,000, the amount insured by FDIC and these amounts are not collateralized.

Criteria: According to NMSA 1978 Section 6-10-17 Public Money Act, deposits in excess of the FDIC insurance must be 50% collateralized.

Cause: Academia De Lengua Y Cultura did not ensure that funds in excess of \$100,000 were properly collateralized.

Effect: Funds in excess of \$100,000 are not fully protected from loss.

Auditor's Recommendation: The School must ensure that amounts above \$100,000 are collateralized.

Management Response: The Business Manager has contacted the bank and is in the process of completing the required documentation to ensure compliance with this statute.

FS 06-33 Bank Reconciliations (repeated)

Condition: Academia De Lengua Y Cultura's June 2007 bank reconciliation did not tie to the trial balance provided. We also noted that the Principal does not review the bank statements or the bank reconciliations.

Criteria: According to NMAC 6.20.2.14, "School districts shall establish and maintain cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the Office of Management & Budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

Cause: George Miles, Business Manager said that he made journal entries after year-end which affected the bank reconciliation and he was working to correct it.

Effect: Without proper reconciliations, cash may be misstated on the financial statements.

Auditor's Recommendation: The School must reconcile bank accounts monthly and this should be done in a timely manner. Most banks only allow 60 days to dispute errors. Therefore banking errors not caught in that 60 day time frame may not be corrected. Further the School should establish a review procedure so that bank statements and reconciliations are reviewed monthly.

Management Response: The Business Manager agreed that bank reconciliations should be done monthly and in a timely manner. He was working on the bank reconciliation during our fieldwork. He said that he would provide the corrected reconciliation at the end of October. (The Business Manager was able to provide the corrected bank reconciliation.) The internal control policy will be reviewed and revised as needed to include verifiable oversight by the Principal and board.

FS 06-34 ERA Reconciliations (repeated)

Condition: Academia De Lengua Y Cultura did not complete ERA reports or remit payments timely from July 2006 through November 2006. We noted late payments and penalty assessments. We also noted that the general ledger balance was \$12,544 lower than the ERB reports.

Criteria: Per NMAC 2.82.9.8 C states "Monthly contributions from employees and local administrative units shall be postmarked no later than the fifteenth (15th) day of the month following the month for which contributions are withheld."

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Cause: It appears that payments were not made because there was no business manager during that time.

Effect: ERB contributions are delinquent and not properly recorded in the general ledger.

Auditor's Recommendation: The School must ensure that ERA reports are calculated and amounts are remitted in a timely manner. Amounts must be recorded properly in the general ledger.

Management Response: The Business Manager agreed that reports should be filed timely. He noted that the reason these were late was due to not having a business manager for several months. George became the Business Manager in October 2006. Since that time he has worked to clean up the department and see that all reporting and filing requirements are met.

FS 06-35 Internal Controls over Non-Standard Journal Entries (repeated)

Condition: During our audit, we noted a number of journal entries with no supporting documentation. Many were corrections to various accounts. None of the journal entries had been reviewed or approved.

Criteria: According do the State Board of Education Title 6, section 6.20.2.11, policies and procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principals is required. Sound business practices recommend review and approval of all non-standard journal entries.

Cause: Many of the journal entries were corrections to various accounts. Academia De Lengua Y Cultura does not have internal controls related to the preparation and review of journal entries.

Effect: Proper authorization and review is important to limit the possibility of errors or fraud.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding the review and approval of manual journal entries and implement a procedure to insure non-standard journal entries are reviewed, approved, and supported.

Management Response: The internal control policy will be reviewed and revised as needed to include verifiable oversight by the Principal and board. Journal entries will be reviewed and the entries and their back-up will be signed by the principal and reviewed by the board at their monthly board meetings.

FS 06-37 Budgetary Conditions (repeated)

Condition: The School has expenditure functions in which actual expenditures exceeded budgetary authority in the following funds: General Fund, Non-Instructional Support Fund, Title I IASA Fund, Title I School Improvement Fund, and National Council of La Raza Fund. Actual expenditures in these funds exceeded budgetary authority by a total of \$495,875.

Criteria: Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. For school districts, the expenditure function is the legal level of control.

Cause: The School did not make the appropriate budgetary adjustment requests and transfers to alleviate possible over-expenditure within functions prior to the year-end.

Effect: As a result, the School is in non-compliance with New Mexico state law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to cover the over-expenditures.

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end and make the necessary budget adjustments.

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Management Response: The school will institute a budgetary review each quarter and make the necessary budget adjustments quarterly.

FS 06-38 Segregation of Duties: (repeated)

Condition: The Business Manager for Academia De Lengua Y Cultura performs all accounting related functions with no oversight or review from the Principal or the Board. The Business Manager does provide a detailed payroll report for each payroll run and that is given to the Principal and the Board. This is the only oversight of the accounting department.

Criteria: According to NMSA 1978 Section 6-5-2, segregation of duties must be maintained.

Cause: Academia De Lengua Y Cultura relies solely on the expertise of the Business Manager to perform accounting related functions.

Effect: Without proper supervision and review, it may be difficult to detect and correct mistakes and deter potential fraud.

Auditor's Recommendation: The School must ensure that journal entries are reviewed and approved, bank reconciliations are reviewed. Internal controls should be in place and routinely followed.

Management Response: The Business Manager agreed that there should be more review. The internal control policy will be reviewed and revised as needed to include verifiable oversight by the Principal and board. Journal entries will be reviewed and the entries and their back-up will be signed by the principal and reviewed by the board at their monthly board meetings.

FS 06-41 PED Reports (repeated)

Condition: The School's report to the PED did not match the general ledger.

Criteria: According to State regulation 6.20.2.11 (b) (6), NMAC and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger.

Cause: During FY07, cash balances were all recorded in the general ledger in the Operating Fund.

Effect: Cash balances by fund are not correct on the PED cash report.

Auditor's Recommendation: All reports sent to PED must agree to the general ledger. We recommend that all reports are reviewed before being submitted to PED.

Management Response: Internal control procedures will be implemented to assure that all reports are reviewed and agree to the general ledger before submission.

FS 07-14 – RHC Reconciliations

Condition: Academia De Lengua Y Cultura did not complete Retiree Health Care reports or remit payments in July 2006 and August 2006. We also noted the general ledger balance was \$1,267 higher than the reports not including the reports for July and August 2006 that were not recorded.

Criteria: NMAC 2.81 governs the Retiree Health Care program.

Cause: It appears that payments were not made because there was no business manager during that time.

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Effect: Retiree Health Care contributions are delinquent for the months of July 2006 and August 2006. Also, RHC contributions do not agree to the general ledger balance.

Auditor's Recommendation: The School must implement internal controls to ensure that Retiree Health Care reports are calculated and recorded properly and amounts are remitted in a timely manner.

Management Response: The Business Manager said that he would remit these amounts with his November report. Internal controls will be reviewed and revised and appropriate accountability steps will be in place.

FS 07-15 — Payroll Transactions

Condition: During our payroll testwork we noted the following exceptions: 1. Three of eleven employees tested did not have I-9s on file. 2. Five of eleven employees tested did not have signed contracts on file, therefore we were unable to verify pay rates. 3. Three of eleven payroll expenditures tested were coded to the incorrect general ledger code. 4. Four of eleven employees did not have W-4's on file. 5. One of eleven tested had ERA/ERB withheld at incorrect rates. 6. Four of eleven tested did not have insurance authorization paperwork in the employee file so we were unable to verify rates.

Criteria: NMAC 6.20.2.18 states that School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Cause: Academia De Lengua Y Cultura does not have internal controls related to reviewing employee personnel files.

Effect: Not maintaining proper documentation in employee personnel files could result in negative outcomes if Academia De Lengua Y Cultura became involved in a labor dispute. Not maintaining I-9's could result in federal violations.

Auditor's Recommendation: We recommend that the School review all personnel files and ensure that all required documentation is filed and all payroll deductions are withheld at correct rates.

Management Response: The internal control policy will be reviewed and revised to include the appropriate procedures for the maintenance and review of all files. The personnel files were reviewed. The missing records were located and filed appropriately with the I-9s placed in a separate file. The payroll deductions were reviewed and adjusted.

FS 07-16 – SAS 112 Compliance

Condition: The individuals responsible for the accounting and reporting functions for the Charter lack the skills and knowledge to apply generally accepted accounting principles in preparing the entity's financial statements. The accounting management has not obtained training to adequately apply generally accepted accounting principles, which includes GASB 34 and subsequent pronouncements.

Criteria: Proper internal controls over the preparation and/or monitoring of the preparation of financial statements requires that management places a person knowledgeable in applying generally accepted accounting principles when preparing the entities financial statements.

Cause: Individuals responsible for the accounting and reporting functions for the Charter have not received training in preparing governmental financial statements in accordance with GASB (Governmental Accounting Standards Board) Statement No 34 and subsequent pronouncements.

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Effect: The Charter, without the aid of its auditors, is unable to accurately prepare financial statements in accordance with governmental accounting standards with regard to applying generally accepted accounting principles.

Auditor's Recommendations: We recommend the Charter's accounting management receive the training relating to the preparation of the Charter's financial statements in accordance with generally accepted accounting principles. This would give the individuals responsible for the accounting and reporting functions the skills and knowledge to apply generally accepted accounting principles to the financial statements.

Management Response: The business manager will attend all NMASBO and any other trainings on GASB.

FS 07-17 – Disposition of Fixed Assets

Condition: The School prepared a letter April 23, 2007 stating that they wished to dispose of a number of computers and peripherals. These were items that had been donated to the School from the US Forestry Service in the fall of 2006. George Miles, the Business Manager believed these items were donated to the person who set up the new computer lab. He was unable to locate paperwork regarding the donation. George believed that the initial value of the items was so small that they were never recorded as fixed assets.

Criteria: Sections 13-6-1 through 13-6-2 NMSA 1978 and the procurement code govern the disposition of fixed assets.

Cause: Academia De Lengua Y Cultura does not have internal controls related to the disposal of fixed assets.

Effect: The School is not in compliance with Sections 13-6-1 through 13-6-2 NMSA 1978 and the procurement code related to the disposal of fixed assets. Further, there was no certification that the hard drives of any donated computers were cleaned before disposal.

Auditor's Recommendation: Policies and procedures should be established for the disposal of fixed assets. Proper supporting documentation should be retained and provided during the annual audit.

Management Response: Internal control policy will be reviewed and revised so that there is a clear process with regard to the disposal of fixed assets.

FS 07-18 – Timely Deposits

Condition: During our review of cash receipt transactions and procedures, we noted that one deposit of eleven tested was not deposited within the 24 hour requirement.

Criteria: NMAC 6.20.2.14 states that monies received and receipted shall be deposited in the bank within 24 hours.

Cause: The School procedures and State of NM Statutes are not being properly followed by the School Administration.

Effect: Not depositing funds within 24 hours increases the chances that funds could be misappropriated.

Auditor's Recommendation: Deposits should be made within the 24 hour required period.

Management Response: The internal control policy will be reviewed and revised in order to insure that all monies received and receipted shall be deposited in the bank within 24 hours.

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Albuquerque Institute for Math & Science

FS 07-19 ERA and RHC Contributions

Condition: During field work, we noted on RHC that the payments for July, August and September (\$3,378.65) were not paid until 10/23/2006. We noted on the ERA that the payments for July (\$4,267.18) were not paid until 10/05/2006. School paid penalty of \$84.18 for this payment being late.

Criteria: Monthly contributions to the Retiree Health Care (RHC) and Educational Retirement Board (ERB) are required to be remitted no later than the 15th of the following month.

Cause: The school failed to make the RHC and ERB contributions timely.

Effect: The school was in violation of RHC and ERB requirements and could be subject to penalties.

Auditor's Recommendation: We recommend that school management implement an internal control system to insure that RHC and ERB contributions are processed and paid timely.

Management Response: Current administration and management team was brought on board summer of 2006. Upon discovery that previous administration and business manager had not made payments on this account resulted in immediate and reconciliation as noted in your fieldwork. Subsequent complete examination of business practices of the prior administration and business manager was conducted, with irregularities addressed through policy. Currently all payroll obligations are completed by the 9th of each month.

FS 07-20 Timely Deposits

Condition: During our audit test work, we noted 7 deposits, for a total amount of \$1,032.40 that was not made until several days after the money was received.

Criteria: NMSA 6.20.2.14 requires that the school make all deposits within 24 hours of receiving the money.

Cause: The likely cause is forgetting to make the deposit.

Effect: This resulted in a violation of the State laws. Additionally, the School has exposed itself to possible misappropriation of assets.

Auditor's Recommendation: Implement procedures to ensure deposits are made within 24 hours of receipt.

Management Response: Employee reorganization occurred in fall and spring of 06-07. Job descriptions were rewritten and business practices were revised. Currently the business practices for activities accounts at the school have been rewritten and expanded to include requirements for daily deposits by 3 pm each day, as well as requirements for sponsors. These are in keeping with the NMSA 6.20.2.14 requirements. Documentation is provided.

FS 07-21 BARS

Condition: During our test work on Bars we noted the following:

- There was no Budget Adjustment Request filled out for an increase in expenditures in the federal stimulus fund for \$68,890.
- There was no Budget Adjustment Request filled out for an increase in expenditures in the capital outlay fund for \$116,388.
- We could not trace an internal bar to the general ledger.

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Criteria: In accordance with Public Education Department (PED) requirements and 6-6-6 NMSA 1978, the School is required to follow PED procedures relating to Budget Adjustment Requests.

Cause: There was no Budget Adjustment Request and the federal stimulus account suffered a decrease of \$68,890 that was not originally accounted for, the risk of overspending is high.

Effect: As a result, the School was out of compliance with 6-6-6 NMSA 1978, and the control established by the use of budgets has been compromised.

Auditor's Recommendation: We recommend that all Budget Adjustment Requests are properly filled out and submitted for PED approval before any action is taken at the school.

Management Response: As per the response given to this issue last year, all BARS are done on an "as needed" basis and are fully in compliance with PED requirements.

FS 07-22 Disbursements-Lack of Authorization

Condition: We noted during test work that 2 out of 11 items tested, checks did not contain the required two signatures.

Criteria: NMAC 6.20.2.17 states that a school must establish procedures for purchasing and follow them.

Cause: The School failed to follow procedure it put in place October 20, 2006 requiring two signatures on checks for the operational account.

Effect: This could result in inadequate authorization of expenditures.

Auditor's Recommendation: We recommend that school follow policies and procedures and implement procedure to ensure that all checks have two signatures before they are sent out.

Management Response: Business practices were examined and appropriate changes were made as discovery occurred. The previous practice of single signor on accounts was identified and rectified with new checks ordered requiring two signatures. Fiscal responsibility required that the supply of original checks be utilized during the turnover. That supply has since been exhausted.

FS 07-23 Payroll

Condition: During our review of payroll we noted the following:

- 1 of 11 contracts was not properly authorized
- School does not require employees to sign direct deposit authorizations.

Criteria: Sound accounting practices and 2.20.2.11 NMAC requires each school to develop, establish and maintain a structure of internal accounting controls and written procedures. This includes the review of proper documentation in employee files.

Cause: There is not an established policy in place that allows for direct deposit authorizations or the review of properly signed contracts on file.

Effect: Because there is no review process, the risk of fraudulent activity is increased.

Auditor's Recommendation: We recommend that policies and procedures be established regarding direct deposit authorization and the review of properly signed contracts in payroll files.

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Management Response: All employees requesting direct deposit have now turned in signed verification forms. Additionally, new contracts with standard board president signature are now in place.

FS 07-24 Procurement

Condition: During our test work, we noted that the purchase of furniture totaling \$51,250.25 that did not go through the appropriate procurement methods that are set fourth by the State Purchasing Code.

Criteria: Per NMAC 6.20.2.17 Procurement Code Section 13-1-21 et. Seq., NMSA 1978, bids should be obtained for all purchases over \$20,000 and \$30,000 in the case of professional services.

Cause: The State Purchasing code required that bids should be obtained for all purchases over \$20,000 and \$30,000 in the case of professional services.

Effect: Increased risk that fraud could occur and the potential that the School could have purchases goods or services at lower cost.

Auditor's Recommendation: We recommend the School to comply with the procurement code and obtain sealed bids for all purchases over \$20,000 and \$30,000 for professional services.

Management Response: Classroom Furniture is contracted with various suppliers; therefore, we felt we were in compliance with State Code. Going forward, school will follow the State Procurement Code with all purchases over 20K.

FS 07-25 Travel & Per Diem

Condition: During our test work on travel & per diem we noted an employee was reimbursed \$50.84/day for meals.

Criteria: Under NMAC 6.20.2.19 Section 10-8-4, a salaried public officer of a state agency or local public body or a salaried employee of a state agency or local public body is entitled to per diem expense and shall receive reimbursement for actual expenses for meals not to exceed \$30 per day for in-state travel.

Cause: School travel policies and the Per Diem and Mileage Act regulations are not being enforced at all levels.

Effect: Public funds could be misused in the reimbursement of travel and per diem expenditures if proper procedures are not in place. Lack of controls may result in abusive expenditures and possible action from oversight agencies.

Auditor's Recommendation: We recommend that the School follow the Per Diem and Mileage Act when processing and paying per diem and travel reimbursements.

Management Response: A clerical error, the mentioned conference was three days in length. Per Diem will be strictly followed.

FS 07-26 Budgetary Conditions

Condition: The School has expenditure functions where actual expenditures exceed budgetary authority.

Public School Capital Outlay	
Capital Outlay	116,388

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 to 22-8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts, the expenditures is the legal level of control.

Cause: The School did not make the appropriate budgetary adjustment requests and transfers to alleviate possible over-expenditure within functions prior to the year end.

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Effect: The School has not complied with New Mexico law, and the control established by the use of budgets has been compromised.

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end and make the necessary budget adjustments.

Management Response: Because PSOC Grants are not received until after the budget process is completed in June of each year, BAR was not entered into OBMS when award letter was received to account for revenue in this area. Going forward, BAR's will be immediately entered upon receiving grant information to avoid non-compliance with State requirements. As a result of not entering the necessary BAR for the PSOC grant, Central Services incurred an over-expenditure as well.

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Amy Biehl High School

FS 06-45 Journal Entries (repeated)

Condition: We noted that 8 out of 11 journal entries tested were not properly authorized.

Criteria: NMAC 6.20.2.17 states that a school must establish procedures and follow them.

Cause: The school did not obtain proper approval for journal entries.

Effect: There could be incorrect or inappropriate journal entries posted to the general ledger.

Auditor's Recommendation: We recommend that school develop procedure to ensure that all journal entries are reviewed and properly approved.

Management Response: Amy Biehl High School agrees with this finding and recognizes that this is a duplicate from the prior years' findings. Three journal entries tested were completed prior to the previous year audit recommendation. The school does not make retroactive any processes or procedures recommended by the auditors but rather implements the process/procedure going forward. Three journal entries were to assist the school's accounting software (APTA Fund) align with the new PED OBMS On-line Reporting and had no impact on the financial picture of the school. Two journal entries were missing the oversight signature.

FS 07-27 Payroll

Condition: During payroll test work, one out of eleven employee files reviewed did not have an I-9 properly completed.

Criteria: NMAC 6.20.2.18 requires that school districts shall maintain and have available for inspection the following employee record documentation: employment contracts, personnel/payroll action forms, certification records, employment eligibility verification (I-9), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Education Retirement Act plan application, and direct deposit authorizations.

Cause: The school did not follow policies and procedures regarding payroll.

Effect: The school is not in compliance with NMAC 6.20.2.18.

Auditor's Recommendation: We recommend that Amy Biehl Charter School maintain all payroll related documentation on file in order to comply with NMAC 6.20.2.18.

Management Response: Amy Biehl High School agrees with this finding. The employee personnel file in question was completed several years ago, prior to the current Finance Director's tenure. The current Finance Director reviews all employee paperwork to assure completeness.

FS 07-28 Travel & Per Diem

Condition: During test work conducted in relation to Travel and Per Diem reimbursement, we noted one instance of eleven tested where an employee was reimbursed in excess of the allowable daily food allowance.

Criteria: NMAC 2.42.2.9 sets guidelines regarding the reimbursement of actual expenses for food costs and states that actual expenses for meals are limited to a maximum of \$45.00 per employee per day.

Cause: The reimbursement form was not properly recalculated before disbursement.

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Effect: One employee was overpaid for expenses incurred and Amy Biehl Charter School is not in compliance with NMAC 2.42.2.9.

Auditor's Recommendation: We recommend that the requests for reimbursement are recalculated before disbursement and that Amy Biehl Charter School complies with NMAC 2.42.2.9 in the future.

Management Response: Amy Biehl High School agrees with this finding. In reviewing the employees Travel Reimbursement Request form, it was discovered that the employee was overpaid \$3.00 on one travel day. The school's Finance Director will pay closer attention to the requests for reimbursement to assure accuracy and to make sure that all employees understand the daily limits for food expenses while traveling.

FS 07-29 Background Checks

Condition: During our review of payroll, 2 out of 11 employees did not have background checks on file.

Criteria: According to 22-10.3.3 NMSA 1978 policies and procedures should be developed requiring background checks on an applicant who has been offered employment with unsupervised access to students at a charter school.

Cause: There is not an established policy in place within the school that requires personnel files to be reviewed for background checks.

Effect: The School has a potential for lawsuits as it is not protecting itself by performing background checks required by state statute.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding background checks to insure that each employee has been given a background check before being hired by the school.

Management Response: Amy Biehl High School agrees with this finding. The employee personnel files in question were completed several years ago, prior to the current Finance Director's tenure. The current Finance Director reviews all employee paperwork to assure completeness.

FS 07-30 Inadequate Segregation of Duties in Receipting Process

Condition: The Business Manager's duties include preparing bank reconciliations, depositing receipts into the bank and posting to the general ledger.

Criteria: Sound business practice required adequate segregation of duties during the receipting process.

Cause: The lack of segregation of duties is the result of qualified employees which has left the business manager handling most of the receipting process.

Effect: Without segregation of duties, the School has not mitigated the risk of errors or irregularities over the cash receipts process. The School is not in compliant with State Statute.

Auditor's Recommendation: Certain responsibilities during the receipting process should be delegated to qualified employees or hire a qualified individual to perform the required tasks.

Management Response: Amy Biehl High School agrees with this finding. Beginning with the 2007-2008 school year the office manager has been given the responsibility of receipting all cash that comes into the school. The Finance Director no longer accepts any cash until it is counted and receipted by the office manager and the person submitting the cash. The original receipt is given to the person submitting the cash, a copy of the receipt is submitted to the Finance Director with the cash to be deposited and a third copy is retained in the receipt book, which will act as a cash receipt log. At the end of every month the Finance Director submits a report to all internal

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groups who routinely submit cash (clubs, fundraisers, etc) detailing what was received and what was spent. It is then incumbent upon such groups to check their records to be sure they match with the accounting office. A copy of this statement is also attached to the bank statement. The school's Executive Director reviews all bank statements to assure accurate and timely deposits.

FS 07-31 Disbursement-Lack of Authorization

Condition: We noted during test work that 1 out of 11 disbursements tested did not have properly signed purchase orders.

Criteria: NMAC 6.20.2.17 states that a school must establish procedures for purchasing and follow them.

Cause: The School did not obtain proper approval for cash disbursements.

Effect: This could result in excessive payments, incorrect payments, lack of proper audit trail or in the case of grant expenditures, payment of allowable costs which may be unallowable to the grant.

Auditor's Recommendation: We recommend that policies and procedures be established that outline the method of issuing a check for any services and/or goods received, and that these procedures be communicated to the staff.

Management Response: Amy Biehl High School agrees with this finding. However, the purchase was a COD purchase in which the purchase order, invoice and check were all presented at the same time for approval. Although the check had the appropriate signature and the invoice had the appropriate approval, the second required signature on purchase order was missed.

FS 07-32 Minutes

Condition: We noted the March 2007 minutes were missing.

Criteria: Chapter 10, Article 15 NMSA 1978 states that " the board, commission or other policymaking body shall keep written minutes of all its meetings. Draft minutes shall be prepared within ten working days after the meeting and shall be approved, amended or disapproved at the next meeting where a quorum is present.

Cause: The School did not write up board minutes after the meeting and all notes regarding the minutes stayed with a member no longer on the board.

Effect: There could be issues that were discussed in the meeting that could affect the outcome of the audit.

Auditor's recommendation: We recommend the school follow the open meetings act Chapter 10, Article 15 NMSA 1978 and have minutes drafted within ten working days after the meeting and approved at the next meeting.

Management Response: Amy Biehl High School agrees with this finding. Beginning in May 2007 the minutes from all governing council meetings are taken on a school computer during the course of the meeting. As designed by the school's IT Director, the document is simultaneously saved on both the hard drive of the computer and on one of the school's servers, thus minimizing the chance that governing council minutes will be lost in the future.

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Career Academic & Technical Academy

No findings

Cesar Chavez Community School

FS 07-33 — Internal Controls Over Non-Standard Journal Entries

Condition: The Charter School does not have adequate internal controls over non-standard journal entries entered into its accounting system.

Criteria: State Board of Education Title 6, section 6.20.2.11 states that Policies and Procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practice recommends review and approval of all non-standard journal entries.

Cause: The School has limited knowledgeable staff that is able to review journal entries.

Effect: Without proper review of these journal entries, errors or irregularities could go undetected and cause financial statements to be misstated.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding the review and approval of manual journal entries and implement a procedure to insure non-standard journal entries are reviewed, approved and supported.

Management Response: Management has implemented policy that requires Principal to review and approve all journal entries.

FS 07-34 – SAS 112 Compliance

Condition: The individuals responsible for the accounting and reporting functions for the Charter lack the skills and knowledge to apply generally accepted accounting principles in preparing the entity's financial statements. The accounting management has not obtained training to adequately apply generally accepted accounting principles, which includes GASB 34 and subsequent pronouncements.

Criteria: Proper internal controls over the preparation and/or monitoring of the preparation of financial statements requires that management places a person knowledgeable in applying generally accepted accounting principles when preparing the entities financial statements.

Cause: Individuals responsible for the accounting and reporting functions for the Charter have not received training in preparing governmental financial statements in accordance with GASB (Governmental Accounting Standards Board) Statement No 34 and subsequent pronouncements.

Effect: The Charter, without the aid of its auditors, is unable to accurately prepare financial statements in accordance with governmental accounting standards with regard to applying generally accepted accounting principles.

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Auditor's Recommendation: We recommend the Charter's accounting management receive the training relating to the preparation of the Charter's financial statements in accordance with generally accepted accounting principles. This would give the individuals responsible for the accounting and reporting functions the skills and knowledge to apply generally accepted accounting principles to the financial statements.

Management Response: The school feels that this finding is inaccurate. The present Business Manager holds a Bachelors Degree in Business Administration with a concentration in Accounting from the University of New Mexico. She did attend GASB 34 training with Texas Tech University but could not locate the training certificate. She has prepared audited financial statements in previous positions and did assist with audited financial statement preparation while working as Operational Fund Controller with the Albuquerque Public School. The school does agree that continuing education is necessary and Business Manager will attend annual training in governmental accounting standards and generally accepted accounting principles.

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Christine Duncan

FS 07-35 ERA and RHC Contributions

Condition: During field work, we noted on RHC that the payments for July and August (\$45.08 and \$463.91, respectively) were not paid until 10/09/2006. We also noted November (\$527.41) was not paid until 02/10/2007 and June (\$922.37) was not paid until 08/27/07. We noted on the ERA that the payments for June (\$7,876.90) were not paid until 08/27/2007 and payments for December (\$6,401.09) were not paid until 02/09/2007.

Criteria: Monthly contributions to the Retiree Health Care (RHC) and Educational Retirement Board (ERB) are required to be remitted no later than the 15th of the following month.

Cause: The school failed to make the RHC and ERB contributions timely.

Effect: The school was in violation of RHC and ERB requirements and could be subject to penalties.

Auditor's Recommendation: We recommend that school management implement an internal control system to insure that RHC and ERB contributions are processed and paid timely.

Management Response: Christine Duncan has contracted with Mpower as its business manager and Mpower is responsible for preparing all payroll-related reports. The procedures checklist used by Mpower includes our RHC payroll report and payment as part of the standard payroll deliverables each pay period. The RHC report is signed by its preparer and sent to Christine Duncan to be reviewed and signed by our Administrator for mailing. The ERB contributions reports are prepared and submitted electronically each month by Mpower. Christine Duncan is provided a copy of our monthly ERB report and required to sign an Electronic Funds Transfer Authorization Form to authorize the electronic transfer of funds in payment of our contributions. We believe that this current process will ensure that contributions will be processed and paid in a timely manner.

FS 07-36 Pledged Collateral

Condition: During the year ended June 30, 2007 the school maintained and utilized deposited with financial institutions which were not covered by 50% of pledged collateral as required by the State of New Mexico Statutes. On June 30, 2007, the school did have deposits in excess of FDIC limits.

Criteria: Cash equivalents and deposits must be covered by 50% of pledged collateral in accordance with NMSA 1978 Section 6-10-07.

Cause: The District did not monitor repurchase accounts for proper collateralization.

Effect: Lack of proper collateralization may result in non-compliance with state statutes and increase potential liability and exposure to the loss of the District's public funds in the event of bank closure.

Auditor's Recommendation: The school should assign an individual within the Finance Office responsible for reviewing monthly reports, investigating differences, and resolving discrepancies.

Management Response: Christine Duncan has contacted Bank of America and is currently working with its Government Banking Division in an attempt to obtain documentation on a monthly basis that our accounts are properly collateralize, as required under New Mexico state law. If we are successful in our attempts to secure proper monthly documentation regarding the collateralization of our accounts, Mpower will then include these documents along with other supporting documentation compiled in the preparation of our monthly bank reconciliations.

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FS 07-37 Lack of Authority Signatory on Payroll Registers

Condition: During our review of payroll, we noted out of all the payroll registers that we reviewed, none of them had any type of authorization/review sign offs.

Criteria: Sound accounting practices and 2.20.2.11 NMAC requires each school to develop, establish and maintain a structure of internal accounting controls and written procedures. This includes the review process relating to documentation.

Cause: There is not an established policy in place that allows for the review of payroll before disbursement.

Effect: Because there is no review process, the risk of any fraudulent activity is high.

Auditor's Recommendation: We recommend that policies and procedures be established that designated the individual, other than the one preparing payroll, to perform a final review of payroll to ensure that payroll is accurate and will also mitigate any risk of fraudulent activity within payroll.

Management Response: Christine Duncan's internal payroll procedures now require our business manager to collect and review all time sheets and leave requests to ensure proper signatures and authorizations are obtained for each document. The payroll information is then transferred to a payroll summary form for the administrator's review and signature before being submitted to Mpower for final review and processing of our payroll request. Employee payroll checks and advice notices, used for employees on direct deposits, are then given to Christine Duncan along with a payroll register, benefits register, check register and our RHC report and payment. Christine Duncan's assistant business manager is responsible for reviewing the payroll information provided and for obtaining signatures on checks before distribution of checks and advice notices to our employees,. We believe our current internal and external processes provides the safeguards necessary to mitigate and significantly reduce the risk of fraudulent activity within payroll.

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FS 07-38 Internal Controls Over Non-Standard Journal Entries

Condition: The Charter School does not have adequate internal controls over non-standard journal entries entered into the accounting system.

Criteria: According to the State Board of Education Title 6, Section 6.20.2.11, Policies and Procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practice recommends review and approval of all non-standard journal entries.

Cause: The School has not established segregation of duty controls over non-standard journal entries. The School also does not maintain appropriate documentation that would allow the reviewer to understand why the entry needs to be made.

Effect: Non-standard journal entries that were posted have not been approved by another person to remove a lack of segregation of duties over the authorization and approval of journal entries. This is a material weakness in the internal control structure as there could be incorrect or inappropriate journal entries posted to the general ledger.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding the review and approval of manual journal entries and implement a procedure to insure journal entries are reviewed, approved and supported.

Management Response: Christine Duncan's business manager is responsible for preparing both standard and non-standard journal entries. The internal process utilized by Mpower requires journal entries to be prepared by an assigned staff member on a Journal Entry Form, along with any appropriate support documentation. The prepared journal entries are then given to our business manager Domingo Sanchez, to be reviewed, initialed and entered into the general ledger. Copies of all non-standard journal entries are provided to Christine Duncan for review and initialed by our administrator before being filed. This process provides Christine Duncan an opportunity to raise questions or concerns and to discuss any non-standard journal entries entered into the general ledger.

FS 07-39 Background Checks

Condition: During our review of payroll, 5 out of 11 employees did not have background checks on file.

Criteria: According to 22-10.3.3 NMSA 1978 policies and procedures should be developed requiring background checks on an applicant who has been offered employment with unsupervised access to students at a charter school.

Cause: There is not an established policy in place within the school that requires personnel files to be reviewed for background checks.

Effect: The School has a potential for lawsuits as it is not protecting itself by performing background checks required by state statute.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding background checks to insure that each employee has been given a background check before being hired by the school.

Management Response: Responsibility for maintaining required documentation, including documentation of background checks for personnel records, has now been assigned to our administrative assistant, Jeanette Herrera. Christine Duncan has also developed a checklist of items that are required to be collected from all employees as required under 22.10.3.3 NMSA 1978. It is our intention to formally review our existing policies and procedures regarding employee documentation to ensure that all background checks and required personnel information are included in our employee's personnel files.

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FS 07-40 Personnel Files

Condition: During our test work of payroll we noted the following:

- 5 out of 11 employees tested did not have contracts on file.
- 1 out of 11 employees tested did not have a signed contract on file.

Criteria: State Regulation 6.20.2.18, NMAC states that the School must maintain and have available for inspection all payroll related documentation, including, but not limited to employee contracts.

Cause: Necessary documentation, i.e. contracts, may not be consistently maintained within personnel files at the School.

Effect: The lack of supporting documentation may result in the School incurring additional liabilities. This is a material weakness as there could be employees getting paid at incorrect rates.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding personnel files to insure that files have proper documentation.

Management Response: As discussed in response to FS 07-05, responsibility for maintaining required documentation for personnel records has been assigned to Jeanette Herrera. Christine Duncan has developed a checklist of required items, which includes obtaining signatures on all employee contracts. The payroll procedures employed by Mpower also require us to provide them signed contracts for all employees maintained on our payroll system, which offers us a second measure of compliance concerning contract signatures.

FS 07-41 Timely Deposits

Condition: During our test work, we noted four deposits, in the amounts of \$150.00, \$50.40, \$63.00, and \$105.00 that were not made until several days after the money was received.

Criteria: NMSA 6.20.2.14 requires that the school make all deposits 24 hours of receiving the money.

Cause: The likely cause is forgetting to make the deposit.

Effect: This resulted in a violation of State laws. Additionally, the School has exposed itself to possible misappropriation of assets.

Auditor's Recommendation: Implement procedures to ensure deposits are made within 24 hours of receipt.

Management Response: Christine Duncan has adopted a policy for the handling of cash, preparation of deposit slips and taking deposits to the bank within 24 hours. Through the use of this policy, it is our intention to comply with state law regarding the deposit of all monies received with 24 hours, as prescribed by law.

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FS 07-42 Inadequate Segregation of Duties in Receipting Process

Condition: The Business Manager's duties include preparing bank reconciliations, depositing receipts into the bank and posting to the general ledger.

Criteria: Sound business practice required adequate segregation of duties during the receipting process.

Cause: The lack of segregation of duties is the result of qualified employees which has left the business manager handling most of the receipting process.

Effect: Without segregation of duties, the School has not mitigated the risk of errors or irregularities over the cash receipts process. The School is not in compliant with State Statute.

Auditor's Recommendation: Certain responsibilities during the receipting process should be delegated to qualified employees or hire a qualified individual to perform the required tasks.

Management Response: The internal process utilized by Mpower, our contracted business manger, requires bank reconciliation to be prepared by one of their assigned staff members, utilizing its reconciliation check list. The bank reconciliations are reviewed by our business manager and then copies are provided to Christine Duncan for our administrator's review, initial and file. Deposits are prepared in accordance with our policy, as discussed in response to FS 07-07, and faxed to Mpower each week to be entered into the general ledger.

FS 07-43 Gross Pay does not agree To Contract Amount

Condition: During our test work, we noted that for one of eleven items tested we could not agree the pay rate to the stated contract amount.

Criteria: NMAC 6.20.2.18 states that schools must have internal controls in place so employees are paid the correct amounts and that all related deductions are properly accounted for.

Cause: Management made a mistake entering the pay rate into AptaFund.

Effect: The school could be vulnerable to penalties and interest assessments.

Auditor's Recommendation: The school must insure to set up paycheck amount in the software according to the employee's agreed upon contract amount and insure the related payroll deductions are being calculated correctly and properly accounted for.

Management Response: Christine Duncan is now required to provide signed contracts to its business manager so that an "Employee Payout Schedule" can be prepared for management and employee review. Employees are asked to review and sign their contract payout schedules to ensure that their payout is consistent with the terms of their contracts. Approved contract amendments for extra duties or stipends are also reflected in an employee's payout schedule to ensure that all employees are correctly compensated for all contractual duties.

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FS 07-44 Cash Receipts-Inadequate Documentation

Condition: There was three out of eleven items tested, in the amounts of \$40.60, \$37.80, \$4.00, for which there was no supporting documentation.

Criteria: All cash receipts are required to have supporting documentation.

Cause: Due to possible errors in record keeping, supporting documentation may not be properly completed or may be misplaced.

Effect: Lack of supporting documentation increases the risk of an entry that is fraudulent to be posted to the system. The School was not in compliance with State Statute.

Auditor's Recommendation: We recommend that policies and procedures be implemented that tracks and maintains all items relating to cash receipts.

Management Response: Christine Duncan has implemented new procedures for the receipting of cash and handling of cafeteria funds. Our secretary and assistant business manager work jointly to address this issue and to ensure that a receipt is issued for all monies received, regardless of its sources. The receipt of monies collected for school lunches will now require the preparation of a Cafeteria Cash Fund Report for submission to the secretary, who will verify that cash submitted is supported by any provided documentation before issuing a receipt for cash. It is also our intention to amend our cash receipts policy so that it can be presented to our governing board for adoption.

FS 07-45 Cash not Reconciled

Condition: During fieldwork we noted that the bank reconciliations did not tie to the general ledger as of year-end (difference of \$5,169).

Criteria: According to NMAC 6.20.2.14, "School districts shall establish and maintain cash management program to safeguard cash and provide prompt and accurate report that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

Cause: There was an over reliance on the accounting system to perform the function automatically.

Effect: Due to lack of manual review in this area, the School was unable to determine its bank accounts were not reconciled to the general ledger. Therefore, the School is not in compliance with State Statute.

Auditor's Recommendation: We recommend that someone is designated to perform the reconciliations and a review process is in place to ensure accurate cash reporting on a monthly basis and that accounts are being reconciled to the general ledger.

Management Response: Christine Duncan's business manager is responsible for preparing bank reconciliations for all bank accounts and ensuring the account cash balances are properly reflected on the general ledger. The internal process utilized by Mpower requires bank reconciliations to be prepared by an assigned staff member, utilizing their procedures checklist. Reconciled accounts and appropriate supporting documentation are reviewed by our business manager to ensure that all cash accounts are properly reflected on the general ledger. Copies of all reconciled bank accounts are provided to Christine Duncan to be reviewed, initialed and filed.

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FS 07-46 Budget Adjustment Requests (BAR)

Condition: During our audit we noted the following:

- One of the five Budget Adjustment Requests (BAR) that we tested in the amount of \$110,440.00 could not traced into the general ledger.
- We noted that the school does not maintain a log as required by state statute.
- The school failed to request a BAR for an increase in Public School Capital Outlay Money and Title I money.

Criteria: In accordance with Public Education Department (PED) requirements and 6-6-6 NMSA 1978, the School is required to follow PED procedures relating to Budget Adjustment Requests. This includes ensuring that BAR's are included in final budget amounts reported to Schools PED report. According to the NMSA 1978 Section 6.20.2.10 A, "Budget adjustment requests shall be submitted on the most current form prescribed by the SDE. The school district shall maintain a log of all budget adjustment requests to account for status, numerical sequence, and timely approval at each level. The log is to be retained for audit purposes.

Cause: The school obtained the appropriate approve for the Budget Adjustment. Because we could not trace to the general ledger, the school faces the possibility of over-spending in the function that this particular Budget Adjustment affected since it cannot be located in the system.

Effect: The school has not complied with New Mexico law, and the control established by the use of budgets has been compromised.

Auditor's Recommendation: The School must be familiar with Public Education Department (PED) requirements and 6-6-6 NMSA 1978 and follow the requirements for the budgetary system.

Management Response: Christine Duncan's business manager is responsible for preparing all BARs and maintaining a BAR log. At the request of our business manager, we have recently amended our monthly board agenda to include a Financial Report and BAR Approvals as standing items at each board meeting. These adopted changes ensure that the governing board is informed of Christine Duncan's financial position which includes budget authorization. Board members are provided a Budget Status Report for all funds authorized in our operating budget, a BAR log and copies of any BARs required to ensure that proper budget authorization is obtained before grant awards are expended. Upon authorization of any BAR, Mpower then enters the budgets into the general ledger so that our budget status reports will properly reflect allowable and authorized expenditure limits.

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FS 07-47 Disbursements-Signature Authority

Condition: During our test work we could not verify signatory authority on nine of eleven checks as the school did not retain copies of cancelled checks.

Criteria: Per NMAC 6.20.2.14 all bank accounts shall be reconciled on a monthly basis. The bank statement, deposit slips, and cancelled checks shall be made available to the district's auditor during the annual audit.

Cause: There is not an established policy in place that allows for the review of signature authority on cash disbursements.

Effect: Because there is no review process, the risk of fraudulent activity is high.

Auditor's Recommendation: We recommend that policies and procedures be established that designate a person to review signature authority on all disbursements issued.

Management Response: Christine Duncan's business manager is responsible for preparing all checks requested for payment. All disbursement checks written for accounts payable and payroll are reviewed by our office manager and presented to the appropriate school officials having signature authority for check signatures. With regard to canceled checks, check stock is physically located off site, at our business manager's office, so all canceled checks are required to be marked as void and faxed to Mpower before they are accounted for on the general ledger. Christine Duncan is then asked to mail the original canceled check to Mpower as supporting documentation for the preparation of our monthly bank reconciliation. If check is misplaced or lost, Christine Duncan is required to provide proof of Stop Payment before a check is voided and replaced on our general ledger.

FS 07-48 Travel & Per Diem

Condition: During our test work we noted one of four transactions tested in the amount of \$157.00 did not have any accompanying supporting documentation.

Criteria: NMAC 6.2.20.2.19 requires the school to comply with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-4 for all per diem and reimbursement rates.

Cause: School travel policies are not being enforced at all levels.

Effect: Public funds could be misused in the reimbursement of travel and per diem expenditures if proper procedures are not in place. Lack of controls may result in abusive expenditures and possible action from oversight agencies.

Auditor's Recommendation: We recommend that the school follow the Per Diem and Mileage Act when paying per diem and travel reimbursements and that proper documentation is retained by the school.

Management Response: Christine Duncan has been provided with a Travel Reimbursement Form by our business manager which complies with the Per Diem and Mileage Act. Our assistant business manager has already been instructed to begin using the new form for any future travel and reimbursement requests made by our staff and board members.

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FS 07-49 Difference with General Ledger and 941, PERA/(ERA) and RHC

Condition: PERA (ERA), RHC and 941 reports did not reconcile to the general ledger at year ended June 30, 2007. PERA reports had an irreconcilable difference of \$7,675. RHC reports had an irreconcilable difference of \$3,452. 941 reports had an irreconcilable difference of \$2,017.

Criteria: Per NMSA 1978 Section 12-6-5, require the annual financial and compliance audit agencies to “set out in detail, in a separate section, any violation of law or good accounting practices found by the auditor or examination.” Therefore, any instance of weakness in internal control as defined by GAGAS 5.13 and SAS AU 325.21 must be reported.

Cause: The school is not periodically reconciling to the general ledger to what is being reported on the 941, PERA (ERA) and RHC contributions.

Effect: This could result in penalties and/or interest being assessed to the school.

Auditor’s Recommendation: The school must reconcile the general ledger to the 941, PERA (ERA) and RHC contributions to ensure the correct contributions are being submitted.

Management Response: Christine Duncan’s business manager is responsible for preparing all payroll documents. As such, we are provided a Summary Sheet each pay period summarizing information from our Detailed Payroll Registers and Benefits Registers. This summary sheet is used by Mpower as a work paper with check figures used to ensure that all amounts transferred to the general ledger are as accurate as possible. Calculations of ERA and RHCA contributions are performed on this summary sheet to provide a double check of employee/employer calculations entered into their payroll module. Social Security, Medicare and Federal Withholdings are checked and compared on this summarization form to ensure that the journal entry for the payment of payroll taxes each pay period is correctly entered into the general ledger.

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FS 07-50 Internal Control Structure

Condition: During our audit we noted the following:

- In our analysis of rent we noted that expenses were posted incorrectly as we could not agree the lease amounts to the general ledger.
- In our cash disbursement testwork we noted that a voided check was not properly voided in the general ledger.
- In our analysis of Due to/from other funds we noted that a Due from could verified (\$9,662).

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall maintain internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Cause: Expenses are being posted to the incorrect general ledger accounts and checks are not being properly voided.

Effect: This resulted in a violation of NM AC 6.20.2.11 (b) and Regulation SBE-6. Additionally, PED does not have an accurate reporting of the school's activity.

Auditor's Recommendation: Account coding should be carefully checked against invoice and purchase order.

Management Response: Christine Duncan's business manager is responsible for processing all requisitions and requests for payments generated by our business office. We are aware of the need to comply with state procurement and to ensure that proper documentation is provided to our business manager in support of requested purchase orders and payment. We believe that the current procedures used by our business manager for processing accounts payable requests addresses the concerns of items being posted incorrectly. Voided checks, as discussed in our response to 07-13, when handled under our current procedures, will ensure that voided checks are properly accounted for on our general ledger. Due to/from entries are prepared monthly within context of our bank reconciliation process. A quarterly schedule of Due to/from balances is also prepared as a backup document in support of each quarterly PED cash report and is reconciled to our general ledger. In short, we believe our current procedures have helped us to ensure that invoices, purchase orders and payments are reviewed more systematically and that account coding is carefully checked.

FS 07-51 Pre-numbered Checks

Condition: During our cash disbursement analysis, we noted that checks are not pre-numbered.

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards, receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.

Cause: School ordered blank checks with no numbers on them.

Effect: This resulted in a violation of NM AC 6.20.2.11 (b).

Auditor's Recommendation: We recommend school order checks with pre-numbered checks.

Management Response: Christine Duncan has discontinued the practice of using checks that are not pre-numbered and all purchase orders and checks are now sequentially numbered.

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FS 07-52 Budgetary Conditions

Condition: The School has expenditure functions where actual expenditures exceeded budgetary authority.

General Fund	
Instruction	37,845
Instructional Materials	
Instruction	5,563
Federal Stimulus	
Instruction	19,536

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 to 22-8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts, the expenditure is the legal level of control.

Cause: The School did not make the appropriate budgetary transfers to alleviate the over-expenditures experienced by the function.

Effect: The School has not complied with New Mexico law, and the control established by the use of budgets has been compromised.

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end, and make the necessary budget requests.

Management Response: As indicated in response to FS 07-12, Christine Duncan has amended its monthly board agenda to include a Financial Report and BAR approvals as standing items at each of its monthly board meetings. These adopted changes were implemented to ensure that the governing board is given an opportunity to approve requests necessary for Christine Duncan's administration to effectively address its day-to-day operations, which includes the authorized expenditure of funds approved by the governing board and the PED as required by law.

FS 07-53 PED Reports

Condition: The School's cash report to the Public Education Department did not match the General Ledger. There is a difference of \$56,197.

Criteria: According to State Regulation 6.20.2.11 (B) (6), NMAC and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger.

Cause: The report sent to PED was not reviewed to ensure that it reflects what is in the general ledger. The school is in violation of NMAC 6.20.2.11 (b) (6) and Regulation SBE-6.

Effect: PED does not have an accurate accounting of the school activity.

Auditor's Recommendation: The appropriate personnel should complete the PED report based upon the general ledger. Additionally, an individual should review the report to ensure that the report does match the general ledger.

Management Response: Christine Duncan's business manager is responsible for preparing the PED quarterly reports. We believe that Mpower's existing procedures utilized in the preparation of PED quarterly reports provide a check and balance to ensure that cash, revenue and expenditure amounts are consistent with the general ledger.

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Creative Education Preparatory Institute #1

FS 06-58 Bank Deposits (repeated)

Condition: During our test work of internal controls for receipts we noted that the school does not use pre-numbered receipts making it difficult to ascertain whether the monies were deposited within 24 hours.

Criteria: NMAC 6.20.2.14c states that money received shall be deposited in the bank within twenty-four (24) hours or one banking days.

Cause: Instead of using pre-numbered receipts, the School was manually dating the checks received, but was not consistent.

Effect: Non-adherence to state statutes places the School in noncompliance and lack of timeliness of deposits could subject the District to a possible occurrence of fraud.

Auditor's Recommendation: The School should familiarize responsible employees with the New Mexico Administrative Code relating to Public Schools in order to ensure compliance with regulations and implement pre-numbered receipts into their receipting process. We recommend that the School emphasize the importance of timely deposits of receipts, and monitor receipts more closely in order to be compliant with state statutes.

Management Response: We have purchased sequentially numbered receipt books to begin manually documenting the date that checks are received and deposited. We have also hired additional staff to ensure separation of duty while handling incoming checks.

FS 06-59 PED Reports (repeated)

Condition: Audit procedures performed at the school indicated that the June 30, 2007 PED report did not agree with the balance recorded in the general ledger by \$1,222.

Criteria: According to Regulation 6.20.2.14 SBE-6, reports submitted to the Public Education Department (PED) must agree to the general ledger.

Cause: The School was approved for a BAR into the Charter fund in 2005/2006, but the adjustment was not entered into the system until the 2006/2007 year.

Effect: The School's cash balances were misreported to PED.

Auditor's Recommendation: School officials must insure that PED reports, as well as the recording of financial activity is processed and performed in compliance with PED requirements. This includes the agreement of the reports to financial transaction activity recorded for the schools records.

Management Response: Procedures have been implemented to ensure that the PED reports match the general ledger.

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FS 07-54 Segregation of Duties over Cash Controls

Condition: The following was noted during review of internal controls:

- The School did not use factory pre-numbered receipts for money received.
- The bank reconciliation for June was not reconciled to the general ledger.
- The bank reconciliation for June incorrectly included a deposit in transit in the amount of \$51,300, which was not actually received until after year-end, therefore misstating cash.
- Bank reconciliations are not reviewed by appropriate management.
- The School allows one signature for checks under \$1,000. The individual is also in charge of posting to the general ledger and preparing the bank reconciliations.

Criteria: Segregation of duties in all financial areas, as indicated in NMSA 1978 Section 6-6-3, is required to maintain proper and sufficient internal controls which reduce the risk of fraudulent activities. Per NMAC 6.20.2.14, Schools shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

Cause: Due to limited resources, the School relies on the expertise of one individual to process the School's accounting transactions. Although the School did hire an additional accounting staff during the fiscal year, there are still some instances when one employee performs all control duties. The School did not appear to follow internal control policies.

Effect: Segregation of duties and strong internal control policies, prevent and reduce the risk that errors or irregularities may be made without detection. A lack of segregation of duties relating to cash transactions makes the School vulnerable to the threat of loss or theft of revenue from fraudulent activities. The School must maintain proper paper trail for appropriate documentation.

Auditor's Recommendation: We recommend the school improve their internal control policies and procedures for all financial transactions.

Management Response: As stated in the previous finding, we have purchased sequentially numbered receipt books to begin manually documenting the date that checks are received and deposited. We have also hired additional staff to ensure separation of duty while handling incoming checks. Also, our policies and procedures have been reviewed and modified to ensure compliance with separation of duties.

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FS 07-55 Internal Controls over Non-Standard Journal Entries

Condition: The Charter School does not have adequate internal controls over non-standard journal entries entered into its accounting system.

Criteria: State Board of Education Title 6, section 6.20.2.11 states that Policies and Procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practice recommends review and approval of all non-standard journal entries.

Cause: The School has limited knowledgeable staff that is able to review journal entries. As a result, proper controls over journal entries have not been maintained.

Effect: Without proper review of these journal entries, errors or irregularities could go undetected and cause financial statements to be misstated. The School may be at risk for fraudulent activity without a proper review process over journal entries.

Auditor's Recommendation: The School should update their policies and procedures manual regarding the review and approval of journal entries and implement a procedure to insure non-standard journal entries are reviewed, approved and supported. The School should consider utilizing a member of the administration on the board familiar with financial transactions.

Management Response: We have modified our process in dealing with journal entries. All journal entries now are prepared by assistant business manager, reviewed and approved by program director and entered into the system by the business manager.

FS 07-56 Stale Dated Transactions

Condition: The School is in violation of state statute regarding stale-dated checks.

Criteria: New Mexico Statutes, Section 6-10-57, NMSA, 1978 compilation requires local public bodies to cancel or void any check that is unpaid for one year after it is written.

Cause: In the operational account, the School has 14 items at June 30, 2007 that are over one year old. They are for a total of \$2,804.18 in deposits and \$15,799.28 in withdrawals.

Effect: The School is in violation of New Mexico Statute, Section 6-10-57, NMSA, 1978 and cash balances are not accurately reflected as a result of stale-dated transactions appearing on the outstanding check listings.

Auditor's Recommendation: We recommend that the School implement a procedure to review the outstanding check listings for all bank accounts and track stale-dated transactions. If transactions on the outstanding check listings are greater than one year old we recommend these checks be voided.

Management Response: We have worked with Aptafund to clear up old outstanding check listings for all bank accounts. We will review all outstanding transactions to ensure that they are voided within a year.

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FS 07-57 Write-Off of Capital Assets

Condition: Although most of the assets from prior year are still in use, management decided to write-off all the fixed assets due to the assets being under the State of New Mexico capitalization threshold of \$5,000.

Criteria: Per APB 20 paragraph 31: old inventory items that do not meet the new capitalization threshold should remain on the inventory list and continue to be depreciated.

Cause: The School did not want to monitor individual assets under \$5,000 on their fixed asset listing.

Effect: The School is not following APB 20 paragraph 31. The decision results in a finding and adjustment to the School financial statements.

Auditor's Recommendation: The School must comply with the rules and regulations set forth by Legislation in the future. In addition, the School should maintain an "inventory" listing of items which are under the \$5,000 threshold, but may be susceptible to theft, i.e. laptops.

Management Response: We have begun the process of compiling a detailed inventory of assets under \$5,000. Program Director will be in charge of ensuring that the inventory is current and accurate.

FS 07-58 Employees Paid as Contractors

Condition: The Principle and Business Manager received merit pay in the amount of \$5,000 each. These transactions were incorrectly paid from the accounts payable account and not processed as payroll transactions. As a result, applicable payroll taxes for the individuals at the School were not accurately processed.

Criteria: Per IRC 3121, wages subject to federal employment taxes generally include all pay that you give to an employee for services performed. The pay may be in cash or in other forms. It includes salaries, nonqualified deferred compensation recognized under Section 409A, vacation allowances, bonuses, commissions, and fringe benefits.

Cause: The Business Manager was not aware that the School could not process merit pay paid as a contractor.

Effect: The School is in violation of IRC 3121 and could be subject to fines and/or penalties.

Auditor's Recommendation: The School should ensure that all their employees are properly classified as employees vs. contractors. The School should review IRC 3121 to determine the difference between an employee or a contractor. Procedures such as this will assist the School to process payroll related transactions properly and avoid possible fines and penalties.

Management Response: This practice is no longer effective. Any additional compensation due to employees are paid through payroll.

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FS 07-59 Compensated Absences

Condition: During our test work, we noted several employees had carried over more than the maximum amount.

Criteria: The School's leave policy states that full-time employees may not carry-over a maximum of 40 hours.

Cause: Compensated absence procedures do not appear to be consistently followed or enforced.

Effect: It appears employees may carry-over an unlimited amount which leaves the school liable for more than what their policy states.

Auditor's Recommendations: The School must implement procedures to ensure compliance with their leave policy.

Management Response: The language pertaining to this policy is being revised to be clear and concise so that this error does not happen again in the future.

FS 07-60 SAS 112 Compliance

Condition: The individuals responsible for the accounting and reporting functions for the Charter lack the skills and knowledge to apply generally accepted accounting principles in preparing the entity's financial statements. The accounting management has not obtained training to adequately apply generally accepted accounting principles, which includes GASB 34 and subsequent pronouncements.

Criteria: Proper internal controls over the preparation and/or monitoring of the preparation of financial statements requires that management places a person knowledgeable in applying generally accepted accounting principles when preparing the entities financial statements.

Cause: Individuals responsible for the accounting and reporting functions for the Charter have not received training in preparing governmental financial statements in accordance with GASB (Governmental Accounting Standards Board) Statement No 34 and subsequent pronouncements.

Effect: The Charter, without the aid of its auditors, is unable to accurately prepare financial statements in accordance with governmental accounting standards with regard to applying generally accepted accounting principles.

Auditor's Recommendation: We recommend the Charter's accounting management receive the training relating to the preparation of the Charter's financial statements in accordance with generally accepted accounting principles. This would give the individuals responsible for the accounting and reporting functions the skills and knowledge to apply generally accepted accounting principles to the financial statements.

Management Response: The Charter School business team has received the training relating to the preparation of the Charter's financial statements in accordance with generally accepted accounting principles. The training was received on February 22, 2008.

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Creative Education Preparatory Institute #2

FS 07-61 Bank Reconciliations

Condition: The School's June 2007 bank reconciliation did not tie to the trial balance provided. We also noted on the federal bank statement, there was a non-sufficient funds charge of \$25.00.

Criteria: According to NMAC 6.20.2.14, "School districts shall establish and maintain cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the Office of Management & Budget (OMB) Circular A-102, and applicable state and federal laws and regulations."

Cause: It appears the School posted a journal entry incorrectly. Also, a check was written out of the federal funds bank account that exceeded the balance in the account resulting in a non-sufficient funds charge.

Effect: Without proper reconciliations, cash balances could be misstated on the financial statements as well as internal reports. The School must maintain knowledge of accurate cash balances to operate effectively and avoid unnecessary bank charges.

Auditor's Recommendation: The School must reconcile bank accounts monthly and in a timely manner.

Management Response: The Auditors were issued a preliminary trial balance. The final trial balance ties to the bank statement.

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FS 07-62 Internal Controls over Non-Standard Journal Entries

Condition: During our audit, we noted that there is no formal review process over non-standard journal entries. The Business Manager stated that he reviews adjusting journal entries with the principal on a monthly basis.

Criteria: According do the State Board of Education Title 6, section 6.20.2.11, policies and procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principals is required. Sound business practices recommend review and approval of all non-standard journal entries and bank statements.

Cause: The School lacks policies related to the review of non-standard journal entries and bank statements.

Effect: Proper authorization and review of journal entries and bank statements is important to limit the possibility of errors or fraud.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding the review and approval of manual journal entries and implement a procedure to insure non-standard journal entries are reviewed, approved, and supported.

Management Response: Management will implement a process for approval of journal entries on a monthly basis.

FS 07-63 Cash Disbursements

Condition: During our testwork of cash disbursements, we noted the following exceptions:

- (1) One of ten disbursements tested did not have a vendor invoice.
- (2) One of ten disbursements tested had hotel charges coded to a supplies account.

Criteria: NMAC 6.20.2.17 states that each school shall establish and implement written policies and procedures for purchasing, which shall be in compliance with the procurement code Section 13-1-21, NMSA 1978.

Cause: The School lacks sufficient internal controls over cash disbursements.

Effect: The proper maintenance of supporting documentation relating to financial transactions is necessary to mitigate possible dual payment of invoices, resolution of disputes with vendors, etc.

Auditor's Recommendation: We recommend the School implement a procurement policy in accordance with NMSA 1978 Section 13-1-21 and consistently follow the policy.

Management Response: Management has a policy and will continue to follow the policy that is in accordance with NMSA 1978 Section 13-1-21.

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FS 07-64 Audit Report

Condition: The audit report was received by the State Auditor's Office on September 29, 2008.

Criteria: Audit reports not received on or before the due date, November 15, are considered to be in non-compliance with requirements of Section 2.2.2.9.A of the State Audit Rule.

Cause: The Charter School audit is dependent on the completion of the APS District audit. The 2007 audit report was filed late due to the School not providing information to the auditor in a timely manner.

Effect: Late audit reports delay the release of the financial statements for the Charter Schools as well as for the District. Not having current financial information can negatively impact the District's ability to issue new bonds.

Auditor's Recommendation: The School should provide all requested documentation by the due dates as set by the auditor.

Management Response: Management has and will continue to give the auditors access to all records on a timely basis. Management feels the audit is late due to circumstances out of the School's control.

FS 07-65 Internal Controls Over Travel & Per Diem

Condition: The School does not have adequate internal controls over travel and per diem expenditures. During our test work, we noted one reimbursement for lodging that was reimbursed for more than the actual expenditure.

Criteria: Per NMAC 6.20.2.19 Travel and Training: Each school district shall establish and implement written policies and procedures for travel and training. Travel policies and procedures shall be in compliance with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-8, NMSA 1978, and department of finance and administration (DFA) regulations. In addition, NMAC 6.20.2.11 (c) states that internal control structure is required to demonstrate the school district's ability to record, process, summarize and report financial statement assertions of existence and occurrence.

Cause: The School does not have a formal written procedure in place regarding expenditures related to travel and per diem and training. As a result, inappropriate charges were reimbursed.

Effect: Public funds could be misused in the reimbursement of travel and per diem expenditures if proper procedures are not in place. Lack of controls may result in abusive expenditures and possible action from oversight agencies.

Auditor's Recommendation: We recommend the School implement a formal procedure for the reimbursement of travel and per diem.

Management Response: Management has a policy for travel and per diem and will continue to follow its policy. It appears that one receipt for lodging was missing from this reimbursement.

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FS 07-66 PED Report

Condition: The School's report to the PED did not match the general ledger.

Criteria: According to State regulation 6.20.2.11 (b) (6), NMAC and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger.

Cause: It appears that adjustments were made to the general ledger after the PED report was submitted.

Effect: The School's cash balances were misreported to PED.

Auditor's Recommendation: All reports sent to PED must agree to the general ledger. We recommend that all reports are reviewed before being submitted to PED.

Management Response: Cash in the 24000 fund recorded on the PED report does not tie to the general ledger.

FS 07-67 Budgetary Conditions

Condition: The School has expenditure functions in which actual expenditures exceeded budgetary authority in the Charter School Fund of \$125,714.

Criteria: Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. For school districts, the expenditure function is the legal level of control.

Cause: The School did not make the appropriate budgetary adjustment requests and transfers to alleviate possible over-expenditure within functions prior to the year-end.

Effect: As a result, the School is in non-compliance with New Mexico state law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to cover the over-expenditures.

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end and make the necessary budget adjustments.

Management Response: Client stated that a paper BAR was submitted in June 2006 for this fund. The client was unable to locate the BAR.

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Digital Arts & Technology Academy

FS 06-51 Supply Inventory (repeated)

Condition: During our audit of the School, we noted that there were no internal controls over supplies inventory and that some inventory purchased during the year was misplaced.

Criteria: NMAC 6.20.2.11 states that "Appropriate internal control procedures shall be adopted by the local board within a school district to safeguard assets."

Cause: The cause is a lack of internal controls over supply assets. An inventory check was completed after the year end however these items were never compared to actual inventory lists.

Effect: The internal controls implemented for safeguarding of inventory assets and establishing accountability for their custody and use were not followed.

Auditor's Recommendation: We recommend that the School create and implementing an internal control and inventory policy for supply assets.

Management Response: The school will review its policies and procedures and determine the appropriate course of action to improve them relating to "inventory" items. The school will also provide training to employees to ensure appropriate personnel are knowledgeable of applicable laws and regulations.

FS 06-52 Approval and Documentation on Journal Entries (repeated)

Condition: During our test work we noted the following:

- 1 out of 11 journal entries was not properly approved
- 2 out of 11 journal entries did not contain the proper supporting documentation.

Criteria: According to State Board of Education Title 6, section 6.20.2.11, Policies and Procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practice recommends review and approval of all non-standard journal entries.

Cause: Although there is a method for journal entries to be recorded, there is no procedure in place to verify that all journal entries have been properly approved and contain the proper supporting documentation.

Effect: There could be incorrect or inappropriate journal entries posted to the general ledger.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding the review and approval of journal entries and implement a procedure to insure non-standard journal entries are reviewed and approved.

Management Response: The Business Manager that prepared the journal entries in question did not follow the proper procedures. The School has since changed Business Managers. The School now enters more of the transactions through the correct modules instead of via journal entry which has reduced the number of journal entries substantially. Procedures have been implemented to ensure that all journal entries are properly approved and supported by the proper documentation

FS 06-57 PED Reports (repeated)

Condition: The School's cash report to the Public Education Department did not match the General Ledger.

Criteria: According to the State Regulation 6.20.2.11 (B) (6), NMAC and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger.

Cause: The report sent to PED was not reviewed to ensure that it reflects what is in the general ledger. The school is in violation of NMAC 6.20.2.11 (b) (6) and Regulation SBE-6.

Effect: PED does not have an accurate accounting of the school activity.

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Auditor's Recommendation: The appropriate personnel should complete the PED report based upon the general ledger. Additionally, an individual should review the report to ensure that the report does match the general ledger.

Management Response: The firm that the school contracted with to oversee reporting began during the 4th quarter of fiscal year 2007. The initial 4th quarter report (for quarter ending 06/30/07) was completed on the same basis as previous quarters' reports which had been completed on a cash basis instead of an accrual basis and therefore, did not agree to the general ledger. A revised report for the period ended 06/30/07, which agreed to the general ledger provided to the auditors, was completed and sent to PED in January 2008. All subsequent reports have been provided to PED and agree to the general ledger (prior to audit adjustments).

FS 07-68 Cash Receipts

Condition: During test work, we noted the following:

- One out of eleven items tested did not have the deposit slip attached to it.
- 6 out of eleven items tested were not deposited within 24 hours.

Criteria: All cash receipts are required to have supporting documentation; including receipt of deposit that indicates deposit was made within 24 hours. Per NMAC 6.20.2.14, all amounts are required to be deposited within 24 hours.

Cause: The school did not maintain the proper documentation and they did not deposit all monies received within 24 hours.

Effect: Lack of supporting documentation increases the risk of an entry that is fraudulent being posted to the system. The School was not in compliance with state statute.

Auditor's Recommendation: We recommend that policies and procedures be implemented to track and maintain all items relating to cash receipts.

Management Response: In the past, including the year audited, the school has followed procedures to deposit cash receipts in a timely manner once the monies have been received in the Business Office. The school will review its policies and procedures and determine the appropriate course of action to improve them relating to cash receipts. The school will also provide training to employees to ensure appropriate personnel are knowledgeable of applicable laws and regulations.

FS 07-69 Fixed Assets-Lack of Disposal Records

Condition: During our review of fixed assets, we noted that school does not utilize disposal forms as required by school policy.

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded property to permit the preparation of general purpose financial statements in accordance with GAAP.

Cause: The School claims that disposal forms noted in the school policy were never created.

Effect: Fixed Asset balances may be overstated and listed that are not in use by the School.

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Auditor's Recommendation: We recommend that any and all assets that are to be disposed of in the future follow the required guidelines set by the State and that Asset Disposal forms be completed on all assets.

Management Response: Even though the disposal forms were not completed the school maintained correspondence and support relating to the disposal of capital assets during the year. The school will review its policies and procedures and determine the appropriate course of action to improve them relating to capital asset disposals. The school will also provide training to employees to ensure appropriate personnel are knowledgeable of applicable laws and regulations.

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East Mountain High School

FS 06-66 Gross Pay Does Not Agree to Contract Amount (repeated)

Condition: During our payroll test work, we noted there was one instance where the gross wages do not agree to the stated contract amount. There was a difference of \$100.

Criteria: NMAC 6.20.2.18 states that schools must have internal controls in place so that employees are paid the correct amounts and that all related deductions are properly accounted for.

Cause: Management authorized an employee paid check that was short paid due to human error. The employee should have been paid a bi-weekly pay based on the contract annual salary of \$42,200 but was instead paid based on the annual salary of \$42,100.

Effect: The School could be vulnerable to penalties and interest assessments.

Auditor's Recommendation: The school must insure that every employee is paid correctly based on their signed contract in the employee file.

Management Response: We paid the \$100 owed the employee. We now have a second person compare Contract amounts with the Job Amounts in the software payroll module to verify accuracy.

FS 06-67 Journal entries (repeated)

Condition: During our journal entry test work, we noted there were five instances where adjusting journal entries were not approved properly.

Criteria: According to State Board of Education Title 6, section 6.20.2.11, Policies and Procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practice recommends review and approval of all non-standard journal entries.

Cause: The school has limited knowledgeable staff that is able to review journal entries.

Effect: Without proper review of journal entries, errors or irregularities could go undetected and cause the financial statements to be misstated.

Auditor's Recommendation: The school must insure that all non-standard journal entries are reviewed and approved properly.

Management Response: In January 2007 a new procedure was put in place for adjusting journal entries. Upon completion of an adjusting journal entry the Business Office Clerk presents a copy to the Business Office Technician for review and signature approval.

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FS 06-68 PED Reports (repeated)

Condition: The School's cash report to the Public Education Department did not match the General Ledger.

Criteria: According to the State Regulation 6.20.2.11 (B) (6), NMAC and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger.

Cause: The report sent to PED was not reviewed to ensure that it reflects what is in the general ledger. The school is in violation of NMAC 6.20.2.11 (b) (6) and Regulation SBE-6.

Effect: PED does not have an accurate accounting of the school activity.

Auditor's Recommendation: The appropriate personnel should complete the PED report based upon the general ledger. Additionally, an individual should review the report to ensure that the report does match the general ledger.

Management Response: Management considers this extremely important. The school hired an outside consultant in November 2007 to address this issue. Business Office personnel have received training on completing the PED report using general ledger information.

FS 07-70 Internal Control Structure

Condition: During our repairs and maintenance test work we noted there was one instance where the expense was coded incorrectly.

Criteria: Per NMAC 6.2.2.11 Internal Control Structure Standards, every school district shall establish and maintain internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Cause: Management authorized a purchase order which includes the general ledger account number, when the purchase is coded to the wrong account.

Effect: This lead to unauthorized transactions and a violation of NMAC 6.20.2.11.

Auditor's Recommendation: Account coding should be carefully checked against invoices and purchase order.

Management Response: Business Office now has a 2nd employee so account coding is looked at twice. Incorrectly coded purchase orders are corrected before invoice is paid or by adjusting journal entry.

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FS 07-71 Checks Issued

Condition: During review of cancelled checks, we noted that the checks do not have “void after one year from date” written on face.

Criteria: According to NMAC 6.20.2.14 cash control standards, each warrant or check issued is required to have printed on its face the words, “void after one year from date.” Whenever any warrant or check is unpaid for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57 (A), NMSA 1978.

Cause: School does not order checks with required words on face.

Effect: School is in violation of NMAC 6.20.2.14 and could be liable to pay a check that would be potentially cancelled.

Auditor’s Recommendation: We recommend the school order checks that have the words “void after one year from date” printed clearly on face of warrant or check.

Management Response: On October 15, 2007 the school added the words “Void After One Year” to the checks.

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East Mountain High School Foundation

FS 07-72 Cash not deposited in timely manner

Condition: During our cash receipts testwork, we noted there were two instances where the deposit slip was not validated within a timely manner.

Criteria: Per NMAC 6.2.2.11 Internal Control Structure Standards, every school district shall establish and maintain internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Cause: The School's internal controls did not allow the deposits to be made timely.

Effect: Non-adherence to state statutes places the School in noncompliance and the lack of timeliness of deposits could subject the School to a possible occurrence of fraud.

Auditor's Recommendation: All deposit slips should be deposited within a timely manner.

Management Response: These were rare, isolated instances. The Foundation will make every attempt to ensure all deposit slips are deposited within a timely manner.

FS 07-73 Inadequate Segregation of Duties in the Receipting Process

Condition: The Business Manager's duties include preparing bank reconciliations, depositing receipts into the bank and posting to the general ledger.

Criteria: Sound business practice required adequate segregation of duties during the receipting process.

Cause: The lack of segregation of duties is the result of a qualified employees which has left the business manager handling most of the receipting process.

Effect: Without segregation of duties, the Foundation has not mitigated the risk of errors or irregularities over the cash receipts process.

Auditor's Recommendation: Certain responsibilities during the receipting process should be delegated to qualified employees or hire a qualified individual to perform the required tasks.

Management Response: The Foundation will find another qualified person to prepare and deposit all receipts into the bank. The Business Manager will continue posting receipts to the general ledger.

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FS 07-74 Inadequate Segregation of Duties in Cash Disbursement Process

Condition: The Business Manager's duties include writing checks, posting to the general ledger, preparing bank reconciliations and signing checks.

Criteria: Sound business practice requires adequate segregation of duties during the cash disbursement process.

Cause: Due to limited resources, the foundation relied on one individual to process the foundations cash disbursements.

Effect: Lack of segregation of duties may result in errors or fraudulent activity without detection.

Auditor's Recommendation: Certain responsibilities during the cash disbursement process should be delegated to qualified employees or hire a qualified individual to perform the required tasks.

Management Response: 1) The Foundation will establish a Finance Committee to include the Business Manager and at least two other Trustees, to review the cash disbursement requests/payables of the Foundation. 2) Cash disbursement requests/payable documentation will be initialed by one of the Finance Committee members prior to payment. 3) Checks are signed by two people excluding the person initialing the disbursement request/payable documentation.

FS 07-75 Internal Controls over Journal Entries

Condition: The Foundation does not have adequate internal controls over-non standard journal entries entered into its accounting system.

Criteria: According to the State Board of Education Title 6, section 6.20.2.11, Policies and Procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practice recommends review and approval process for non-standard journal entries. Charter Schools must have the ability to monitor the operation of the accounting department as outlined in applicable regulations.

Cause: The foundation failed to keep all supporting documentation regarding journal entries on file. They also have not developed a formal review process for non-standard journal entries.

Effect: There could be incorrect or inappropriate journal entries posted to the general ledger.

Auditor's Recommendation: We recommend the Foundation update their policies and procedures manual regarding the review and approval of manual journal entries and implement a procedure to insure non-standard journal entries are reviewed and all supporting documentation is properly attached.

Management Response: The Foundation will establish a Finance Committee to include the Business Manager and at least two other Trustees, to review and sign off on non-standard journal entries.

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El Camino Real Academy (formerly Horizon Academy South)

FS 06-88 Budgetary Conditions (repeated)

Condition: Actual expenditures exceed the budget in the:

Title I-IASA	
Support Services	\$ 673
Entitlement Idea-B	
Instruction	\$ 500

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 to 22-8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts, the expenditure function is the legal level of control.

Cause: The School did not make the appropriate budgetary transfers to alleviate the over-expenditures experienced by the function.

Effect: The School has not complied with NMAC 6.20.2.9 and NMSA 1978 22-8-5 to 22-8-12.2, and the control established by the use of budgets has been compromised.

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Management Response: Management will continue to monitor budgetary compliance, in the case of Title I we understood that the budget was in total, not by function. We have corrected our procedures to insure that this does not occur again. In the case of IDEA-B, the amount over budget was an audit entry to write-off a liability debit balance (payment of a liability) to the Operational Fund, where the actual liability was sitting. It was determined by the audit team that the amount was too small to record and therefore the entry on our side was deferred to FY08 in order to be in agreement with the audit. The item should not be an expense in the IDEA-B fund and therefore would not be an over budget situation.

FS 07-76 - Timeliness of Deposits

Condition: During our test work of receipts, we noted instances in which receipts were not deposited in a timely manner. Deposits made in August of 2006, October of 2006 in the amounts of \$377.70 and \$257.45 were not made within 24 hours of receipt.

Criteria: According to NMSA 1978, 6-10, receipts should be deposited as soon as administratively possible. For a School having no suitable banking facilities within its boundaries, receipts should be deposited within five days of collection.

Cause: The School's internal controls did not allow the deposits to be made timely.

Effect: Non-adherence to state statutes places the School in noncompliance and lack of timeliness of deposits could subject the District to a possible occurrence of fraud.

Auditor's Recommendations: We recommend that the School emphasize the importance of timely deposits of receipts, and monitor receipts more closely in order to be compliant with state statutes.

Management Response: Our policies and procedures state that our employees will have the deposit in the bank within 24 hours. We have spoken to the staff responsible for this duty and have reiterated the requirement for timely deposits. Personnel changes have been made to address this issue.

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FS 07-77 – Payroll Deductions

Condition: During our test work of payroll, we noted several instances in which payroll deductions including ERB, RHC, FICA, Medicare, and Insurance were not taken out of employees pay at the proper amount.

Criteria: The local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. NMAC 6.20.2.18.

Cause: Lack of a steady business manager increased the number of errors in the payroll process.

Effect: The incorrect rates were paid to the respective agencies and therefore are liable for the amounts not deducted and possible fines and penalties.

Auditor's Recommendations: We recommend that the School emphasize the importance of properly calculating payroll deductions.

Management Response: In January, 2007 we changed to an outside payroll processing company. The Business Manager at the time confirmed to management that all deductions were correctly entered and that he was reconciling withholding amounts to payments due. It became apparent in late May that these duties had not been performed. Personnel changes have been made to address these issues.

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FS 07-78 – Compensated Absences

Condition: The School does not have a limit on carry over of administrative compensated absences and does not have a limit on the cash pay out of such days for the Principal and Vice-Principal. At June 30, 2007, total accrual for compensated absences was \$24,513.

Criteria: Per SAS109, control activities are the policies and procedures that help ensure that management directives are carried out.

Cause: The School does not have a policy on the limited amount of allowable carry over days on compensated absences for the Principal or Vice-President.

Effect: The School is liable for the pay of an unreasonable balance of compensated absences.

Auditor's Recommendation: The School should implement a policy limiting the amount of carry over days for compensated absences as well as limit the cash pay out of those days.

Management Response: This issue was discussed at length with our Governing Council. This leave is tracked and their contracts are renewed every year. The Board approves the Principal contract, which then dictates the other administrative contract. Within this process the leave balances are discussed with the Board. Any payout of this leave must be presented to the Governing Council and approved by a motion of the Board. When a cap was discussed they felt that it would actually obligate them to pay out any amount up to and including the cap, whereas, with the current situation they could disapprove any request made.

FS 07-79 – Internal Controls over Accounts Payable

Condition: During the review of the Federal Stimulus fund two checks, out of sixteen tested, did not agree to the invoice detail. The two invoice amounts were for \$2,832.75 and \$16,881.89. The actual amount paid for the \$2,832.75 invoice was \$3,176.65 and both were paid before the invoice date.

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards: A. Every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

Cause: The payments made to the vendors were based from the purchase orders amounts. The date the funds needed to be expended by under the grant was October 31, 2007 and the School had not received the invoices.

Effect: The School did not follow their internal control policy and procedure for Accounts Payable and thus incorrectly made an overpayment to the vendor.

Auditor's Recommendation: The School must follow their internal control policies and procedures in order to prevent errors and/or fraud.

Management Response: Both invoices related to a situation where PED required management to spend monies on a very short timeline, this caused normal procedures to be by-passed on these two instances. Both checks were paid using quote sheets, the larger amount was then agreed to the invoices later received. On the smaller amount the vendor charged some teacher additions to no-charge. We are avoiding situations where monies must be spent at the last moment so that our procedures are effective.

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FS 07-80 – Fixed Asset Inventory Count

Condition: Although the School did perform an annual inventory of capital assets for the 2006/2007 year, it was not reconciled to the capital asset listing.

Criteria: Per NMAC 2.20.1.16 Annual Inventory, at the end of the fiscal year, each agency shall conduct a physical inventory of its fixed assets consisting of those with a historical cost of one thousand dollars (\$1,000) or more, under the control of the governing authority.

Cause: During the audit year and subsequent, the School had been cleaning up the general ledger for the past two years and did not perform the capital asset reconciliation timely.

Effect: The School is noncompliant with NMAC 2.20.1.16 and internal controls implemented for safeguarding capital assets and establishing accountability for their custody and use were not followed.

Auditor's Recommendation: The School should follow policy for the Annual Inventory of capital assets to take place and reconcile it to the capital asset listing.

Management Response: Teachers and staff write down all assets (even those under \$1,000) in their classrooms/labs every year. However, there has never been an official reconciliation to the general ledger. This was due to the fact that until May 2007 we have been cleaning up the general ledgers for two fiscal years, FY06 and FY07. During June, 2008 we started taking the class lists from every teacher, testing, verifying to serial numbers and starting to tag all assets, even those under the \$1,000 limit. We have purchased an inventory system and will be tagging and entering them into the system during the summer. We are also coordinating with Title I at APS to come out and place a Title I tag on all assets paid for with Title I funds.

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FS 07-81 – Investment

Condition: During the audit year, the School opened a mutual fund that was not secured by governmental securities.

Criteria: Per NMAC 6-10-16 deposits of public money shall be secured by various governmental securities. Per NMAC 6-10-17.1 When a treasurer, board of finance or board of control finds that a bank or savings and loan association that has been designated as a depository of public money has not maintained qualifying securities as collateral for deposits of public money under the control of that treasurer or board as required by law, the treasurer or board shall request the depository to substitute or provide additional qualifying securities to meet those requirements within ten calendar days. If the bank or savings and loan association does not comply with the request within ten calendar days, the treasurer or board shall withdraw from that depository within the next ten calendar days all deposits of public money under the treasurer's or board's control without penalty to the public depositor, notwithstanding any other provision of law to the contrary.

Cause: The School wanted to open a repurchase account with the bank and the bank erroneously opened a mutual fund without the governmental securities in November. The account was not corrected until May 2007.

Effect: The School was noncompliant with NMAC 6-10-16. Not maintaining public funds within compliance may subject the School's fund to unnecessary losses in an instance of financial institution closure.

Auditor's Recommendation: The School has since corrected this and should maintain monitoring funds so that they continue to be in compliance with Investment statutes.

Management Response: Management of the School and the Governing Council worked very closely with Bank officials in order to insure that the overnight repurchase accounts were in compliance with State Statutes, the were assured many times by bank personnel of compliance. The account was opened in December 2006. In January, 2007 when the first statement was received and reviewed, staff saw "mutual fund" on the account statement. At that time Bank personnel were contacted again with concerns as to the legality of the investment. Despite daily and weekly calls to Bank personnel the problem was not resolved by the bank until May 2007.

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Horizon Academy West

FS 06-89 Cash Reconciliation (repeated)

Condition: During our cash test work it was found that there was a difference of \$880 between the reconciled cash balance and the General Ledger.

Criteria: 6.20.2.14 K NMAC states that "All bank accounts shall be reconciled on a monthly basis."

Cause: The bank reconciliation for June 30, 2007 was not properly reconciled to the General Ledger.

Effect: The school's cash does not reconcile to the general ledger as of June 30, 2007. Without proper reconciliations, cash may be misstated on the financial statements.

Auditor's Recommendation: We recommend that the school implement controls to make ensure that reconciled bank statements match the general ledger.

Management Response: Bank reconciliations are prepared by a contractor working with the business manager. The contractor and business manager are working to ensure the bank reconciliations are correct.

FS 06-93 PED Reports (repeated)

Condition: The School's report to the Public Education Department did not match the General Ledger. The General Ledger reported cash at \$272,386 while the PED Report reported cash at \$278,089 leaving a difference of \$5,703.

Criteria: 6.20.2.11 (B) (6) NMAC and Regulation SBE-6 the reports sent to the New Mexico Public Education Department (PED) must agree to the School's General Ledger.

Cause: The business office did not properly complete and review the PED report to ensure that it reconciled to the General Ledger as of June 30, 2007.

Effect: The school's cash balances were misreported to PED.

Auditor's Recommendation: The appropriate personnel should complete the PED report based upon the General Ledger. Additionally, an individual should review the report to ensure that the report does match the General Ledger.

Management Response: Procedures have been implemented to ensure that the PED reports match the general ledger.

FS 06-95 Activity Funds-Lack of Documentation (repeated)

Condition: The school has not provided the auditor with proper documentation regarding Activity Funds. Statements have been requested, and there has been confusion as to where the records should be and who would manage them.

Criteria: State Statute 6-10-2 NMSA 1978 and State Regulation 6.20.2.23 (c) NMAC state that the business office should maintain records for activity funds which should be retained for review by the business office and the auditor.

Cause: Due to a change in the business manager not performing the reconciliation and a reorganization of the office the Activity Funds bank statements for 2006-2007 are currently unable to be located.

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Effect: The school is out of compliance with State Law regarding activity funds. Portions of the school's audit cannot be completed without this information.

Auditor's Recommendation: The School should establish a policy to handle the current expenditures and revenues in the activity funds as well as procedures to properly archive information so it is available for inspection by auditors.

Management Response: The school will implement activity fund accounting procedures as required.

FS 07-82 SAS 112 Compliance

Condition: The individuals responsible for the accounting and reporting functions for the Charter lack the skills and knowledge to apply generally accepted accounting principles in preparing the entity's financial statements. The accounting management has not obtained training to adequately apply generally accepted accounting principles, which includes GASB 34 and subsequent pronouncements.

Criteria: Proper internal controls over the preparation and/or monitoring of the preparation of financial statements requires that management places a person knowledgeable in applying generally accepted accounting principles when preparing the entities financial statements.

Cause: Individuals responsible for the accounting and reporting functions for the Charter have not received training in preparing governmental financial statements in accordance with GASB (Governmental Accounting Standards Board) Statement No 34 and subsequent pronouncements.

Effect: The Charter, without the aid of its auditors, is unable to accurately prepare financial statements in accordance with governmental accounting standards with regard to applying generally accepted accounting principles.

Auditor's Recommendation: We recommend the Charter's accounting management receive the training relating to the preparation of the Charter's financial statements in accordance with generally accepted accounting principles. This would give the individuals responsible for the accounting and reporting functions the skills and knowledge to apply generally accepted accounting principles to the financial statements.

Management Response: The school has contracted with a local Certified Public Accounting Firm to be its business manager. The firm meets all requirements of SAS 112.

FS 07-83 Payroll – Lack of Documentation

Condition: During payroll test work the following conditions were noted:

- One (1) out of ten (10) files tested did not have form I-9.

Criteria: NMAC 6.20.2.18 requires that schools maintain and have available for inspection payroll related documents such as employment contracts, certification records, personnel/payroll action forms, I-9s, W-4s, pay deduction authorizations, pay posting change notices, Educational Retirement Act plan applications, and direct deposit authorizations.

Cause: The former business manager was allowed to remove his I-9 from his personnel file upon termination.

Effect: The effect is that the school is out of compliance with NMAC 6.20.2.18 as well as federal statutes which require that form I-9 be retained for at least one year after the date of termination.

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Auditor's Recommendation: We recommend that the school follow NMAC 6.20.2.18 to ensure that all required payroll related documentation is completed and properly filed. Form I-9 should be kept in a secure location with limited access to prevent future removal of I-9s before the proper time has expired.

Management Response: Staff will be informed and procedures established to safeguard school documents.

FS 07-84 Budgetary Conditions

Condition: The School has expenditure functions where actual expenditures exceeded budgetary authority:

General Fund	
Other Support Services	1,936
Teacher/Principal Training & Recruiting	
School Administration	1,728

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 through 22-8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts the function is the legal level of control.

Cause: The School did not make necessary budgetary transfers to alleviate the over-expenditures experienced at each function. Expenditures were budgeted to a different function than they were actually charged to.

Effect: The school is out of compliance with State Law and the control established by the use of budgets has been compromised.

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end and make the necessary budgetary adjustments.

Management Response: Procedures are being established to ensure that no function within the budget will be over-expended.

FS 07-85 Fixed Asset Inventory Count

Condition: For the 2006/2007 year, the School did not perform an annual inventory of fixed assets. The school also relied on prior year auditor work papers (provided by client in prior year audit) to generate their fixed asset listing.

Criteria: Per NMAC 2.20.1.16 Annual Inventory, at the end of the fiscal year, each agency shall conduct a physical inventory of its fixed assets consisting of those with a historical cost of one thousand dollars (\$5,000) or more, under the control of the governing authority.

Cause: The lack of fixed asset inventory and lack of fixed asset listing was due to the former business manager not performing the function.

Effect: The School is noncompliant with NMAC 2.20.1.16 and does not have internal controls implemented for safeguarding them and establishing accountability for their custody and use.

Auditor's Recommendation: The School should implement a policy for an Annual Inventory of fixed assets to take place and keep an updated fixed asset listing.

Management Response: The school will implement a policy for annual inventory.

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FS 07-86 Violation of Public School Finance Act

Condition: Before the audit was performed, it was brought to our attention that the Business Manager of Horizon Academy West had made two (2) bank transfers to another charter school (North Valley Academy) in an amount totaling \$150,000 to cover their summer payroll.

Criteria: Per the Public School Finance Act (Chapter 22, Article 8 NMSA 1978) Section 42-D states that any person "... knowingly using any money budgeted or appropriated for public school use or for any other purposes than that provided in the appropriation or budget is guilty of a petty misdemeanor and shall, in addition to all other civil or criminal penalties, forfeit his office or employment."

Cause: Due to North Valley Academy's change from a traditional calendar to a year round calendar combined with the time lag of reimbursement funding there was a lack of funding to pay payroll in June of 2007.

Effect: By making transfers to another school, the Business Manager violated the Public School Finance Act by using money budgeted by Horizon Academy West for a purpose other than what it was budgeted/appropriated for.

Auditor's Recommendation: The school should implement controls to ensure that no cash can be transferred in or out of their bank accounts without proper authorization.

Management Response: Procedures have been established to provide internal controls over the bank accounts. Included are the segregation of duties over the cash receipts, disbursements and check signing.

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La Academia de Esperanza

FS 07-87 SAS 112 Compliance

Condition: The individuals responsible for the accounting and reporting functions for the Charter lack the skills and knowledge to apply generally accepted accounting principles in preparing the entity's financial statements. The accounting management has not obtained training to adequately apply generally accepted accounting principles, which includes GASB 34 and subsequent pronouncements.

Criteria: Proper internal controls over the preparation and/or monitoring of the preparation of financial statements requires that management places a person knowledgeable in applying generally accepted accounting principles when preparing the entities financial statements.

Cause: Individuals responsible for the accounting and reporting functions for the Charter have not received training in preparing governmental financial statements in accordance with GASB (Governmental Accounting Standards Board) Statement No 34 and subsequent pronouncements.

Effect: The Charter, without the aid of its auditors, is unable to accurately prepare financial statements in accordance with governmental accounting standards with regard to applying generally accepted accounting principles.

Auditor's Recommendation: We recommend the Charter's accounting management receive the training relating to the preparation of the Charter's financial statements in accordance with generally accepted accounting principles. This would give the individuals responsible for the accounting and reporting functions the skills and knowledge to apply generally accepted accounting principles to the financial statements.

Management Response: La Academia de Esperanza has recently hired a new business manager that has the training relative to GASB 34 and is familiar with GAAP. The new business manager recently attended the NM State Auditors training held here in Albuquerque this Spring

FS 07-88 Cash Receipts

Condition: During our cash receipts test work it was noted that the receipts given to activity sponsors are not pre-numbered. Activity fund transactions accounted for three (3) of the five (5) transactions tested and each activity fund transaction used receipts that were not pre-numbered.

Criteria: 6-20-2-13 B NMAC states that a school shall issue a factory pre-numbered receipt for all money received.

Cause: The Business Office was not aware that the receipt books are required to be factory pre-numbered.

Effect: By not using factory pre-numbered receipts the school has weakened its controls over receipts and is out of compliance with state statute.

Auditor's Recommendation: The school should begin to use factory pre-numbered receipts for to receipt all money received.

Management Response: La Academia de Esperanza will have the new business manager order pre-numbered receipt books and implement them immediately.

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FS 07-89 Vendor Prepayment

Condition: During the audit it came to our attention that the school maintains a credit balance of \$6,577.33 with a vendor it regularly makes purchases from.

Criteria: 13-1-158 A NMSA 1978 states “No warrant, check or other negotiable instrument shall be issued in payment for any purchase of services, construction or items of tangible personal property unless the central purchasing office or the using agency certifies that the services, construction or items of tangible personal property have been received and meet specifications...”

Cause: In 2004 the school wrote a check to the vendor for \$13,278.43 paid from the Walton Family Foundation Fund before any goods were received. Since then the school has been using the credit balance to buy goods for their snack bar.

Effect: As a result the school: a) shifted funds from the Walton Fund to the Activity Fund, b) is understating Activity Fund expenses, and c) is out of compliance with state procurement policies.

Auditor's Recommendation: School should request a refund from the vendor for the remaining credit balance. Those funds should be placed in the school's General Fund as the school no longer receives Walton Foundation funds any longer. The Activity fund should also repay the general fund for the amount of credit used previously for Activities.

Management Response: La Academia de Esperanza will rectify the issue immediately in having the new business manager contact the vendor and make necessary arrangements in accordance with NM State Laws and Regulations. In the future no payments will be made without services or goods being provided prior to payment.

FS 07-90 Internal Controls - Purchasing

Condition: In the Business Manager's office there is an envelope containing eleven (11) Wal-Mart gift cards each with a value of twenty (20) dollars for a grand total of \$220.

Criteria: 6.20.2.11 NMAC A states that the school shall have internal controls in place to ensure that transactions are executed in accordance with management's authorization and recorded properly.

Cause: The gift cards were purchased for a reason not known to the current administration. The use of gift cards can not be monitored to ensure that the funds were spent in the intended manner.

Effect: Due to the fact that gift cards are highly susceptible to theft and weaken internal control restrictions on spending, the school's funds are more susceptible to misappropriation.

Auditor's Recommendation: We recommend that the school refrain from purchasing gift cards.

Management Response: La Academia de Esperanza will discourage and refrain from these type of purchases from this time on. The new business manager will always make sure that internal controls of assets on hand are guarded and kept within the schools operating procedures.

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FS 07-91 Internal Controls - Payments

Condition: During the Credit Card portion of our State Auditor Compliance test work, it was noted that the only payments made to the CompUSA credit card were 2 checks paying just late fees and interest.

Criteria: Sound business practices require that bills be paid in a timely manner to avoid late fees.

Cause: The Business Office did not make timely payments to their CompUSA credit card and accrued a total of \$245.71 in late fees.

Effect: By not paying their bills in a timely manner the school ended up paying more money for purchases on the CompUSA credit card than required.

Auditor's Recommendation: We recommend that the school discontinue use of credit cards and make purchases through purchase order.

Management Response: La Academia de Esperanza will have the new business manager implement a procedure that staff review invoices daily and pay invoices within a 30 day period to ensure invoices are not assessed late fees and interest.

FS 07-92 Cash Reconciliation

Condition: During our cash test work it was found that there was a difference of \$28,807 between the reconciled cash balance and the General Ledger. Of this difference \$8,515 could be traced to post year end transactions leaving an irreconcilable difference of \$20,292.

Criteria: 6.20.2.14 K NMAC states that "All bank accounts shall be reconciled on a monthly basis."

Cause: Transactions were processed after year end by the client which affected the cash balance as of June 30, 2007.

Effect: The school's cash does not reconcile to the general ledger as of June 30, 2007. Without proper reconciliations, cash may be misstated on the financial statements.

Auditor's Recommendation: We recommend that the school implement controls to make ensure that reconciled bank statements match the general ledger.

Management Response: La Academia de Esperanza will be working with the new business manager to implement a system that exhibits evidence to the Principal (Director) that monthly bank reconciliations are done and reconcile the general ledger to the bank balances.

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FS 07-93 PED Reports

Condition: The School's report to the Public Education Department did not match the General Ledger in both the General Fund and the Activity Fund.

Criteria: 6.20.2.11 (B) (6) NMAC and Regulation SBE-6 the reports sent to the New Mexico Public Education Department (PED) must agree to the School's General Ledger.

Cause: The business office did not properly complete and review the PED report to ensure that it reconciled to the General Ledger as of June 30, 2007.

Effect: The school's cash balances were misreported to PED.

Auditor's Recommendation: The appropriate personnel should complete the PED report based upon the General Ledger. Additionally, an individual should review the report to ensure that the report does match the General Ledger.

Management Response: La Academia de Esperanza will have the new business manager review with our PED budget analyst the necessary steps to rectify and resolve the matters in the past. The new business manager will also provide the Principal (Director) proof of the PED report balancing to all bank accounts and general ledger accounts before submitting to PED in the future.

FS 07-94 941 Reconciliations

Condition: La Academia de Esperanza's 941 reports had a lower amount for FICA wages than for Medicare wages. We also noted that the general ledger balance was \$10,814 lower than reported on the 941 reports.

Criteria: The FICA and Medicare wages reported should be the same until an employee reaches a total of \$97,500 at which point FICA would no longer be withheld. No employees were paid enough to create this difference.

Cause: FICA and Medicare withholdings were not reported correctly on the General Ledger leading to a material difference.

Effect: FICA and Medicare expense are being under reported on the General Ledger.

Auditor's Recommendation: The School must ensure that 941 reports are calculated correctly. Amounts must be recorded properly in the general ledger.

Management Response: La Academia de Esperanza will make sure that all 941's and general ledger match. This will be done quarterly and proof of reconciliation will be provided to the Principal (Director) each quarter and at year end. The new business manager will be responsible for resolving this.

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FS 07-95 Payroll – Lack of Documentation

Condition: During payroll test work the following conditions were noted:

- Four (4) of five (5) employees tested were missing form W-4.

Criteria: NMAC 6.20.2.18 requires that schools maintain and have available for inspection payroll related documents such as employment contracts, certification records, personnel/payroll action forms, I-9s, W-4s, pay deduction authorizations, pay posting change notices, Educational Retirement Act plan applications, and direct deposit authorizations.

Cause: Due to moving the business manager's office, a book of W-4 forms for all employees may have been lost.

Effect: The effect is that the school is out of compliance with NMAC 6.20.2.18. Missing form W-4 may result in errors in employee's withholding.

Auditor's Recommendation: We recommend that the school follow NMAC 6.20.2.18 to ensure that all required payroll related documentation is completed and properly filed. A new form W-4 should be filled out for all employees and be placed in one central location or in each employee's file.

Management Response: La Academia de Esperanza will make sure all employee payroll files and forms are kept up to date. All employees will be required to fill out new W-4's each school year and any changes to W-4's during the course of the year will be filed in the payroll employee files kept in the new business managers office.

FS 07-96 Payroll Withholdings

Condition: During the audit process it came to our attention that La Academia de Esperanza had a 403(b) plan in place, but for participating employees deductions were being shown as part of Gross Wages and being taxed when they should not have been.

Criteria: Internal Revenue Service Publication 571 states that deductions for 403(b) withheld by an employer should be reported in box 12 of form W-2 and the "Retirement Plan" box should be checked.

Cause: The payroll deduction for the 403(b) plan was not set up correctly in AptaFund as a 'pre-tax' deduction.

Effect: For participating employees, their gross wages were higher than should be reported on form W-2 resulting in more tax being paid by employees. The employer's portions of tax paid would also be over stated.

Auditor's Recommendation: We recommend that the school reconcile the differences for participating employees and give them an amended form W-2 for the years that the withholding was improperly taxed. The school should also amend any reports with tax being overstated for employees.

Management Response: La Academia de Esperanza will make sure that this will be done in accordance with Laws and Regulations. At the end of each calendar year the business manager will print a test of W-2's prior to release to ensure the Principal (Director) that this is now in compliance.

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FS 07-97 Budgetary Conditions

Condition: The School has expenditure functions where actual expenditures exceeded budgetary authority:

General Fund	
Central Services	147,302
Operations/Maintenance. of Plant	199,034
IDEA B-Entitlement	
Support Services	104,711

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 through 22-8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts the function is the legal level of control.

Cause: The School did not make necessary budgetary transfers to alleviate the over-expenditures experienced at each function. Expenditures were budgeted to a different function than they were actually charged to.

Effect: The school is out of compliance with State Law and the control established by the use of budgets has been compromised.

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end and make the necessary budgetary adjustments.

Management Response: La Academia de Esperanza will make sure through periodic review with PED and Principal (Director) that no budgetary function will exceed the authorized budget authority set by PED and the schools governance council.

FS 07-98 Fixed Asset Inventory Count

Condition: For the 2006/2007 year, the School did not perform an annual inventory of fixed assets. The school also relied on prior year auditor work papers (provided by client in prior year audit) to generate their fixed asset listing.

Criteria: Per NMAC 2.20.1.16 Annual Inventory, at the end of the fiscal year, each agency shall conduct a physical inventory of its fixed assets consisting of those with a historical cost of one thousand dollars (\$5,000) or more, under the control of the governing authority.

Cause: The lack of fixed asset inventory and lack of fixed asset listing was due to a change in business managers...

Effect: The School is noncompliant with NMAC 2.20.1.16 and does not have internal controls implemented for safeguarding them and establishing accountability for their custody and use.

Auditor's Recommendation: The School should implement a policy for an Annual Inventory of fixed assets to take place and keep an updated fixed asset listing.

Management Response: La Academia de Esperanza will work with the new business manager and staff to ensure at year end that inventories are performed and reviewed by the Principal (Director) and that all inventories are tied in with the general ledger.

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La Luz del Monte Learning Center

FS 07-99 Procurement Code

Condition: All four bids were tested through audit procedures not supported with the proper documents to demonstrate that they were received in a sealed envelope. One of the 4 bids was an emergency procurement so it is exempt.

Criteria: As indicated in NMAC 1.4.1.14 through 1.4.1.28, an internal control structure over purchasing shall be established and maintained to assure compliance with school district policy and state and federal regulations in assurance that all the bids are supported by proper documentation.

Cause: None of bids that were received had an envelope to indicate that these bids were received in sealed packages or envelopes.

Effect: This caused the school to in non-compliance with NMAC 1.4.1.14 through 1.4.1.28.

Auditor's Recommendation: We recommend that the school designate a procurement agent who would be accountable for maintaining records and ensuring State and Federal procurement policies are being implemented and followed.

Management Response: The school agrees to save all envelopes and correspondence related to procurement as recommended by the auditor and required by the State Procurement Code.

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La Promesa

FS 06-98 Gross Pay does not agree to Contract Amount (repeated)

Condition: During our test work, we noted 1 out of 11 items tested, the pay rate did not agree to the stated contract amount. Difference of \$100 per pay period.

Criteria: NMAC 6.20.2.18 states that schools must have internal controls in place so employees are paid the correct amounts and that all related deductions are properly accounted for.

Cause: Management made a mistake entering the pay rate into AptaFund.

Effect: The school could be vulnerable to penalties and interest assessments.

Auditor's Recommendation: The school must insure to set up paycheck amount in the software according to the employees agreed upon contract amount and insure the related payroll deductions are being calculated correctly and properly accounted for.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

FS 06-99 Lack of Authority Signatory on Payroll Registers (repeated)

Condition: During our review of payroll, we noted out of all the payroll registers that we reviewed, none of them had any type of authorization/review sign offs.

Criteria: Sound accounting practices and 2.20.2.11 NMAC requires each school to develop, establish and maintain a structure of internal accounting controls and written procedures. This includes the review process relating to documentation.

Cause: There is not an established policy in place that allows for the review of payroll before disbursement.

Effect: Because there is no review process, the risk of any fraudulent activity is high.

Auditor's Recommendation: We recommend that policies and procedures be established that designated the individual, other than the one preparing payroll, to perform a final review of payroll to ensure that payroll is accurate and will also mitigate any risk of fraudulent activity within payroll.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

FS 06-101 ERA and RHC Contributions (repeated)

Condition: During field work, we noted on RHC that the payments for July and August (\$69.60 and \$190.55, respectively) were not paid until 10/09/2006. We also noted November and December (\$220.23 and \$364.72) were not paid until 02/09/2007. We noted on the ERA that the payments for April (\$2,083.34) were not paid until 06/15/2007 and payments for December (\$2,811.95) were not paid until 02/09/2007.

Criteria: Monthly contributions to the Retiree Health Care (RHC) and Educational Retirement Board (ERB) are required to be remitted no later than the 15th of the following month.

Cause: The school failed to make the RHC and ERB contributions timely.

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Effect: The school was in violation of RHC and ERB requirements and could be subject to penalties.

Auditor's Recommendation: We recommend that school management implement an internal control system to insure that RHC and ERB contributions are processed and paid timely.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

FS 06-103 Pledged Collateral (repeated)

Condition: During the year ended June 30, 2007 the school maintained and utilized deposited with financial institutions which were not covered by 50% of pledged collateral as required by the State of New Mexico Statutes. On June 30, 2007, the school did not have deposits in excess of FDIC limits.

Criteria: Cash equivalents and deposits must be covered by 50% of pledged collateral in accordance with NMSA 1978 Section 6-10-07.

Cause: The District did not monitor repurchase accounts for proper collateralization.

Effect: Lack of proper collateralization may result in non-compliance with state statutes and increase potential liability and exposure to the loss of the District's public funds in the event of bank closure.

Auditor's Recommendation: The school should assign an individual within the Finance Office responsible for reviewing monthly reports, investigating differences, and resolving discrepancies.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

FS 06-104 Business Licensure (repeated)

Condition: During the audit, we noted that the District did not comply with NMAC during fiscal year 2007.

Criteria: According to State of New Mexico regulation 6.63.12, a District is required to maintain an individual on staff; employed within the finance department who maintains a Business Manager license with the State of New Mexico.

Cause: The did not keep up to date with new State of New Mexico regulations which required that Business Manager or equivalent obtain a license from the State.

Effect: The District operated without a licensed individual during the 2007 fiscal year and was in noncompliance with State regulations.

Auditor's Recommendation: The District must insure compliance with State of New Mexico regulations and license necessary individuals within the finance department.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

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FS 06-105 Budgetary Conditions (repeated)

Condition: The School has expenditure functions where actual expenditures exceed budgetary authority.

General Fund	
Central Services	5,982
Operating & Maintenance	8,061
Federal Stimulus	
Instruction	13,306

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 to 22-8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts, the expenditures is the legal level of control.

Cause: The School did not make the appropriate budgetary transfers to alleviate the over-expenditures experienced by function.

Effect: The School has not complied with New Mexico law, and the control established by the use of budgets has been compromised.

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end and make the necessary budget adjustments.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

FS 06-106 Internal Controls over Non-Standard Journal Entries (repeat)

Condition: The Charter School does not have adequate internal controls over non-standard journal entries entered into the accounting system.

Criteria: According to the State Board of Education Title 6, Section 6.20.2.11, Policies and Procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practice recommends review and approval of all non-standard journal entries.

Cause: The School has not established segregation of duty controls over non-standard journal entries. The School also does not maintain appropriate documentation that would allow the reviewer to understand why the entry needs to be made.

Effect: Non-standard journal entries that were posted have not been approved by another person to remove a lack of segregation of duties over the authorization and approval of journal entries. This is a material weakness in the internal control structure as there could be incorrect or inappropriate journal entries posted to the general ledger.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding the review and approval of manual journal entries and implement a procedure to insure journal entries are reviewed, approved and supported.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

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FS 06-109 PED Reports (repeated)

Condition: The School's cash report to the Public Education Department (PED) did not match the General Ledger by fund.

Criteria: According to State regulation 6.20.2.11 (B) (6), NMAC and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger.

Cause: The report sent to PED was not reviewed to ensure that it reflects what is in the general ledger. The school is in violation of NMAC 6.20.2.11 (b) (6) and Regulation SBE-6.

Effect: PED does not have an accurate accounting of the school activity.

Auditor's Recommendation: The appropriate personnel should complete the PED report based upon the general ledger. Additionally, an individual should review the report to ensure that the report does not match the general ledger.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

FS 07-100 Background Checks

Condition: During our review of payroll, 2 out of 11 employees did not have background checks on file.

Criteria: According to 22-10.3.3 NMSA 1978 policies and procedures should be developed requiring background checks on an applicant who has been offered employment with unsupervised access to students at a charter school.

Cause: There is not an established policy in place within the school that requires personnel files to be reviewed for background checks.

Effect: The School has a potential for lawsuits as it is not protecting itself by performing background checks required by state statute.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding background checks to insure that each employee has been given a background check before being hired by the school.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

FS 07-101 Personnel Files

Condition: During our test work of payroll we noted the following:

- 3 out of 11 employees tested did not have contracts on file.
- 1 out of 11 employees tested did not have a signed contract on file.
- 2 out of 11 employees tested did not have a direct deposit authorization form on file.

Criteria: State Regulation 6.20.2.18, NMAC states that the School must maintain and have available for inspection all payroll related documentation, including, but not limited to employee contracts.

Cause: Necessary documentation, i.e. contracts, may not be consistently maintained within personnel files at the School.

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Effect: The lack of supporting documentation may result in the School incurring additional liabilities. This is a material weakness as there could be employees getting paid at incorrect rates.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding personnel files to insure that files have proper documentation.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

FS 07-102 Contracted Services

Condition: During payroll test work we noted that two employees listed on the schools payroll were not in fact employees of the school, but of another agency, Kelly Services. The school has a contract with the service that requires the school to pay the Service and not the employee directly.

Criteria: Article IX, Section 14, of the Anti Donation Clause states that public funds may not be expended for the benefit of someone other than the intended recipients.

Cause: The school was paying Kelly employees directly instead of paying Kelly Services.

Effect: Noncompliance with the Anti Donation Clause could subject officials and employees to punishment as defined by state statutes.

Auditor's Recommendation: We recommend that the school review contracts on file to ensure that it is in compliance with requirements.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

FS 07-103 Internal Control Structure

Condition: During our cash receipts test work we noted there was one instance where the revenue was coded incorrectly. We also noted that deposit was not posted to the general ledger in a timely manner.

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Cause: Management posted a receipt into the incorrect general ledger account. Management also did not post deposit into ledger until three months after deposited into bank.

Effect: This could lead to amounts being misreported on the financial statements.

Auditor's Recommendation: Account coding should be carefully checked against invoice and purchase order.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

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FS 07-104 Timely Deposits

Condition: During our test work, we noted four deposits, in the amounts of \$1567.65, \$685.11, \$169, and \$50.00 that were not made until several days after the money was received.

Criteria: NMSA 6.20.2.14 requires that the school make all deposits 24 hours of receiving the money.

Cause: The likely cause is forgetting to make the deposit.

Effect: This resulted in a violation of State laws. Additionally, the School has exposed itself to possible misappropriation of assets.

Auditor's Recommendation: Implement procedures to ensure deposits are made within 24 hours of receipt.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

FS 07-105 Cash Receipts-Inadequate Documentation

Condition: There was three out of eleven items tested, in the amounts of \$1567.65, \$169.00, and \$50.00 for which there was no receipts and/or supporting documentation.

Criteria: All cash receipts are required to have supporting documentation.

Cause: Due to possible errors in record keeping, supporting documentation may not be properly completed or may be misplaced.

Effect: Lack of supporting documentation increases the risk of an entry that is fraudulent to be posted to the system. The School was not in compliance with State Statute.

Auditor's Recommendation: We recommend that policies and procedures be implemented that tracks and maintains all items relating to cash receipts.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

FS 07-106 Disbursements-Signature Authority

Condition: During our test work we noted the following:

- 3 out of 11 items tested was only authorized by one of the required two check signers.
- 1 out of the 11 items tested was not authorized by the proper authorized check signer.
- The school could not locate the cancelled check for 1 out of the 11 items tested . We could not verify signature authority.

Criteria: NMAC 6.20.2.17 states that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the procurement code.

Cause: There is not an established policy in place that allows for the review of signature authority on cash disbursements.

Effect: Because there is no review process, the risk of fraudulent activity is high.

Auditor's Recommendation: We recommend that policies and procedures be established that designate a person to review signature authority on all disbursements issued.

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Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

FS 07-107 Cash not Reconciled

Condition: During fieldwork we noted that the bank reconciliations did not tie to the general ledger as of year-end.

Criteria: According to NMAC 6.20.2.14, "School districts shall establish and maintain cash management program to safeguard cash and provide prompt and accurate report that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

Cause: There was an over reliance on the accounting system to perform the function automatically.

Effect: Due to lack of manual review in this area, the School was unable to determine its bank accounts were not reconciled to the general ledger. Therefore, the School is not in compliance with State Statute.

Auditor's Recommendation: We recommend that someone is designated to perform the reconciliations and a review process is in place to ensure accurate cash reporting on a monthly basis and that accounts are being reconciled to the general ledger.

Management Response: Management understands the condition and has hired new business personal to bring La Promesa in compliance with all statutory, regulatory, GAAP, GASB, and SAS guidelines.

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La Resolana

FS 06-117 Policies and Procedures (repeated)

Condition: The Charter School did not have policies and procedures in place over:

- Cash Disbursements
- Cash Reconciliations
- Payroll
- Travel & Per Diem
- Cash Receipts
- Capital Assets
- Debit Cards

Criteria: According to State Board of Education Title 6, policies and procedures were required for all accounting areas.

Cause: School Officials did not realize that policies and procedures were required for the different accounting areas.

Effect: Repetitive completion of task may not be completed in the same manner, possibly leading to errors or irregularities.

Auditor's Recommendation: The School should develop policies and procedures, which details preparation and review of cash reconciliations, financial statements, payroll, travel and per diem, cash receipts and cash disbursements to ensure proper accounting for the school and other areas outlined in SBE-6 Regulations.

Management Response: Upon beginning operations the school had the written policies and procedures included in the approved charter. The Business Office is in the process of completing a more comprehensive draft of written policies and procedures for all areas required under State Board of Education Title 6 regulations. The policies and procedures in this draft are currently being implemented and upon being finalized will be presented to the Governing Council for approval. The Business Office is also in the process of providing training to employees to ensure appropriate personnel are knowledgeable of applicable laws and regulations.

FS 07-108 ERA Contributions

Condition: During field work, we noted on the ERA that the payments for July 2006 through February 2007 (\$11,175.44) were not paid until 04/02/2007.

Criteria: Monthly contributions to the Educational Retirement Board (ERB) are required to be remitted no later than the 15th of the following month.

Cause: The school failed to make the ERB contributions timely.

Effect: The school was in violation of ERB requirements and was subject to penalties.

Auditor's Recommendation: We recommend that school management implement an internal control system to ensure that ERB contributions are processed and paid timely.

Management Response: At the beginning of the year, the necessary information had not been obtained, completed and provided to the NM Educational Retirement Board to begin remitting contributions and reports. Upon contracting with the Business Office the process was started to catch the school up on their delinquent contributions. This was completed in April 2007. Procedures are now in place to ensure reports are adequately supported and submitted on a timely basis.

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FS 07-109-Timely Deposits

Condition: During our audit testwork, we noted one deposit in the amount of \$198.00 that was not made until several days after the funds were received.

Criteria: NMSA 6.20.2.14 requires that the school makes all deposits within 24 hours of receiving the funds.

Cause: Forgetting to make the deposit within the guidelines specified.

Effect: The finding resulted in a violation of State law. Additionally, the School has exposed itself to possible misappropriation of assets.

Auditor's Recommendation: Implement procedures to ensure deposits are made within 24 hours of receipt.

Management Response: Upon beginning operations the school had the written policies and procedures included in the approved charter. The Business Office is in the process of completing a more comprehensive draft of written policies and procedures for all areas required under State Board of Education Title 6 regulations. The policies and procedures in this draft, including policies and procedures relating to cash receipts, are currently being implemented and upon being finalized will be presented to the Governing Council for approval. The Business Office is also in the process of providing training to employees to ensure appropriate personnel are knowledgeable of applicable laws and regulations.

FS 07-110 Personnel Files

Condition: During our test work of payroll we noted the following:

- 3 out of 11 employees tested did not have I-9's on file.
- 10 out of 11 employees tested did not have a contract on file.
- 3 out of 11 employees tested did not have proper authorization for deductions on file.
- 2 out of 11 employees tested did not have timecards on file.

Criteria: State Regulation 6.20.2.18, NMAC states that the School must maintain and have available for inspection all payroll related documentation, including but not limited to employee contracts, I-9's, W-4s, timecards.

Cause: Necessary documentation is not being consistently maintained within personnel files at School.

Effect: The lack of supporting documentation may result in the School incurring additional liabilities. This is a material weakness as there could be employees getting paid at incorrect rates.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding personnel files to insure that files have proper documentation.

Management Response: Upon beginning operations the school had the written policies and procedures included in the approved charter. The Business Office is in the process of completing a more comprehensive draft of written policies and procedures for all areas required under State Board of Education Title 6 regulations. The policies and procedures in this draft, including policies and procedures relating to personnel files, are currently being implemented and upon being finalized will be presented to the Governing Council for approval. The Business Office is also in the process of providing training to employees to ensure appropriate personnel are knowledgeable of applicable laws and regulations.

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FS 07-111 Reports and Contributions

Condition: During field work, we noted that 941 reports were submitted late and Retiree Health Care statements for the entire year were not submitted to the proper agency. We also noted that payments to the IRS and RHC were not properly made as of the end of field work.

Criteria: 941 payments and RHC payments and reported are required to be made quarterly and monthly, respectively. 941 reports are required to be submitted by the 30th of the following month and RHC reports are due by the 7th of the following month.

Cause: The school failed to submit the reports and make some of the necessary 941 and RHC payments timely.

Effect: The school was in violation of federal and state requirements and could be subject to penalties.

Auditor's Recommendation: We recommend that school management implement an internal control system to insure that 941 and RHC payments are processed and paid timely.

Management Response: At the beginning of the year, the necessary information had not been obtained, completed and provided to the NM Retiree Health Care Authority to begin remitting contributions and reports. Upon contracting with the Business Office, unsuccessful attempts were made to contact personnel at NMRHCA for several months. Employer and employee contributions are shown as a liability on the 2007 financial statements. Beginning in July 2007 procedures were implemented to ensure reports are adequately supported and submitted on a timely basis. Federal tax payments were remitted on a monthly basis during fiscal year 2007 by the 15th of the following month. The 941 report for the quarter ended 09/30/06 was submitted in December 2007. The 941 reports for the quarters ended 12/31/06 and 03/31/07 were submitted on a timely basis. Beginning in February 2007 the school began receiving correspondence from the IRS stating that a 944 annual report was required instead of the 941 quarterly reports. There was no resolution to the situation until early in fiscal year 2008. During this time frame the 941 report for the quarter ended 06/30/07 was not completed. The mistake was discovered and the report was filed in January 2008. Procedures are now in place to ensure reports are adequately supported and submitted on a timely basis. All 941 reports in fiscal year 2008 have been submitted on a timely basis.

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FS 07-112 Purchase Orders

Condition: During our disbursement testwork, we noted the following:

- Monies spent exceeded the amount of the Purchase Order. The purchase order was for \$12,653.08, but all expenses against it totaled \$14,489.18.
- Purchase Orders for 3 out of 11 disbursements tested could not be located.

Criteria: School is not in compliance with Policies and Procedures as stated in NMAC 6.20.2.10, NMAC 6.20.2.11 and NMAC 6.20.2.17.

Cause: The School did not have procedures in place to ensure that proper State purchasing requirements were being met.

Effect: The School may have overspent on purchases due to lack of proper authorization which is a violation of NMAC 6.20.2.17.

Auditor's Recommendation: We recommend that the Charter School develop, implement and enforce Purchasing procedures in accordance with the Procurement Code 13-1-21 and NMAC 6.20.2.

Management Response: Upon beginning operations the school had the written policies and procedures included in the approved charter. The Business Office is in the process of completing a more comprehensive draft of written policies and procedures for all areas required under State Board of Education Title 6 regulations. The policies and procedures in this draft, including policies and procedures relating to purchase orders, are currently being implemented and upon being finalized will be presented to the Governing Council for approval. The Business Office is also in the process of providing training to employees to ensure appropriate personnel are knowledgeable of applicable laws and regulations.

FS 07-113 Overpaid Invoices

Condition: During our disbursement testwork, we noted that the school paid more than the invoice amount.

Criteria: School is not in compliance with Policies and Procedures as stated in NMAC 6.20.2.10, NMAC 6.20.2.11 and NMAC 6.20.2.17.

Cause: The invoice in question was an invoice submitted for rent of the school's facility. A pro-rated amount was calculated for the days of the first month that the school occupied the facility and included with the invoice amount for the full month's rent. The discussion relating to, and the calculation for the pro-rated rent, was not formally documented. The school paid the invoice amount as well as a pro-rated amount for the first month of tenancy.

Effect: The School may not be in compliance with grant and state allowable cost compliance requirements.

Auditor's Recommendation: We recommend that the Charter School develop, implement and enforce Purchasing procedures in accordance with the Procurement Code 13-1-21 and NMAC 6.20.2.

Management Response: Upon beginning operations the school had the written policies and procedures included in the approved charter. The Business Office is in the process of completing a more comprehensive draft of written policies and procedures for all areas required under State Board of Education Title 6 regulations. The policies and procedures in this draft, including policies and procedures relating to appropriate supporting documentation, are currently being implemented and upon being finalized will be presented to the Governing Council for approval. The Business Office is also in the process of providing training to employees to ensure appropriate personnel are knowledgeable of applicable laws and regulations.

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Los Puentes

FS 07-114 Stale Dated Checks

Condition: During cash testwork, we found four checks for a total of \$1,485.52 that were written over a year ago listed as outstanding checks on the bank reconciliation. The school is in violation of state statute regarding stale dated checks.

Criteria: New Mexico Statutes, Section 6-10-57, NMSA 1978 compilation requires local public bodies to cancel or void any check that is unpaid for one year after it is written.

Cause: Management has not monitored the outstanding checks.

Effect: The school is not complying with state statutes. Additionally, the school does not have an accurate understanding of their cash position.

Auditor's Recommendation: We recommend that the outstanding checks be voided as soon as possible and that a procedure to track stale dated checks be implemented.

Management Response: The school was under the impression that it needed to wait for the audit to void stale dated checks. New procedures are now in place and currently checks are being voided one year after being written.

FS 07-115 ERA and RHC Contributions

Condition: During field work, we noted on RHC that the payments for July and August (\$265.84 and \$842.54, respectively) were not paid until 11/02/2006. We noted on the ERA that the payments for July 2006 (\$2,440.24) and August 2006 (\$7,734.06) were not paid until 11/21/2006 and 10/04/2006, respectively.

Criteria: Monthly contributions to the Retiree Health Care (RHC) and Educational Retirement Board (ERB) are required to be remitted no later than the 15th of the following month.

Cause: The school failed to make the RHC and ERB contributions timely.

Effect: The school was in violation of RHC and ERB requirements and was subject to penalties.

Auditor's Recommendation: We recommend that school management implement an internal control system to insure that RHC and ERB contributions are processed and paid timely.

Management Response: An internal audit was being completed to ensure that the proper amounts for ERB and RHC were deducted and paid. After the audit was completed all ERB and RHC payments have been made in a timely manner.

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FS 07-116 Payroll Internal Controls

Condition: During our testwork, we noted three instances where there was no evidence that the payroll register had been reviewed by the Principal.

Criteria: Section 6-5 NMSA 1978 requires the maintenance of strict internal controls over the payroll process.

Cause: The business manger stated that these particular pay periods were an oversight.

Effect: There is an increased likelihood that errors or irregularities may occur and not be detected in a timely manner.

Auditor's Recommendation: Payroll registers should be reviewed by the Principal as evidenced by signature/initials.

Management Response: We believe that these instances are not normal and current business office ensures that all payrolls are approved before processing.

FS 07-117 Compensated Absences

Condition: The school's policies and procedures for compensated absences are not fully documented in the Employee Handbook. The handbook does not document that if employment is terminated and the employee has a positive sick leave balance, the amount will not be added to the employee's final payment.

Criteria: SAS109, control activities are the policies and procedures that help ensure that management directives are carried out.

Cause: The school did not take the termination of employment in consideration when the policies were written.

Effect: There is an increased likelihood that current and prospective employees may not be fully aware of the school's policies and procedures for compensated absences.

Auditor's Recommendation: The school should document all of its policies and procedures for compensated absences in the Employee Handbook.

Management Response: The Compliance Committee of the Governing Board is developing a policy to rectify this issue.

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FS 07-118 Internal Controls over Fixed Assets

Condition: During test work we noted that school did not obtain proper approval from board regarding purchases between \$2,500 to \$10,000.

Criteria: According to State Board of Education Title 6, section 6.20.2.11, Policies and Procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required.

Cause: This was an oversight. The business manager thought the policy was regarding purchases over \$10,000.

Effect: The Board of Directors was not following school policy.

Auditor's Recommendation: We recommend the school review their policies and procedures manual regarding fixed assets and implement a procedure to insure that items between \$2,500 and \$10,000 are properly approved.

Management Response: The Compliance Committee of the Governing Board is modifying this policy to remedy this issue and to ensure proper procedures are followed.

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Montessori Elementary Charter School

FS 06-128 Deposits Within 24 Hours (repeated)

Condition: During our review of Cash Receipt transactions and procedures, we noted that several deposits were not deposited within the 24 hour requirement.

Criteria: NMAC 6.20.2.14 states that monies received and receipted shall be deposited in the bank within 24 hours.

Cause: The School procedures and State of NM Statutes are not being properly followed by the School Administration.

Effect: Not depositing funds within 24 hours increases the chances those funds could be misappropriated.

Auditor's Recommendation: Deposits should be made within the 24 hour required period.

Management Response: Management understands the condition and has changed the procedure to correct the condition. The funds in question were for activity funds.

FS 07-119 Receipting Violations

Condition: During our testwork of cash receipts, we noted the following exceptions:

- (1) One of eleven tested did not have the name of the payor on the receipt.
- (2) Three of eleven tested had the wrong general ledger account code indicated.
- (3) Four of eleven tested did not have a receipt in the cash receipts binder.
- (4) One of eleven tested could not be located in the general ledger.
- (5) Four of eleven tested did not have enough supporting documentation to agree amounts to amounts deposited in the bank.

Criteria: Per NMAC 6.20.2.14 Cash Control Standards, school districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

Cause: The school does not have adequate internal controls over the receipting cycle.

Effect: Improper procedures in the receipting cycle could cause a misstatement in cash.

Auditor's Recommendation: The School should review all policies and procedures related to the cash receipts cycle. Internal controls should be implemented to improve the documentation of cash receipts.

Management Response: Management understands the condition and has changed the procedure to correct the condition. The funds in question were for activity funds.

FS 07-120 ERA Reconciliations

Condition: While performing cash disbursements testwork, we noted a late penalty payment for at least one late ERB contribution report. The letter was dated March 14, 2007 and noted that at least one report during the calendar year was submitted past the due date.

Criteria: Monthly contributions to the Employee Retirement Act (ERA) are required to be remitted to the Employee Retirement Board (ERB) no later than the 15th of the following month.

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Cause: The school does not have adequate internal controls over ERA Reconciliations to ensure timely submission.

Effect: Untimely filing of ERA deposits may result in penalties and interest assessments on the School.

Auditor's Recommendation: The School must ensure that ERA reports are calculated and amounts are remitted in a timely manner.

Management Response: Management understands the condition and has changed the procedure to correct the condition.

FS 07-121 Cash Disbursements

Condition: During our testwork of cash disbursements, we noted the following exceptions:

- (3) Three of fourteen disbursements requested could not be located.
- (4) One of eleven tested had no check attached to the PO and invoice.
- (5) One of eleven tested could not be located in the general ledger.
- (6) We also noted one instance where the expenditure was paid from a faxed copy of an invoice, the PO was issued two months after the check was written, and the account number on the PO was incorrect.

Criteria: NMAC 6.20.2.17 states that each school shall establish and implement written policies and procedures for purchasing, which shall be in compliance with the procurement code Section 13-1-21, NMSA 1978.

Cause: The School lacks sufficient internal controls over cash disbursements.

Effect: The proper maintenance of supporting documentation relating to financial transactions is necessary to mitigate possible dual payment of invoices, resolution of disputes with vendors, etc.

Auditor's Recommendation: We recommend the School implement a procurement policy in accordance with NMSA 1978 Section 13-1-21 and consistently follow the policy.

Management Response: Management understands the condition and has changed the procedure to correct the condition.

FS 07-122 Audit Report

Condition: The audit report was received by the State Auditor's Office on September 29, 2008.

Criteria: Audit reports not received on or before the due date, November 15, are considered to be in non-compliance with requirements of Section 2.2.2.9.A of the State Audit Rule.

Cause: The Charter School audit is dependent on the completion of the APS District audit. The 2007 audit report was filed late due to the School not providing information to the auditor in a timely manner.

Effect: Late audit reports delay the release of the financial statements for the Charter Schools as well as for the District. Not having current financial information can negatively impact the District's ability to issue new bonds.

Auditor's Recommendation: The School should provide all requested documentation by the due dates as set by the auditor.

Management Response: Management disagrees with the condition. Management has and will continue to work to be ready for audits. TMES was ready for audit as of Sept. 07

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FS 07-123 Stale Dated Checks

Condition: The School is in violation of state statute regarding stale-dated checks.

Criteria: New Mexico Statutes, Section 6-10-57, NMSA, 1978 compilation requires local public bodies to cancel or void any check that is unpaid for one year after it is written.

Cause: In the operational account, the School has 6 items at June 30, 2007 that are over one year old. They are as follows 9/29/05 \$1,311.36, 2/8/06 \$1,575.00, 3/8/06 \$827.32, 4/20/06 \$53.09, 5/17/06 \$829.24, 6/22/06 \$248.85. In addition, we noted 7 items that were more than six months old and one item that was five months old.

Effect: The School is in violation of New Mexico Statute, Section 6-10-57, NMSA, 1978 and cash balances are not accurately reflected as a result of stale-dated checks appearing on the outstanding check listings.

Auditor's Recommendation: We recommend that the School implement a procedure to review the outstanding check listings for all bank accounts and track stale-dated checks. If checks on the outstanding check listings are greater than one year old we recommend these checks be voided.

Management Response: Management understands the condition and has changed the procedure to correct the condition.

FS 07-124 Bank Reconciliations

Condition: The School's June 2007 bank reconciliation does not tie to the trial balance provided.

Criteria: According to NMAC 6.20.2.14, "School districts shall establish and maintain cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the Office of Management & Budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

Cause: It appears that the School does not have adequate internal controls to ensure bank reconciliations are performed monthly and agreed to the general ledger.

Effect: Without proper reconciliations, cash balances could be misstated on the financial statements. In addition, the School must maintain knowledge of accurate cash balances to operate effectively.

Auditor's Recommendation: The School must reconcile bank accounts monthly and this should be done in a timely manner.

Management Response: Management disagrees with the condition. The Final trial balance ties to the bank reconciliations.

FS 07-125 PED Reports

Condition: The School's report to the PED did not match the general ledger.

Criteria: According to State regulation 6.20.2.11 (b) (6), NMAC and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger.

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Cause: It appears that adjustments were made to the general ledger after the PED report was submitted.

Effect: The School's cash balances were misreported to PED.

Auditor's Recommendation: All reports sent to PED must agree to the general ledger. We recommend that all reports are reviewed before being submitted to PED.

Management Response: Management understands the condition and has changed the procedure to correct the condition.

FS 07-126 Budgetary Conditions

Condition: The School has expenditure functions in which actual expenditures exceeded budgetary authority in the General Fund of \$37,790 and the Charter School Fund of \$15,000.

Criteria: Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. For school districts, the expenditure function is the legal level of control.

Cause: The School did not make the appropriate budgetary adjustment requests and transfers to alleviate possible over-expenditure within functions prior to the year-end.

Effect: As a result, the School is in non-compliance with New Mexico state law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to cover the over-expenditures.

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end and make the necessary budget adjustments.

Management Response: Management understands the condition and has changed the procedure to correct the condition.

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Montessori of the Rio Grande

FS 07-127 Debit Card

Condition: During our test work of Credit Card usage and transactions, we discovered a Debit Card was used instead. This is a violation of 12-6-5 NMSA 1978.

Criteria: New Mexico State Statues Section 6-10-1.2 NMSA 1978 authorizes payments via credit card only.

Cause: The administration of the MRGCS set up a Debit Card to be used as a purchase card.

Effect: This gives the cardholder direct access to public funds, which negates any Cash Controls, whether internal or legal policy, and is not good Accounting practice.

Auditor's Recommendation: The School should cancel the debit card in order to be in accordance with 12-6-5 NMSA 1978.

Management Response: This finding resulted from misinformation provided to us by our prior year auditors. Our prior year auditors advised us that use of debit cards was permissible. When current year audit staff informed us that use of the debit card was inappropriate, we immediately discontinued its use and cancelled the card.

FS 07-128 Internal Controls Over Non-Standard Journal Entries

Condition: The Charter School did not have adequate internal controls over non-standard journal entries entered into its accounting system.

Criteria: State Board of Education Title 6, section 6.20.2.11 states that Policies and Procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practice recommends review and approval of all non-standard journal entries.

Cause: The School stated that they did review all journal entries in a monthly meeting with the Finance Committee, but did not maintain adequate supporting documentation.

Effect: Without proper review of these journal entries, errors or irregularities could go undetected and cause financial statements to be misstated.

Auditor's Recommendation: We recommend that the School maintain evidence of review for all journal entries.

Management Response: The Finance Committee will provide direction to the Business Manager for all journal entries and document each journal entry. The journal entries will be added to the current Finance Committee Checklist, which is used at each monthly meeting. A documentation log will be created and implemented.

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FS 07-129 Stale Dated Checks

Condition: The School is in violation of state statute regarding stale-dated checks.

Criteria: New Mexico Statutes, Section 6-10-57, NMSA, 1978 compilation requires local public bodies to cancel or void any check that is unpaid for one year after it is written.

Cause: In the operational account, the School has 3 items at June 30, 2007 that are over one year old. They are written in the amounts of \$37.96, \$85.00, and \$30.00.

Effect: The School is in violation of New Mexico Statute, Section 6-10-57, NMSA, 1978 and cash balances are not accurately reflected as a result of stale-dated checks appearing on the outstanding check listings.

Auditor's Recommendation: We recommend that the School implement a procedure to review the outstanding check listings for all bank accounts and track stale-dated checks. If checks on the outstanding check listings are greater than one year old we recommend these checks be voided.

Management Response: MRGC now has a procedure to void outstanding checks greater than one year old on a monthly basis. This has also been added to our finance committee checklist.

FS 07-130 SAS 112 Compliance

Condition: The accounting management has not obtained updated training to adequately apply generally accepted accounting principles, which includes GASB 34 and subsequent pronouncements.

Criteria: Statement on Auditing Standards (SAS) 112, Communication of Internal Control Related Matters Identified in an Audit, requires that management clearly accept responsibility for preparing all financial information and company's financial statements. Proper internal controls over the preparation and/or monitoring of the preparation of financial statements requires that management places a person knowledgeable in applying generally accepted accounting principles when preparing the entities financial statements.

Cause: Individuals responsible for the accounting and reporting functions for the Charter have not received training in preparing governmental financial statements in accordance with GASB (Governmental Accounting Standards Board) Statement No 34 and subsequent pronouncements.

Effect: The Charter, without the aid of its auditors, is unable to accurately prepare financial statements in accordance with governmental accounting standards.

Auditor's Recommendations: We recommend the Charter's accounting management receive the training relating to the preparation of the Charter's financial statements in accordance with generally accepted accounting principles and GASB pronouncements. This would give the individuals responsible for the accounting and reporting functions the knowledge to apply the appropriate principles to the financial statements.

Management Response: The Business Manager will obtain GASB 34 training during the summer to comply with the Auditor's recommendation.

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Mountain Mahogany

FS 06-137 Internal Controls-Journal Entries (repeated)

Condition: During our testing of journal entries, we noted that one of eleven journal entries tested was incorrectly posted.

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Cause: Management did not know what difference was and posted journal entry to balance account.

Effect: There could be incorrect or inappropriate journal entries posted to the general ledger.

Auditor's Recommendation: We recommend school carefully check journal entries before and after posting to make sure there are not incorrect or inappropriate journal entries posted in the general ledger.

Management Response: Due to the fact that there had been two or three different Business Managers in the first year of operation and payroll checks had been issued and voided several times, and additional journal entries were made to clear the voids, and operational checks erroneously cleared by the bank out of the federal account, the new Business Manager re-reconciled all bank statements going back to the opening of the school and cleared all outstanding items. These type of entries will not be needed in the future as the bank statements are reconciled on a monthly basis, and match the general ledger and the state reports submitted to the PED. All journal entries are reviewed for accuracy and approved by the Director.

FS 07-131 941 and RHC Contributions

Condition: During field work, we noted on RHC that the payments for July and August (\$190.50 and \$594.74, respectively) were not paid until 10/11/2006.

Criteria: Monthly contributions to the Retiree Health Care (RHC) are required to be remitted no later than the 10th of the following month.

Cause: The school failed to make the RHC contributions timely.

Effect: The school was in violation of RHC requirements and could be subject to penalties.

Auditor's Recommendation: We recommend that school management implement an internal control system to insure that RHC contributions are processed and paid timely.

Management Response: There was not a Business Manager employed from April – July of 2006. The new Business Manager began in July and in September was made aware that payments for Retiree Healthcare payments were required on a monthly, not a quarterly basis. Retiree Healthcare waived all penalties.

The Business Manager set up a system whereby all payroll liabilities, including Retiree Healthcare are paid on a timely basis before the 15th of each month.

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FS 07-132 Payroll – Lack of Supporting Documentation

Condition: During test work we noted two of the eleven employees selected for test work did not have a pay rate verification on file.

Criteria: NMAC 6.20.2.18 requires School to maintain and have available for inspection payroll related documents, such as employment contracts, certification records, personnel/payroll action forms, I-9's, W-4 pay deduction authorizations, pay posting change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Cause: The business manager stated that the two employees were an oversight.

Effect: Due to possible errors in record keeping, supporting documentation may not be properly completed or misplaced, causing the school in be out of compliance with NMAC 6.20.2.18.

Auditor's Recommendation: We recommend that the School follow NMAC 6.20.2.18 to ensure that all required payroll related documentation is completed and properly filed.

Management Response: The two employees that did not have pay rate verification on file were substitute teachers and non-contracted employees. Management has created a pay rate verification form that all substitute teachers must now sign before becoming employed and before receiving compensation.

FS 07-133 Checks Issued

Condition: During review of cancelled checks, we noted that the checks do not have "void after one year from date" written on face.

Criteria: According to NMAC 6.20.2.14 cash control standards, each warrant or check issued is required to have printed on its face the words, "void after one year from date." Whenever any warrant or check is unpaid for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57 (A), NMSA 1978.

Cause: School does not order checks with required words on face.

Effect: School is in violation of NMAC 6.20.2.14 and could be liable to pay a check that would be potentially cancelled.

Auditor's Recommendation: We recommend the school order checks that have the words "void after one year from date" printed clearly on face of warrant or check.

Management Response: The school orders blank checks that are printed in APTA. Management has turned on the function in APTA that indicates on the check "void after one year."

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Native American Community Academy

FS 07-134 ERA Contributions

Condition: During field work, we noted the ERA payments for July (\$1,336.74), August (\$3,792.58), September (\$3,792.58) and October (\$3,792.58) were not paid until 11/30/07. The December payment (\$6,744.91) was not made until 1/24/07. The January payment (\$4,490.86) was not made until 2/22/07. Payments for February (\$4,610.30), March (\$4,574.01) and April (\$4,533.38) were not made until 5/3/07. The May payment (\$4,554.01) was not made until 7/10/07. The June payment (\$6,708.35) was not made until 7/19/07. In all, 11 of the 12 payments were made late.

Criteria: Monthly contributions to the Educational Retirement Board (ERB) are required to be remitted no later than the 15th of the following month.

Cause: The school failed to make the ERB contributions timely.

Effect: The school was in violation of ERB requirements and could be subject to penalties.

Auditor's Recommendation: We recommend that school management implement an internal control system to insure that ERB contributions are processed and paid timely.

Management Response: In completing all of the requirements of a first-year school, NACA's previous business management did not establish wire transfer or FTP transfer accounts with the Educational Retirement Board until November of 2006. With all of the appropriate measures now in place, NACA remains consistent with timely contributions to the ERB.

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FS 07-135 Cash Management

Condition: During our test work of Cash Receipts, we noted that 1 of 11 receipts were not deposited within 24 hours of receiving the check. The deposit was received on 02/20/2007 and deposited on 02/22/2007.

Criteria: NACA shall deposit funds in the appropriate account at a federally insured bank within 24 hours of receipt or one banking day as required by 6.20.2.14.C. NMAC.

Cause: The school failed to make its Deposit timely.

Effect: Non-adherence to state statutes places the School in noncompliance and lack of timeliness of deposits could subject the School to a possible occurrence of fraud.

Auditor's Recommendation: We recommend policies and procedures be implemented to ensure deposits are made within 24 hours of receipt.

Management Response: The aforementioned check was receipted during the first week of NACA's new business manager's training. At the time, new NACA business management was unaware of the 24-hour requirement. With all of the appropriate information in hand, NACA remains consistent with timely deposits.

FS 07-136 Misuse of Funds

Condition: During our test work, we noted that NACA paid taxes on tangible items to be used by students in the classroom. NACA is a tax exempt entity as of 2/17/2006, according to NACA's Tax Exempt Determination Letter. This letter is on file per our observation.

Criteria: All funds allocated to the school are to be spent on allowable expenditures in accordance with NMAC 6.20.2.

Cause: The school paid taxes on items that should have been tax exempt.

Effect: This resulted in unnecessary costs paid by the school.

Auditor's Recommendation: We recommend the school implement policies and procedures to insure that the school does not abuse public funds and insures that all amounts paid are correct.

Management Response: The item in question was an out-of-pocket expense by a NACA employee that was paid as a reimbursement by the previous business management team. The current business manager is aware of the tax-exempt requirements.

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FS 07-137 Payroll-Lack of Authorization on Pay Rates

Condition: During our payroll test work we noted the following:

- 1 out of 11 employees did not have authorization regarding pay increase.
- 1 out of 11 employees gross wage did agree to the stated contract amount. Difference of \$535.00

Criteria: NMAC 6.20.2.18 requires School to maintain and have available for inspection payroll related documents, such as employment contracts, certification records, personnel/payroll action forms, I-9's, W-4s, pay deduction authorizations, pay posting change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Cause: Proper documentation was not properly completed or misplaced.

Effect: The School did not maintain proper authorization for wage rates and teachers could have been over paid.

Auditor's Recommendation: The school must insure that for every increase in salary that there is a signed contract in the employee file showing the raise has been approved by management. This also insures that related payroll deductions are being calculated correctly and properly accounted for.

Management Response: The aforementioned discrepancy reflects the difference between a non-licensed level-I instructor and licensed level-I instructor. The change in the instructors licensure can be documented by a letter received from the PED that was reviewed by NACA's principal, but not put into a formal contract by previous NACA business management.

FS 07-138 Lack of Authority Signatory on Payroll Registers

Condition: During our review of payroll, we noted out of all the payroll registers that we reviewed, none of them had any type of authorization/review sign offs.

Criteria: Sound accounting practices and 2.20.2.11 NMAC requires each school to develop, establish and maintain a structure of internal accounting controls and written procedures. This includes the review process relating to documentation.

Cause: There is not an established policy in place that allows for the review of payroll before disbursement.

Effect: Because there is no review process, the risk of any fraudulent activity is high.

Auditor's Recommendation: We recommend that policies and procedures be established that designate the individual, other than the one preparing payroll, to perform a final review of payroll to ensure that payroll is accurate and will also mitigate any risk of fraudulent activity within payroll.

Management Response: Payroll periods at NACA are documented by packets that consist of each employees direct deposit stub, an Aptafund payroll register report and a Wells Fargo direct deposit activity report that is reviewed by the principal. In addition, beginning with the fiscal year 2007-2008, NACA requires the Principal's signature on the direct deposit activity report.

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FS 07-139 PED Reports

Condition: The School's cash report to the Public Education Department (PED) did not match the General Ledger. Also, the School's adjusted budget did not match the general ledger.

Criteria: According to State regulation 6.20.2.11 (B) (6), NMAC and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger.

Cause: The report sent to PED was not reviewed to ensure that it reflects what is in the general ledger. The school is in violation of NMAC 6.20.2.11 (b) (6) and Regulation SBE-6.

Effect: PED does not have an accurate accounting of the school activity.

Auditor's Recommendation: The appropriate personnel should complete the PED report based upon the general ledger. Additionally, an individual should review the report to ensure that the report does not match the general ledger.

Management Response: The Native American Community Academy agrees with the finding. Rather than reconciling the PED reports to the cash balance report, NACA has taken the feedback provided and currently reconciles to the General Ledger.

FS 07-140 Stale Dated Checks

Condition: During cash test work, we found one check that was written over a year ago for \$38.40 listed as outstanding checks on the bank reconciliation. We noted the school stopped payment by the bank however they did not void the check on the books.

Criteria: New Mexico Statutes, Section 6-10-57, NMSA 1978 compilation requires local public bodies to cancel or void any check that is unpaid for on year after it is written.

Cause: Management has not monitored outstanding checks.

Effect: The School is not complying with state statutes. Additionally, the School does not have an accurate understanding of their cash position.

Auditor's Recommendation: We recommend that the outstanding checks be voided as soon as possible and that a procedure be implemented to track stale dated checks.

Management Response: NACA's previous business manager requested a stop payment in writing and submitted to Wells Fargo.

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FS 07-141 Budgetary Conditions

Condition: The School has expenditure functions where actual expenditures exceeded budgetary authority.

Public School Capital Outlay	
Capital Outlay	51,372

Capital Outlay money was originally budgeted for in the State Stimulus Fund; therefore rent expense was coded incorrectly to the wrong account and the wrong fund. Additionally, there was no Budget Adjustment Request that was filled out for and increase in expenditures for \$21,372 of the lease expense.

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 to 22-8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts, the expenditures is the legal level of control. In accordance with Public Education Department (PED) requirements and 6-6-6 NMSA 1978, the School is required to follow PED procedures related to Budget Adjustment Requests.

Cause: The School did not make the appropriate budgetary transfers to alleviate the over-expenditures experienced by the function.

Effect: The School has not complied with New Mexico law, and the control established by the use of budgets has been compromised.

Auditor's Recommendation: The School should established a policy of budgetary review of year-end, and make the necessary budget adjustments.

Management Response: The lease assistance payment was incorrectly credited and expended to the State Stimulus Account under Capital Outlay.

FS 07-142 RHC Reports and Contributions

Condition: The school could not locate documentation regarding RHC payment made during the year.

Criteria: RHC payments and reported are required to be made quarterly and submitted to later than the 15th of the following month.

Cause: Unknown.

Effect: The school was in violation of federal requirements and could be subject to penalties.

Auditor's Recommendation: We recommend that school management implement an internal control system to insure that RHC reports are kept on file and are reconciled to the general ledger.

Management Response: In completing all of the requirements of a first-year school, NACA's previous business management did not establish the appropriate accounts with the RHC until the fiscal year 2006-2007 had ended. With all of the appropriate measures now in place, NACA remains consistent with timely contributions to the RHC.

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North Albuquerque CO-OP

FS 06-148 Internal Controls over Journal Entries (repeated)

Condition: The Charter School does not have adequate internal controls over non-standard journal entries entered into its accounting system.

Criteria: According to State Board of Education Title 6, section 6.20.2.11, Policies and Procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practice recommends review and approval of all non-standard journal entries.

Cause: The school began operations and is continually updating its policies and procedures manual. The school has not developed a review and approval process for non-standard journal entries in AptaFund. Charter schools must have the ability to monitor the operation of the accounting department as outlined in applicable regulations. The School also does not keep supporting documentation regarding journal entries.

Effect: There could be incorrect or inappropriate journal entries posted to the general ledger.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding the review and approval of manual journal entries and implement a procedure to insure non-standard journal entries are reviewed and approved.

Management Response: NACC will provide supporting documentation to future journal entries. Past entries did not reference reasons for journal entries. Current entries include a full explanation for each entry made.

FS 07-143 Lack of Authority Signatory on Payroll Registers

Condition: During our review of payroll we noted that out of all the payroll registers that we received, none of them had any type of authorization/review sign offs.

Criteria: Sound accounting practices and 2.20.2.11 NMAC requires each school to develop, establish and maintain a structure of internal accounting controls and written procedures. This includes the review process relating to documentation.

Cause: There is not an established policy in place that allows for the review of payroll before disbursement.

Effect: Because there is no review process, the risk of any fraudulent activity is high.

Auditor's Recommendation: We recommend that policies and procedures be established that designated the individual, other than the one preparing payroll, to perform a final review of payroll to ensure that payroll is accurate and will also mitigate any risk of fraudulent activity within payroll.

Management Response: The administrator will sign off on all current and future payroll transactions prior to submitting for payment.

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FS 07-144 Personnel Files

Condition: During our test work of payroll we noted the following:

- 1 out of 11 employees tested did not have contracts on file.

Criteria: State Regulation 6.20.2.18, NMAC states that the School must maintain and have available for inspection all payroll related documentation, including, but not limited to employee contracts.

Cause: Necessary documentation, i.e. contracts, may not be consistently maintained within personnel files at the School.

Effect: The lack of supporting documentation may result in the School incurring additional liabilities. This is a material weakness as there could be employees getting paid at incorrect rates.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding personnel files to insure that files have proper documentation.

Management Response: We will implement quarterly reviews of employee files in order to verify that each personnel file is complete.

FS 07-145 Timely Deposits

Condition: During our test work, we noted six deposits for a total amount of \$7,865.43 were not made until several days after the money was received.

Criteria: NMSA 6.20.2.14 requires that the school make all deposits 24 hours of receiving the money.

Cause: The likely cause is forgetting to make the deposit.

Effect: This resulted in a violation of State laws. Additionally, the School has exposed itself to possible misappropriation of assets.

Auditor's Recommendation: Implement procedures to ensure deposits are made within 24 hours of receipt.

Management Response: Deposits will be made on a daily basis so that all funds will be deposited within 24 hours after receiving the money.

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FS 07-146 Lack of Supporting Documentation-Disbursements

Condition: During our test work, we noted 1 out of 11 tested did not have a purchase order included in the supporting documentation.

Criteria: NMAC 6.20.2.17 states that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the procurement code, Section 13-1-21, NMSA 1978.

Cause: The School does not consistently utilize Purchase Orders in an effective manner resulting in a violation of NMAC 6.20.2.17.

Effect: The School may have overspent on purchases due to lack of proper authorization which is a violation of NMAC 6.20.2.18.

Auditor's Recommendation: We recommend that the school implement a procurement policy in accordance with NMSA 1978 Section 13-1-21 and is consistently following the policy.

Management Response: In order to comply with procurement code, Section 13-1-21, NMSA 1978 as well as our written policies and procedures, all supporting purchase orders will be attached to each payment issued. Contracts for payments made will be kept in each vendor's file.

FS 07-147 ERA and RHC Contributions

Condition: During field work, we noted on RHC that the payments for August, September and October (\$833.00, \$828.00, and \$748.00, respectively) were not paid until 12/13/2006. We also noted November, December and January (\$2,373) were not paid until after 02/15/2007. We noted on the ERA that the payments for July (\$865.16), August (\$7,535.53) and September (\$7,404.29) were not paid until 10/15/2006, 10/25/2006 and 11/29/06, respectively.

Criteria: Monthly contributions to the Retiree Health Care (RHC) and Educational Retirement Board (ERB) are required to be remitted no later than the 15th of the following month.

Cause: The school failed to make the RHC and ERB contributions timely.

Effect: The school was in violation of RHC and ERB requirements and could be subject to penalties.

Auditor's Recommendation: We recommend that school management implement an internal control system to insure that RHC and ERB contributions are processed and paid timely.

Management Response: Future ERB payments will be made by the 10th of each month following the month of contribution deductions.

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FS 07-148 Difference with General Ledger and ERB reports

Condition: ERB reports did not reconcile to the general ledger for the year ended June 30, 2006. There was an irreconcilable difference of \$2,284.00.

Criteria: Per NMSA 1978 Section 12-6-5, require the annual financial and compliance audit agencies to “set out in detail, in a separate section, any violation of law or good accounting practices found by the auditor or examination.” Therefore, any instance of weakness in internal control as defined by GAGAS 5.13 and SAS AU 325.21 must be reported.

Cause: The school is not periodically reconciling to the general ledger to what is being reported on the ERB contributions.

Effect: This could result in penalties and/or interest being assessed at the school.

Auditor’s Recommendation: The school must reconcile the general ledger to the ERB contributions to ensure the correct contributions are being submitted.

Management Response: We believe journal entries were made to this account code. Only actual amounts will be recorded in this account code. No journal entries should be made or will be made to adjust this line item.

FS 07-149 Policies and Procedures

Condition: The Charter School does not have policies and procedures in place for capital assets.

Criteria: According to State Board of Education Title 6, policies and procedures were required for all accounting areas.

Cause: School Officials did not realize that policies and procedures were required for the different accounting areas.

Effect: Repetitive completion of capitalization of asset may not be completed in the same manner, possibly leading to errors or irregularities.

Auditor’s Recommendation: The School should develop policies and procedures for the capitalization of assets to ensure proper accounting for the school and other areas outlined in SBE-6 Regulation.

Management Response: A policy for capital assets was approved by our Governing Council on March 10, 2008.

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FS 07-150 Internal Control Structure

Condition: During our Mileage and Per Diem test work we noted there was one instance where the expenses was coded incorrectly.

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Cause: Management authorized a purchase order which includes the general ledger account number, when the purchase is coded to the wrong account.

Effect: The lead to unauthorized transactions and a violation of NMAC 6.20.2.11.

Auditor's Recommendation: Account coding should be carefully checked against invoice and purchase order.

Management Response: The business manager will verify account code assigned prior to issuing the Purchase Order and payment.

FS 07-151 PED Reports

Condition: The School's cash report to the Public Education Department (PED) did not match the General Ledger by fund.

Criteria: According to State regulation 6.20.2.11 (B) (6), NMAC and Regulation SBE-6, the reports send to the New Mexico Public Education Department (PED) must agree to the general ledger.

Cause: The report sent to PED was not reviewed to ensure that it reflects what is in the general ledger. The school is in violation of NMAC 6.20.2.11 (b) (6) and Regulation SBE-6.

Effect: PED does not have an accurate accounting of the school activity.

Auditor's Recommendation: The appropriate personnel should complete the PED report based upon the general ledger. Additionally, an individual should review the report to ensure that the report does not match the general ledger.

Management Response: The current fiscal year budget has been operated by one business manager only. The report will be reviewed in comparison to the general ledger prior to submitting the final report to PED.

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North Valley Academy

FS 07-152 Cash Receipts

Condition: During our cash receipts test work six (6) of ten (10) sample deposits tested were not deposited within 24 hours of being receipted.

Criteria: According to 6.20.2.14 C NMAC Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.

Cause: If the daily cafeteria deposit is brought after the person assigned to make the deposit has left, or if the assigned person is absent, there is no back up person assigned to make the deposit. This results in the deposit not being deposited in a timely manner.

Effect: By not depositing money in a timely manner the cash in the deposit is at risk for misappropriation and the school is in violation of state statute.

Auditor's Recommendation: The school should assign a secondary person to take daily cafeteria deposits to the bank in the event the primary assigned staff member is absent when the deposit is brought to the business office.

Management Response: The school has designated an employee to serve as a back up for when the usual employee is unable to make the daily deposit.

FS 07-153 Internal Controls - Purchasing

Condition: The school purchased a Sam's Club Gift Card for the amount of one thousand (1,000) dollars. This card was charged to object code 56211 which is the object code for gasoline. Inspection of purchase records on the card indicate that only \$100.00 of it was used for gasoline. The rest was used for office supply assets.

Criteria: 6.20.2.11 A states that the school shall have internal controls in place to ensure that transactions are executed in accordance with management's authorization and recorded properly.

Cause: A gift card was purchased with the intention of being used as a gas card. Controls over the card were unable to control the purchases made with the card.

Effect: As a result, \$898.45 of expenditures for office supplies was charged to the line item for Gasoline instead of Office Supplies.

Auditor's Recommendation: We recommend that the school refrain from purchasing gift cards for use in purchasing activities. Gift cards are at high risk for loss/theft and due to their liquid nature put funds placed on them at risk for misappropriation.

Management Response: The purchase of this gift card was an attempt to have easily accessible funds for gasoline. When the vehicle was disabled, the remainder of the funds on the card was used for appropriate school supplies. The card was secured and limited to use by only two designated employees. Management has made the internal policy that gift cards should not be purchased or used in the future.

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FS 07-154 Fixed Assets

Condition: North Valley Academy is unable to provide a listing of fixed assets in order to properly perform a Fixed Asset roll-forward to properly generate GASB 34 entries for depreciation expense.

Criteria: 6.20.2.22 NMAC states that Fixed Assets should be properly accounted for in accordance with Generally Accepted Accounting Principles (GAAP).

Cause: During the year under audit, there was a change in the Business Manager at the school. The current Business Manager is unable to find the former Business Manager's Fixed Asset Records.

Effect: The school is unable to accurately roll-forward their fixed asset inventory and ensure that all fixed assets are accounted for in the Financial Statements.

Auditor's Recommendation: We recommend that the school perform an inventory as of June 30, 2008 of all property and create a new fixed asset list to ensure proper recording of fixed assets.

Management Response: Due to the change in personnel, and a change in the computer system, the fixed asset records were misplaced. A new list was developed and will be maintained for the future inventories.

FS 07-155 Fixed Asset Inventory Count

Condition: For the 2006/2007 year, the School did not perform an annual inventory of fixed assets.

Criteria: Per NMAC 2.20.1.16 Annual Inventory, at the end of the fiscal year, each agency shall conduct a physical inventory of its fixed assets consisting of those with a historical cost of one thousand dollars (\$1,000) or more, under the control of the governing authority.

Cause: The lack of fixed asset inventory is due to the previous business manager being terminated.

Effect: The School is noncompliant with NMAC 2.20.1.16 and does not have internal controls implemented for safeguarding them and establishing accountability for their custody and use.

Auditor's Recommendations: The School should implement a policy for an Annual Inventory of fixed assets to take place.

Management Response: Due to the change in personnel, and a change in the computer system, the fixed asset records were misplaced. A new list was developed and will be maintained for the future inventories.

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FS 07-156 Violation of Public School Finance Act

Condition: Before the audit was performed, it was brought to our attention that the Business Manager of North Valley Academy had received 2 bank transfers from another charter school (Horizon Academy West) in an amount totaling \$150,000 to cover their summer payroll.

Criteria: Per the Public School Finance Act (Chapter 22, Article 8 NMSA 1978) Section 42-D states that any person "... knowingly using any money budgeted or appropriated for public school use or for any other purposes than that provided in the appropriation or budget is guilty of a petty misdemeanor and shall, in addition to all other civil or criminal penalties, forfeit his office or employment."

Cause: Due to North Valley Academy's change from a traditional calendar to a year round calendar combined with the time lag of reimbursement funding there was a lack of funding to pay payroll in June of 2007.

Effect: By receiving transfers from another school, the Business Manager violated the Public School Finance Act by using money budgeted by Horizon Academy West for a purpose other than what it was budgeted/appropriated for.

Auditor's Recommendation: The school should implement controls to ensure that no cash can be transferred in or out of their bank accounts without proper authorization.

Management Response: Management now reviews all bank transactions on a monthly basis. In addition, the bank has been contacted that any wire transfers out be properly authorized.

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FS 07-157 Budgetary Conditions

Condition: The School has expenditure functions where actual expenditures exceeded budgetary authority:

General	
Instruction	2,164
Central Services	119,624
Oper./Maint. of Plant	483,077
Student Transportation	783
Instructional Materials	
Support Services	791
Title I IASA	
Support Services	47,348
IDEA B-Entitlement	
Support Services	51,606
Charter Schools Fund	
Central Services	10,952
Oper./Maint. of Plant	16,548

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 through 22-8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts the function is the legal level of control.

Cause: The School did not make necessary budgetary transfers to alleviate the over-expenditures experienced at each function.

Effect: The school is out of compliance with State Law and the control established by the use of budgets has been compromised.

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end and make the necessary budgetary adjustments.

Management Response: Budget reports are run on regular basis and reviewed by the Governance Council and Headmaster. All line items are adjusted as needed.

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FS 07-158 PED Reports

Condition: The School's report to the Public Education Department did not match the General Ledger. The General Ledger reported cash at \$38,075 while the PED Report reported cash at \$86,344 leaving a difference of \$48,269.

Criteria: 6.20.2.11 (B) (6) NMAC and Regulation SBE-6 the reports sent to the New Mexico Public Education Department (PED) must agree to the School's General Ledger.

Cause: Appropriate personnel did not review the completed PED report to ensure that it reconciled to the General Ledger.

Effect: The Charter's cash balances were misreported to PED.

Auditor's Recommendation: The appropriate personnel should complete the PED report based upon the General Ledger. Additionally, an individual should review the report to ensure that the report does match the General Ledger.

Management Response: The cash report discrepancies arise from federal funds that are reimbursable having outstanding receivables at year-end. They are classified as such on the PED report, but shown as "negative cash" on the balance sheet. Journal entries will be made in the future to clarify this issue.

FS 07-159 Cash Controls- District

Condition: During the review of the bank reconciliations, it was noted the Charter's special revenue funds borrowed \$15,769 from the Instructional Materials fund in order to cover negative cash balances for funds 24101, 24106, and 24154.

Criteria: Per NMAC 6.20.2 Cash Control Standards- School districts shall utilize funding for the purpose in which it was awarded.

Cause: The expenditure of special revenue funds was more than could be covered by the Charter's General Fund.

Effect: The Charter used \$15,769 of Instructional Materials funds for a purpose other than budgeted for.

Auditor's Recommendation: The Charter should more closely watch funds expended in special revenue funds to ensure that the funds expended could be covered out of the General Fund and not the Instructional Materials Fund.

Management Response: The school's cash accounts are now being reconciled on a fund by fund basis, and any shortages will be accounted for in the operational fund.

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FS 07-160 SAS 112 Compliance

Condition: The individuals responsible for the accounting and reporting functions for the Charter lack the skills and knowledge to apply generally accepted accounting principles in preparing the entity's financial statements. The accounting management has not obtained training to adequately apply generally accepted accounting principles, which includes GASB 34 and subsequent pronouncements.

Criteria: Proper internal controls over the preparation and/or monitoring of the preparation of financial statements requires that management places a person knowledgeable in applying generally accepted accounting principles when preparing the entities financial statements.

Cause: Individuals responsible for the accounting and reporting functions for the Charter have not received training in preparing governmental financial statements in accordance with GASB (Governmental Accounting Standards Board) Statement No 34 and subsequent pronouncements.

Effect: The Charter, without the aid of its auditors, is unable to accurately prepare financial statements in accordance with governmental accounting standards with regard to applying generally accepted accounting principles.

Auditor's Recommendations: We recommend the Charter's accounting management receive the training relating to the preparation of the Charter's financial statements in accordance with generally accepted accounting principles. This would give the individuals responsible for the accounting and reporting functions the skills and knowledge to apply generally accepted accounting principles to the financial statements. As a step toward this end the school has hired a new Business Manager, Julie Crespy.

Management Response: The new business manager at the school has received the required training as noted in the Auditors recommendation.

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Nuestros Valores

FS 06-153 Internal Controls Over Journal Entries (repeated)

Condition: During our journal entry we noted that journal entries are reviewed by a third party but there is no signature authority approving journal entries to verify they have been reviewed.

Criteria: According to State Board of Education Title 6, section 6.20.2.11, policies and procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principals are required. Sound business practice recommends review and approval of all non-standard journal entries.

Cause: Journal entries are not approved by signature authority.

Effect: Lack of approval increases the risk of an entry that is fraudulent to be posted to the system. The School was not in compliance with State Statute.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding the review and approval of manual journal entries and implement a procedure to insure non-standard journal entries are reviewed and approved.

Management Response: The school will update Journal Entries Policy requiring Business Manager or his designee signature on all reviewed and approved journal entries at monthly financial meetings.

FS 07-161 ERB and RHC Contributions

Condition: During field work, we noted on ERB that payment for May 2007 (\$9,526.82) was not paid until June 27, 2007. We also noted the January report (\$9,559.40) was not sent until February 21, 2007 and July, August and September reports (\$9,307.23, \$9,387.09, \$9,434.88, respectively) were not sent until after October 23, 2006. We noted on the RHC reports for November 2006 (\$1,097.92) were not sent until 01/12/2007. We noted that the May 2007 report (\$1,690.02), the September 2006 report (\$1,096.46) and the August 31, 2006 (\$1,088.77) were not sent until after June 27, 2007, October 24, 2007 and September 25, 2006, respectively.

Criteria: Monthly contributions and reports to the Retiree Health Care (RHC) and Educational Retirement Board (ERB) payments are required to be remitted no later than the 15th of the following month.

Cause: The school failed to make the RHC and ERB contributions timely.

Effect: The school was in violation of RHC and ERB requirements and could be subject to penalties.

Auditor's Recommendation: We recommend that school management implement an internal control system to insure that RHC and ERB contributions are processed and paid timely.

Management Response: As part of the monthly financial meetings copies of the previous month's ERB RHC and payroll tax returns will be provided to administration a report of any outstanding liabilities will be reviewed at that time. Administration will review and sign off on a checklist of all financial transactions paid for the month. If payroll administrator is unable to complete required monthly reporting he or she will notify the Business manager 72 hours before the reports are due. In the event the payroll administrator is unable to complete the required reporting for that period the essential functions will be completed by the Business Manager or designee.

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FS 07-162 941 Payments

Condition: During our test work, we noted that the school received a large penalty for payment due on 11/01/2006 (\$7,235) and 12/19/2006 (\$7,254). Payments were not made until 02/08/2007.

Criteria: Per NMSA 1978 Section 12-6-5, require the annual financial and compliance audit agencies to “set out in detail, in a separate section, any violation of law or good accounting practices found by the auditor or examination.” Therefore, any instance of weakness in internal control as defined by GAGAS 5.13 and SAS AU 325.21 must be reported.

Cause: The school did not make timely payments to the Internal Revenue Service.

Effect: The school received a large penalty for not making payments on time.

Auditor’s Recommendation: We recommend that school management implement an internal control system to insure that 941 payments are processed and paid timely.

Management Response: The Business office will reconcile the general ledger to 941 Forms submitted to the Internal Revenue Service monthly. The Finical office will create a master checklist and schedule of all deadlines as per 941 reports. This checklist will be review and signed at monthly finical meetings.

FS 07-163 Credit Card Purchases-Lack of Supporting Documentation

Condition: During our test work we noted several credit card purchases of approximately \$4,976.57 that were not accompanied by receipts or other supporting documentation. Additionally we were unable to trace 15 items to the General Ledger.

Criteria: All purchases made with the School’s credit card should be accompanied by itemized receipts and should be a necessary purchase for the school.

Cause: The School did not follow its policies and procedures regarding internal control.

Effect: The effect is that the employee utilizing the School’s credit card could make personal purchases on the card that the School will be responsible for. The School is not in compliance with State Statute.

Auditor’s Recommendation: We recommend that internal controls be implemented over the School’s credit card to ensure that only authorized employees have the cards and that all purchases are accompanied by itemized receipts or other form of supporting documentation for individual credit card purchases.

Management Response: Credit cards are issued to Business Manager and Principal only. The schools credit card purchases will be handled by the Principal and Business Manager only. All Credit Card purchases will be pre-approved by signed Purchase Order or Reimbursement request forms. The Business Manager prior to purchase verifies that sufficient budget exists for the purchase, that the expenditure is correctly classified and coded to the appropriate account. Upon completion of the required verifications, the purchase document is recorded as an encumbrance on the Financial Management System. A copy of the Purchase Order and all supporting documentation is kept by the Business Manager until the order is complete and ready for payment. When order is complete all documents will be filed in lock and fire safe cabinet.

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Public Academy for Performing Arts

FS 06-156 Payroll – Lack of Documentation (repeated)

Condition: During payroll test work the following conditions were noted:

- 1 of 5 employees was missing all personnel file documents except a contract.
- 1 of 5 employees was missing a form authorizing increased pay.

Criteria: NMAC 6.20.2.18 requires that schools maintain and have available for inspection payroll related documents such as employment contracts, certification records, personnel/payroll action forms, I-9s, W-4s, pay deduction authorizations, pay posting change notices, Educational Retirement Act plan applications, and direct deposit authorizations.

Cause: Due to possible errors in record keeping, supporting documentation may have been lost.

Effect: Employees could be paid at incorrect rates and/or have incorrect withholdings or deductions.

Auditor's Recommendation: We recommend that the school follow NMAC 6.20.2.18 to ensure that all required payroll related documentation is completed and properly filed.

Management Response: We have a new system, in which we have created a checklist of all required documents, which must be kept in the personnel file in order to ensure that each employee file is complete.

FS 06-158 Disbursement – Lack of Purchase Order Authorization (repeated)

Condition: It was noted on one (1) out of eight (8) transactions tested in the Mileage and Per Diem section did not have a corresponding purchase order.

Criteria: NMAC 6.20.2.17 states that a school must establish procedures for purchasing and ensure that the procedures are followed.

Cause: The school does not consistently utilize Purchase Orders in an effective manner resulting in a violation of NMAC 6.20.2.17.

Effect: The School may have overspent on purchases due to a lack of proper authorization which is a violation of NMAC.

Auditor's Recommendation: We recommend that policies and procedures be established that outline the method of issuing a check for goods and/or services. Procedures should be followed and clearly communicated to all staff.

Management Response: As of July 1, 2007, purchase orders or contracts have been issued for all purchases or contracted services.

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FS 06-162 Budgetary Conditions (repeated)

Condition: The School has expenditure functions where actual expenditures exceeded budgetary authority:

General	
Support Services	37,528
IDEA B-Entitlement	
Instruction	49,403
Support Services	2,202
McCune Charitable Foundation	
Support Services	1,334
Public Schools Capital Outlay Fund	
Support Services	195,300

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 through 22-8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts the function is the legal level of control.

Cause: The School did not make necessary budgetary transfers to alleviate the over-expenditures experienced at each function.

Effect: The school is out of compliance with State Law and the control established by the use of budgets has been compromised.

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end and make the necessary budgetary adjustments.

Management Response: We have records of only two BARs created in the 06-07 fiscal year. BARs have been submitted to the Governing Council as well as the Public Education Department, if required, in the 07-08 fiscal year.

FS 06-164 PED Reports (repeated)

Condition: The School's report to the Public Education Department did not match the General Ledger. The General Ledger for the school reported cash at \$76,710 while the PED Report reported cash at \$119,830 leaving a difference of \$43,120.

Criteria: 6.20.2.11 (B) (6) NMAC and Regulation SBE-6 the reports sent to the New Mexico Public Education Department (PED) must agree to the School's General Ledger.

Cause: Appropriate personnel were not in place to properly complete and review the PED report to ensure that it reconciled to the General Ledger.

Effect: The school misreported their cash balances to PED.

Auditor's Recommendation: The appropriate personnel should complete the PED report based upon the General Ledger. Additionally, an individual should review the report to ensure that the report does match the General Ledger.

Management Response: We believe that the difference in the cash balance was due to the activities account, which had no reported ledger. This has been reconciled in the 07-08 fiscal year.

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FS 07-164 Procurement Code

Condition: Public Academy for Performing Arts purchased computers costing a total of \$31,298.44 without using competitive sealed bids.

Criteria: Per 13-1-30 NMSA 1978 purchases for items of tangible property over the amount of twenty thousand dollars (\$20,000) must be purchased in accordance with the Procurement Code (13-1-1 through 13-1-199 NMSA 1978). Section 13-1-103 NMSA 1978 states that all procurement shall be achieved through the use of competitive sealed bids.

Cause: The administration was unaware that the procurement code applied to this purchase.

Effect: Not following the State Procurement Code could result in the School overpaying for goods and/or services. Weak internal controls related to procurement could result in fraudulent purchasing.

Auditor's Recommendation: The School should implement controls to ensure that procurement follows all applicable state statutes.

Management Response: Public Academy for the Performing Arts will submit a request for formal bids on all single purchases of tangible property over \$20,000.

FS 07-165 Cash Receipting

Condition: During our Accounts Payable test work two receipts were discovered that had been received in April but were not deposited until July.

Criteria: 6.20.2.14 (C) NMAC states that all cash received shall be deposited into the bank within twenty four (24) hours or one banking day.

Cause: The checks were placed in a stack of papers on the former Business Manager's desk and were not found until the new Business Manager was cleaning off the desk in July.

Effect: Funds to be recorded in the wrong period and were placed at risk of loss/misappropriation.

Auditor's Recommendation: Formal procedures should be put in place to handle checks when they are received so they will not be misplaced in the future whether received through the mail or in person.

Management Response: Deposits are now being made within 24 hours of receipt.

FS 07-166 Cash not Reconciled

Condition: The School's bank reconciliations as of June 30, 2007 did not reconcile to the General Ledger. There was a difference in the amount of \$(37,636).

Criteria: 6.20.2.11 (K) NMAC state that all bank accounts must be reconciled monthly to the cash balance in the School's General Ledger.

Cause: Bank statement reconciliations were not being properly tied to the General Ledger.

Effect: There is a difference of \$37,636 between the General Ledger and the Bank Reconciliation.

Auditor's Recommendation: Bank Reconciliations should be prepared monthly and it should be verified that they match the General Ledger cash balances.

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Management Response: Once again, we believe this was due to the activities account, which had no ledger. This has been reconciled in the 07-08 fiscal year.

FS 07-167 Expenses

Condition: During expense testwork it was found that the some payroll expense categories did not match supporting documentation for those payroll expenditures. The differences were:

FICA/Medicare:	\$-49,382
Employee Retirement:	\$-91,199
Retiree Healthcare	\$ 8,919

Criteria: 6.20.2.11 (A) NMAC states “that transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP”

Cause: The expenses for these 3 items were not being recorded correctly with regards to supporting documentation (i.e. Form 941, ERB, and RHC forms).

Effect: This results in those amounts being misreported on the financial statements.

Auditor’s Recommendation: Expenses should be recorded correctly when payroll expenses are paid.

Management Response: Unfortunately, we cannot explain the entries of prior business management; however, in the 07-08 fiscal year, all payroll expenses are being recorded to the correct expenditure account codes.

FS 07-168 Fixed Asset Inventory Count

Condition: For the 2006/2007 year, the School did not perform an annual inventory of fixed assets. For audit test work the school relied on a prior year audit document for a fixed asset listing.

Criteria: Per NMAC 2.20.1.16 Annual Inventory, at the end of the fiscal year, each agency shall conduct a physical inventory of its fixed assets consisting of those with a historical cost of one thousand dollars (\$5,000) or more, under the control of the governing authority.

Cause: The lack of fixed asset inventory is due to a change in Business Manager.

Effect: The School is noncompliant with NMAC 2.20.1.16 and does not have internal controls implemented for safeguarding them and establishing accountability for their custody and use.

Auditor’s Recommendation: The School should implement a policy for an Annual Inventory of fixed assets to take place and begin tracking their current fixed asset inventory.

Management Response: All fixed assets have been recorded in the proper account code line items for the 07-08 fiscal years. An inventory of such items was performed prior to 06/30/08.

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FS 07-169 SAS 112 Compliance

Condition: The individuals responsible for the accounting and reporting functions for the Charter lack the skills and knowledge to apply generally accepted accounting principles in preparing the entity's financial statements. The accounting management has not obtained training to adequately apply generally accepted accounting principles, which includes GASB 34 and subsequent pronouncements.

Criteria: Proper internal controls over the preparation and/or monitoring of the preparation of financial statements requires that management places a person knowledgeable in applying generally accepted accounting principles when preparing the entities financial statements.

Cause: Individuals responsible for the accounting and reporting functions for the Charter have not received training in preparing governmental financial statements in accordance with GASB (Governmental Accounting Standards Board) Statement No 34 and subsequent pronouncements.

Effect: The Charter, without the aid of its auditors, is unable to accurately prepare financial statements in accordance with governmental accounting standards with regard to applying generally accepted accounting principles.

Auditor's Recommendation: We recommend the Charter's accounting management receive the training relating to the preparation of the Charter's financial statements in accordance with generally accepted accounting principles. This would give the individuals responsible for the accounting and reporting functions the skills and knowledge to apply generally accepted accounting principles to the financial statements.

Management Response: The current business manager is licensed and has obtained adequate training in preparing financial statements as well as training in applying generally accepted accounting principles, which includes GASB 34.

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Ralph J. Bunche Academy

FS-07-170 Payroll Documentation

Condition: During test work of internal controls for payroll, we noted one (1) instance out of eleven (11) where an I-9 was not kept on file. We noted one (1) instance where the employee's W-4 was not available for inspection. We noted three (3) instances where the employee's insurance authorization form was not available for inspection. We noted two (2) instances where the employees contract was not available for inspection. We also noted three (3) instances in which the pay reported on the payroll register could not be calculated back to employee contract.

Criteria: NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Cause: Due to the lack of employee contracts GPS was unable to recalculate wages to determine if employee was paid correctly.

Effect: Employees could be paid at incorrect rates and/or have incorrect withholdings or deductions. Further, not maintaining I-9's could result in federal penalties.

Auditor's Recommendation: We recommend that the District follow the corrective action plan set forth in the Immigration Reform and control Act of 1986 and request that the employee complete section 1 of the Form I-9 and W-4 immediately and submit documentation as required in Section 2. The new form should be dated when completed- never post dated. When an employee does not provide acceptable documentation, the employer must terminate employment or risk being subject to penalties for "knowingly" continuing to employ an unauthorized worker if the individual is not in fact authorized to work.

Management Response: The school moved during the year being audited. The move resulted in a few documents being misplaced. The school has implemented procedures to ensure all required documentation is received and maintained for all employees.

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FS-07-171 – Lack of Supporting Documentation (Cash Disbursements)

Condition: During our test work of Individually Significant cash disbursements, the client was unable to furnish supporting adequate documentation for our inspection.

Criteria: NMAC 6.20 2.14: Protection of records requires that the administrator and every other custodian of public records shall carefully protect and preserve such records from deterioration, mutilation, loss or destruction and, whenever advisable, shall cause them to be properly repaired and renovated. All paper, ink and other materials used in public offices for the purposes of permanent records shall be of durable quality.

Cause: Records were not properly completed and maintained.

Effect: Not maintaining adequate supporting documentation could result in fraudulent purchases.

Auditor's Recommendation: We recommend that personnel in charge of documents review the proper procedures for maintaining documents, and seek to establish better controls over the handling of these documents.

Management Response: The school moved during the year being audited. The move resulted in a few documents being misplaced. The school has implemented procedures to ensure all required documentation is received and maintained for all employees.

FS 07-172 – Cash Controls

Condition: During the review of the trial balance, it was noted that the Charter School was at a negative cash balance of \$16,989 in the Title I Special Revenue Account. Sufficient funds were unavailable in the Operating Fund to cover this amount.

Criteria: Per NMAC 6.20.2 Cash Control Standards- School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations. The school district shall verify that there is sufficient cash and budget prior to the disbursement of cash.

Cause: The Charter School expended the monies and was awaiting reimbursement for those expenses. The Charter School did not maintain necessary funds in the Operating Fund in order to keep this fund from having a negative cash balance.

Effect: Not having sufficient funds in the Title I Special Revenue Account, and being unable to use the Operating Fund to prevent the negative balance is a violation of Cash Control Standards. This also requires that other Special Revenue Funds cover the negative cash flow, which is not an allowable activity for these funds.

Auditor's Recommendation: The Charter School must maintain proper cash controls to prevent further deficiencies to arise.

Management Response: This situation came about because of a variety of issues occurring at the same time. Flow through grants from the state are provided on a reimbursement basis. The Public Education Department had indicated that the school was awarded a second year \$150,000 federal stimulus grant that later was reduced to approximately \$55,000 even though expenditures were made expecting a larger reimbursement. The school moved its bank account during the year to one that met all state legal requirements. However, the school closely monitored its cash flow and the bank did not reject any checks. All payments were made and the school ended with a positive cash balance.

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Robert F. Kennedy

FS 06-177 Deposits Within 24 hours (repeated)

Condition: During our review of Cash Receipt transactions and procedures, we noted instances in which deposits were not deposited within the 24 hour requirement.

Criteria: NMAC 6.20.2.14 states that monies received and receipted shall be deposited in the bank within 24 hours.

Cause: The School procedures and State of NM Statutes are not being properly followed by the School Administration.

Effect: Not depositing funds within 24 hours increases the chances that funds could be misappropriated.

Auditor's Recommendation: Deposits should be made within the 24 hour required period.

Management Response: Policies are in place to ensure timely deposits. A log is maintained of all incoming funds, and there are two employees designated to make deposits. The policy will be reinforced for the school year.

FS 06-178 Budgetary Conditions (repeated)

Condition: The School has expenditure functions in which actual expenditures exceeded budgetary authority in the following funds: Title I IASA Fund, IDEA-B and Libraries GO Bonds.

Criteria: Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. For school districts, the expenditure function is the legal level of control.

Cause: The School did not make the appropriate budgetary adjustment requests and transfers to alleviate possible over-expenditure within functions prior to the year-end.

Effect: As a result, the School is in non-compliance with New Mexico state law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to cover the over-expenditures.

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end and make the necessary budget adjustments.

Management Response: RFK has established a policy to review budgets on a monthly basis. The year end review will be done after all transactions are processed to ensure budgetary authority is not exceeded.

FS-07-173 Lack of supporting documentation

Condition: During our test work of credit cards, we noted four (3) out of ten (10) instances where the purchase order did not agree with the check and the supporting documentation or the original signed copy of the purchase order could not be located.

Criteria: NMAC 6.2.2.24 (c) Other Administrative Standards states that school district records shall be in accordance with the Public Records Act, Section 14-3-1, NMSA 1978 and should be available for review by auditors. In addition, NMAC 6.20.2.11 (c) states that internal control structure is required to demonstrate the school district's ability to record, process, summarize and report financial statement assertions of existence and occurrence.

Cause: The District was unable to locate or overlooked agreement of supporting documentation.

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Effect: Not maintaining adequate supporting documentation could result in fraudulent purchases.

Auditor's Recommendation: We recommend that the District review all supporting documentation and retain all documents to ensure compliance with NMAC 6.20.2.24 (c) and 6.20.2.11 (c).

Management Response: RFK issues purchase orders for supplies when amounts are not exactly known. When the items are purchased, they may exceed the original purchase order amount, but are within a reasonable dollar limit. Change orders since the items purchased are on the original PO, and only the dollar amount is different. In the future, these PO's will be marked as "Not to Exceed \$X.XX" to account for the differences.

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School for Integrated Academics

FS 07-174 Payroll

Condition: During payroll testwork, one of eleven employee files reviewed did not contain authorization for direct deposit.

Criteria: NMAC 6.20.2.18 requires that school districts shall maintain and have available for inspection the following employee record documentation: employment contracts, personnel/payroll action forms, certification records, employment eligibility verification (I-9), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Education Retirement Act plan application, and direct deposit authorizations.

Cause: The Business Manager did not complete a direct deposit authorization for himself when entering direct deposit information into the accounting system.

Effect: The school is not in compliance with NMAC 6.20.2.18.

Auditor's Recommendation: We recommend that the School for Integrated Academics (SIA) maintain all payroll related documentation on file in order to comply with NMAC 6.20.2.18.

Management Response: The Business Office has a Personnel File checklist in place requiring that direct deposit authorizations are included in personnel files. The Business Manager did not prepare his own direct deposit authorization and the omission was overlooked upon subsequent review. A semi-annual review of all personnel files by the Principal, or his/her designee, has now been implemented to ensure an oversight such as this does not occur in the future.

FS 07-175 Travel & Per Diem

Condition: During testwork conducted in relation to Travel and Per Diem reimbursement, we noted one instance of eleven tested where an employee was reimbursed in excess of the allowable daily food allowance.

Criteria: NMAC 2.42.2.9 sets guidelines regarding the reimbursement of actual expenses for food costs and states that actual expenses for meals are limited to a maximum of \$45.00 per employee per day.

Cause: The reimbursement form was not properly recalculated before disbursement.

Effect: One employee was overpaid for expenses incurred and the School for Integrated Academics is not in compliance with NMAC 2.42.2.9.

Auditor's Recommendation: We recommend that the requests for reimbursement are recalculated before disbursement and that SIA complies with NMAC 2.42.2.9 in the future. We also recommend that SIA implement a reasonable tipping policy.

Management Response: The Business Office policy requires that each expenditure is reviewed and recalculated by two individuals. In this instance, an identical mathematical calculation error was made by both individuals. The error resulted in an excess reimbursement of \$4.00. The Business Office will continue its policy of independent review by two individuals and will add a recalculation procedure to determine that the reimbursement is correctly calculated.

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South Valley Academy

FS 06-179 Cash not Reconciled (repeated)

Condition: During fieldwork we noted that the bank reconciliation contained a material, unresolved, reconciling item.

Criteria: According to NMAC 6.20.2.14, "School districts shall establish and maintain cash management programs to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.

Cause: School finance personnel have not completely reconciled its bank account as it has carried forward this reconciling item throughout the fiscal year and continue to do so.

Effect: As a result the school has not properly maintained control over its cash account and is susceptible to continued errors through unintentional errors and/or fraud.

Auditor's Recommendation: Perform complete and accurate bank reconciliations at month-end and assign another member of management the responsibility of reviewing each month's bank reconciliation. All unusual reconciling items should be investigated and dealt with promptly so errors do not accumulate thereby making the reconciliation process more difficult and time consuming.

Management Response: Bank reconciliations will be reconciled by business manager on a timely basis and will continue to improve process throughout the year.

FS 06-183 Budgetary Conditions (repeated)

Condition: The school has expenditure functions and/or funds where actual expenditures exceeded budgetary authority at year-end. The fund, function, and amount over budget are as follows:

Title I – IASA	
Instruction	\$10,541
Support Services: Students	275
Support Services: School Administration	2
Library Fund	
Support Services: Instruction	509
Special Capital Outlay – State	
Capital Outlay	49,222

Criteria: Sound financial management and 6.20.2.9(A) NMAC and 2208-5 to 22-8-12.2 NMSA 1978 requires that budgets not be exceeded at the legal level of control. For school districts, the expenditure is the legal level of control

Cause: The school is not adequately monitoring budget to actual expenditure reports and/or did not make the appropriate budgetary transfers to alleviate the over-expenditures experienced by the function and/or fund.

Effect: The control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to cover the over-expenditures.

Auditor's Recommendation: The school should review and revise, as necessary, its budgetary system of internal control to ensure that expenditures at the functional and overall fund level are not being exceeded. Through ongoing monitoring of the school's budget to actual expenditures management will more timely identify instances in which budget adjustments are necessary.

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Management Response: Over budget issues was a result from prior fiscal year clean up, however, the business manager will continue to improve in the process throughout the year. Balances will be checked monthly.

FS 07-176 – Account Reconciliations

Condition: Significant audit adjustments were necessary to correct account balances and prepare the school's year-end financial statements. The school implemented a new accounting software and chart of accounts during the year, however, we noted several instances in which balance sheet account balances were not "mapped" to the correct account in the new chart of accounts resulting in significant time spent researching and reclassifying amounts. The school did not maintain capital asset depreciation schedules during the year and our review of repairs and maintenance accounts resulted in an audit adjustment to record a material amount of capital asset additions, in addition to calculating and recording current year depreciation expense. Significant adjustments to accrued liability and fund balance accounts were also necessary and were due to improper entries posted by the school at the beginning of the fiscal year.

Criteria: A sound financial reporting system provides for the timely and accurate completion of material balance sheet account reconciliations and controls to identify mistakes occurring through unintentional errors and/or fraud.

Cause: A significant amount of material balance sheet accounts remained unreconciled throughout fiscal year 2007.

Effect: This resulted in numerous audit adjustments necessary to prepare the schools financial statements in accordance with generally accepted accounting principles.

Auditor's Recommendation: Reconcile all material balance sheet accounts on at least a monthly basis.

Management Response: The business manager will continue to improve in the process throughout the year, reconciling on a monthly basis.

FS 07-177 - Inadequate maintenance of deductions, pay schedules, personnel files

Condition: During our test work of payroll and payroll related reports we noted 1 of the 11 payroll checks tested, where the employee had been paid more than the amount agreed upon in the employees' contract. We also found 8 of the 11 checks tested that did not have the FICA and Medicare deducted correctly. There was 1 of the 11 checks that the medical benefits had been deducted the entire monthly amount rather than the bi-monthly split amount. Finally we found 1 personnel file of the 11 we looked at that did not have an I-9 or W-4 on file.

Criteria: Section 6-5 NMSA 1978 requires the maintenance of strict internal controls over the payroll process. As such, pay rates must be calculated correctly according to the contract amount, and all deductions, including FICA, Medicare, and medical insurance, must be calculated and deducted at the correct rate as determined by the entity the deductions will be paid to. Additionally, Immigration Reform & Control Act of 1986 requires all employees hired after November 6, 1986 to complete a form I-9 within 3 days of hire. This form is to be retained for either three years after the date of hire or one year after the date of termination, whichever is later.

Cause: After speaking with the Business Manager we were unable to determine the cause for the FICA and Medicare discrepancies. These should be calculated automatically by AptaFund but are not calculating correctly. We were also unable to determine the discrepancy with the one employee who was not being paid correctly based on the contract amount. The instance of the medical insurance being deducted for the entire month was not been corrected either. This employee's next paycheck was deducted in the same manner, and there were no corrections or reimbursements that could be noted.

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Effect: The School is not in compliance with the Immigration Reform and Control Act of 1986. The School could be subject to penalties ranging from \$110.00 - \$1,100.00. Not having supporting documentation is a serious failure of internal control procedures and could result in various legal complications in the event of noncompliance with a contract.

Auditor's Recommendation: Management must review the accounting system and make adjustments to ensure that all calculations in relation to payroll are correct. We recommend the School obtain all required information and retain the necessary documents in the employee's personnel file. In the future, the School should make periodic checks to ensure all important information is being maintained.

Management Response: The business manager calculates and reviews all deductions and/or calculations related to payroll. The business manager will ensure that copies of the documents regarding corrections or changes made are retained in the employee's personnel file. We will perform periodic checks on those records.

FS 07-178 - Internal Controls - Disbursements

Condition: It is the schools policy and procedure to obtain approved purchase requisitions and purchase orders before the purchase of goods or services are made and all P.O.s and requisitions must be approved by the Business Manager and Head Teacher/Principal. We observed 4 instances out of the 11 disbursements tested that did not have a requisition or P.O. attached or created. All 4 instances were for services provided, not goods.

Criteria: According to NMSA 1978 Section 6-6-3, the school is expected to conform to the rules and regulations that they have adopted relating to internal controls.

Cause: Policies and Procedures that the school has adapted for cash disbursement transactions are not always being enforced for services rendered. Sometimes payment is made when invoice is received after services are provided, without the Business Manager having previous knowledge of the services.

Effect: The lack of enforcing the School's policies and procedures may result in the unauthorized purchase of goods and/or services.

Auditor's Recommendation: The School must enforce policies and procedures that are set in place for the purchase of goods and/or services.

Management Response: Management will enforce policies and procedures, business manager will conduct trainings as needed to improve in the process throughout the year.

FS 07-179 - Timely Deposits

Condition: During our test work we found 9 instances of the 11 receipts tested that were not deposited within 24 hours of receipt.

Criteria: NMAC 6.20.2.6 states that deposits must be made within a 24 hour period from the receipt of the monies.

Cause: Receipts are placed in the safe by the Office Manager, who tells the Business Manager that there are items ready to be deposited in the safe. The Business Manager makes deposits usually once there is a large amount of monies in the safe, not necessarily within 24 hours of when monies are placed in the safe.

Effect: Non-adherence to state statutes places the School in noncompliance, and lack of timeliness of deposits could subject the School to a possible occurrence of fraud.

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Auditor's Recommendation: We recommend that the School emphasize the importance of timely deposits of receipts, and monitor receipts more closely in order to be compliant with state statutes.

Management Response: Management will emphasize the importance of timely deposits and continue to improve in the process throughout the year.

FS 07-180 – Lack of Supporting Documentation – Credit Cards

Condition: During our test work we found 1 instance of the 10 Credit Card related disbursements tested that did not have any supporting documentation attached for purchases on the credit card.

Criteria: NMAC 6.2.2.24 (C) Other Administrative Standards states that school district records shall be in accordance with the Public Records Act, Section 14-3-1, NMSA 1978 and should be available for review by auditors.

Cause: The business Manager, Head Teacher, and Assistant Head Teacher conferred that the credit card had been used to purchase gift cards for employees who were leaving, but did not know why there was not documentation attached. There was no way to trace this purchase other than the credit card statement.

Effect: The lack of enforcing the School's policies and procedures regarding credit card use and supporting documentation may result in the unauthorized purchase of goods.

Auditor's Recommendation: The School must enforce policies and procedures that are set in place for the purchase of goods on the credit card, and monitor supporting documentation for accuracy.

Management Response: Management will enforce policies and procedures, monitor all documentation for accuracy and will continue to improve in the process throughout the year.

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Southwest Primary Learning Center

FS 07-181 – Procurement Code

Condition: All four bids were tested through audit procedures not supported with the proper documents to demonstrate that they were received in a sealed envelope. One of the 4 bids was an emergency procurement so it is exempt.

Criteria: As indicated in NMAC 1.4.1.14 through 1.4.1.28, an internal control structure over purchasing shall be established and maintained to assure compliance with school district policy and state and federal regulations in assurance that all the bids are supported by proper documentation.

Cause: None of bids that were received had an envelope to indicate that these bids were received in sealed packages or envelopes

Effect: There was no way to determine that bids were in fact received.

Auditor's Recommendation: We recommend that the school designate a procurement agent who would be accountable for maintaining records and ensuring State and Federal procurement policies are being implemented and followed.

Management Response: The school agrees to save all envelopes and correspondence related to procurement as recommended by the auditor and required by the State Procurement Code.

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Southwest Secondary Learning Center

FS 07-182 – Procurement Code

Condition: All four bids were tested through audit procedures not supported with the proper documents to demonstrate that they were received in a sealed envelope. One of the 4 bids was an emergency procurement so it is exempt.

Criteria: As indicated in NMAC 1.4.1.14 through 1.4.1.28, an internal control structure over purchasing shall be established and maintained to assure compliance with school district policy and state and federal regulations in assurance that all the bids are supported by proper documentation.

Cause: None of bids that were received had an envelope to indicate that these bids were received in sealed packages or envelopes

Effect: There was no way to determine that bids were in fact received.

Auditor's Recommendation: We recommend that the school designate a procurement agent who would be accountable for maintaining records and ensuring State and Federal procurement policies are being implemented and followed.

Management Response: The school agrees to save all envelopes and correspondence related to procurement as recommended by the auditor and required by the State Procurement Code.

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The Bataan Military Academy

FS 07-183 Disbursement – Lack of Authorization

Condition: We noted the following during our test work:

- 1 out of 11 tested; there was no PO authorizing purchase.
- 1 out of 11 tested; no PO on file.

Criteria: NMAC 6.20.2.17 states that a school must establish procedures for purchasing and follow them.

Cause: The School did not obtain proper approval for cash disbursements.

Effect: This could result in excessive payments, incorrect payments, lack of proper audit trail or in the case of grant expenditures, payment of allowable costs which may be unallowable to the grant.

Auditor's Recommendation: We recommend that policies and procedures be established that outlines the method of issuing a check for any services and/or goods received, and that these procedures be communicated to the staff.

Management Response: The disbursement noted above was one of the first disbursements by the school. It was made prior to the school having a general ledger system and the school did not have access to anything except manual purchase orders. One was not prepared for this disbursement. Upon beginning operations the school had the written policies and procedures included in the approved charter. The Business Office is in the process of completing a more comprehensive draft of written policies and procedures for all areas required under State Board of Education Title 6 regulations. The policies and procedures in this draft, including policies and procedures relating to cash disbursements, are currently being implemented and upon being finalized will be presented to the Governing Council for approval. The Business Office is also in the process of providing training to employees to ensure appropriate personnel are knowledgeable of applicable laws and regulations.

FS 07-184 Cash Receipts-Inadequate documentation

Condition: There was one instance out of four items tested, in the amounts of \$2,000 for which there was no supporting documentation.

Criteria: All cash receipts are required to have supporting documentation.

Cause: Due to possible errors in record keeping, supporting documentation may not be properly completed or may be misplaced.

Effect: Lack of supporting documentation increases the risk of an entry that is fraudulent to be posted to the system. The School was not in compliance with State Statute.

Auditor's Recommendation: We recommend that policies and procedures be implemented that tracks and maintains all items relating to cash receipts.

Management Response: The cash receipt noted above was one of the original donations made to the school to help establish a bank account. It was made prior to the school having an established location for maintaining records. Upon beginning operations the school had the written policies and procedures included in the approved charter. The Business Office is in the process of completing a more comprehensive draft of written policies and procedures for all areas required under State Board of Education Title 6 regulations. The policies and procedures in this draft, including policies and procedures relating to cash receipts, are currently being implemented and upon being finalized will be presented to the Governing Council for approval. The Business Office is also in the process of providing training to employees to ensure appropriate personnel are knowledgeable of applicable laws and regulations.

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The Learning Community Charter School

FS 07-185 Internal Controls Over Non-Standard Journal Entries

Condition: The Charter School does not have adequate internal controls over non-standard journal entries entered into its accounting system.

Criteria: State Board of Education Title 6, section 6.20.2.11 states that Policies and Procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practice recommends review and approval of all non-standard journal entries.

Cause: The School has limited knowledgeable staff that is able to review journal entries.

Effect: Without proper review of these journal entries, errors or irregularities could go undetected and cause financial statements to be misstated.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding the review and approval of manual journal entries and implement a procedure to insure non-standard journal entries are reviewed, approved and supported.

Management Response: Management has adopted a procedure for JE approvals.

FS 07-186 Inadequate Segregation of Duties in the Receipting Process

Condition: The Business Manager's duties include receipting, preparing bank reconciliations, and posting to the general ledger. Additionally, there is no process for recording receipts as they come in before they are deposited.

Criteria: Proper internal controls for receipts and other processes are indicated in NMSA 1978 Section 6-5-2 indicate that agencies implement internal accounting controls designed to prevent accounting errors. According to NMAC 6.20.2.14 B, each school district shall issue a factory pre-numbered receipt for all money received.

Cause: The lack of segregation of duties is the result of a lack of qualified employees. This has left the business manager handling most of the receipting process. Lack of adequate segregation of duties through a formal review process may result in errors without detection. Cash management procedures do not appear to be consistently followed or enforced

Effect: Without segregation of duties or a formal review process, errors or irregularities may be made without detection. By not following NMAC requirements, the school is vulnerable to the threat of loss or theft of revenue as well as the school not having a good paper trail by maintaining proper documentation.

Auditor's Recommendation: The Charter School must develop a formal review process for the receipts transaction cycle to mitigate possible misappropriation of assets or fraudulent activity. Certain responsibilities during the receipting process should be delegated to qualified employees, or hire a qualified individual to perform the required tasks. The School must implement procedures to ensure compliance with NMAC 6.20.2.14 regarding use of receipts.

Management Response: Management has adopted a procedure to help segregate the receipting process.

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FS 07-187 — Internal Controls Over Travel & Per Diem, and Anti-Donation, Lack of Supporting Documentation

Condition: The School does not have adequate internal controls over travel and per diem and training expenditures. During our test work, we noted a reimbursement made that included one charge that should not have been paid, an airfare ticket of a board members wife. This expense was the responsibility of the employee, not of the School. Also in our test work we found four of the ten travel related disbursements tested lacked supporting documentation and one of the ten could not be located. Supporting documentation was eventually produced for two of the disbursements that were missing documentation, but was not immediately accessible when the auditors were originally looking for the information. All of the disbursements were paid to the incorrect object code, and two had the incorrect fund code.

Criteria: Per NMAC 6.20.2.19 TRAVEL AND TRAINING: Each school district shall establish and implement written policies and procedures for travel and training. Travel policies and procedures shall be in compliance with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-8, NMSA 1978, and department of finance and administration (DFA) regulations. Also Article IX, Section 14, of the Anti Donation Clause states that public funds may not be expended for the benefit of someone other than the intended recipients. NMAC 6.2.2.24 (c) Other Administrative Standards states that school district records shall be in accordance with the Public Records Act, Section 14-3-1, NMSA 1978 and should be available for review by auditors. In addition, NMAC 6.20.2.11 (c) states that internal control structure is required to demonstrate the school district's ability to record , process, summarize and report financial statement assertions of existence and occurrence. Finally, sound business and accounting practice requires that all disbursements be paid according to the accepted and standardized chart of accounts.

Cause: The School does not have a formal procedure in place for the expenditures of travel and per diem and training. The school was reimbursing an employee for Travel charges and inappropriately included an additional airfare. As stated by Stan Albrycht, Business Manager, the School will purchase airfare and lodging for family members of employees if they are traveling together and then the employee reimburses the School. PED changed the chart of accounts and the Business Manager did not have a complete understanding of the new fund and object codes.

Effect: Unauthorized travel and per diem expenditures could be paid. Violation of the Anti Donation Clause. Noncompliance with the constitution could subject officials and employees to punishment as defined by state statutes. The School is in a violation of NMAC 6.20.2.24 (c) and NMAC 6.20.2.11 (c).

Auditor's Recommendation: We recommend the School implement a formal procedure for the reimbursement and/or payment of travel and per diem and training expenditures. We also recommend that the School establish procedures to ensure compliance with the anti-donation clause of the New Mexico Constitution. The School must review all supporting documentation and retain all documents to ensure compliance with NMAC 6.20.2.24 (c) and 6.20.2.11 (c). Also, the School must use the PED chart of accounts correctly to ensure that disbursements are paid to the correct account codes.

Management Response: Management has a procedure for Travel & per diem. Management will continue to follow the procedure that is place.

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FS 07-188 Lack of Supporting Documentation

Condition: During our test of individually significant disbursements, we requested supporting documentation for PO #7127. The Business Manager could only provide us with the PO, and he stated that no supporting documentation exists. When asked how the PO was generated the Business Manager stated that he simply pays the property taxes based on what the County tells him.

Criteria: NMAC 6.20 2.14: Protection of records requires that the administrator and every other custodian of public records shall carefully protect and preserve such records from deterioration, mutilation, loss or destruction and, whenever advisable, shall cause them to be properly repaired and renovated. All paper, ink and other materials used in public offices for the purposes of permanent records shall be of durable quality.

Cause: Records were not properly completed and maintained in the instance of property taxes.

Effect: Records not being properly completed and maintained resulted in a violation of NMAC 6 20 2.14.

Auditor's Recommendation: We recommend that personnel in charge of documents review the proper procedures for maintaining documents, and seek to establish better controls over the handling of these documents.

Management Response: Management understands the condition and will follow procedures for supporting documentation.

FS 07-189 Stale Dated Checks

Condition: The School is in violation of state statute regarding stale-dated checks.

Criteria: New Mexico Statutes, Section 6-10-57, NMSA, 1978 compilation requires local public bodies to cancel or void any check that is unpaid for one year after it is written.

Cause: In the operational account, the School has 2 items at June 30, 2007 that are over one year old. They are written in the amounts of \$14.14 and 1,150.44.

Effect: The School is in violation of New Mexico Statute, Section 6-10-57, NMSA, 1978 and cash balances are not accurately reflected as a result of stale-dated checks appearing on the outstanding check listings.

Auditor's Recommendation: We recommend that the School implement a procedure to review the outstanding check listings for all bank accounts and track stale-dated checks. If checks on the outstanding check listings are greater than one year old we recommend these checks be voided.

Management Response: Management will continue to follow procedures concerning stale dated checks.

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Youth-Build

FS 06-188 Segregation of Duties (repeated)

Condition: The business manager performs most duties and functions that are required in the accounting function. There is no review of the accuracy of the business manager's work by any other responsible persons.

Criteria: Segregation of duties in all financial areas, as indicated in NMSA 1978 Section 6-6-3, is required to maintain proper and sufficient internal controls which reduce the risk of fraudulent activities.

Cause: Due to limited resources, the School relies on the expertise of one individual to process the School's accounting transactions. Although the School did place some internal controls during the fiscal year, there are still some instances when the manager performs all duties especially in the receipting process.

Effect: Without segregation of duties or a formal review process, errors or irregularities may be made without detection.

Auditor's Recommendation: We recommend the school develop a formal review process for all financial transactions.

Management Response: Management has hired a part-time business manager to assist in the preparation of bank reconciliations, cash receipts, and deposits. The governance council has implemented a finance committee that will review all accounting transactions.

FS 06-189 Budgetary Conditions (repeated)

Condition: Actual expenditures exceed the budget in the:

General Fund:	
Capital Outlay	\$ 1,001
Charter School Fund	
Instruction	\$ 127

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 to 22-8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts, the expenditure function is the legal level of control.

Cause: The School did not make the appropriate budgetary transfers to alleviate the over-expenditures experienced by the function.

Effect: The School has not complied with NMAC 6.20.2.9 and NMSA 1978 22-8-5 to 22-8-12.2, and the control established by the use of budgets has been compromised.

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Management Response: The school has established a policy requiring review of budgets at year-end to verify all adjustments is made.

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FS 07-190 Internal Controls Over Non-Standard Journal Entries

Condition: The Charter School does not have adequate internal controls over non-standard journal entries entered into its accounting system.

Criteria: State Board of Education Title 6, section 6.20.2.11 states that Policies and Procedures documenting administrative and accounting controls in accordance with Generally Accepted Accounting Principles are required. Sound business practice recommends review and approval of all non-standard journal entries.

Cause: The School has limited knowledgeable staff that is able to review journal entries.

Effect: Without proper review of these journal entries, errors or irregularities could go undetected and cause financial statements to be misstated.

Auditor's Recommendation: We recommend the School update their policies and procedures manual regarding the review and approval of manual journal entries and implement a procedure to insure non-standard journal entries are reviewed, approved and supported.

Management Response: School has implemented new policy to address non-standard journal entries. All JE's will be reviewed and signed by principal, and reviewed by finance committee.

FS 07-191 Inadequate Maintenance of Deductions and Pay Schedules

Condition: During our testwork of payroll and payroll related reports we noted two of the eleven payroll checks tested, both on the same employee, where the employee had been paid less than the amount agreed upon in the employees contract. We also found eight of the eleven checks tested did not have the ERA deduction calculated correctly. In addition, one of the eleven checks tested did not have the dental deduction calculated at all.

Criteria: Section 6-5 NMSA 1978 requires the maintenance of strict internal controls over the payroll process. As such, pay rates must be calculated correctly according to the contract amount, and all deductions, including ERA and medical insurance, must be calculated and deducted at the correct rate as determined by the entity the deductions will be paid too.

Cause: The salary for the employee who had been paid incorrectly had been calculated over 24.2 pay periods rather than 24, thus making every paycheck incorrect for the year. The ERA miscalculation was caused by a glitch in the accounting system. It is unclear why the instance of the dental insurance not being deducted occurred, but upon further research there were several instances on this employee where insurance was not deducted properly.

Effect: The School could be vulnerable to penalties and interest assessments.

Auditor's Recommendation: Management must review the accounting system and make adjustments to ensure that all calculations in relation to payroll are correct.

Management Response: Management will create a policy to insure that all payroll deductions are calculated correctly. Management has also corrected the error in the accounting system.

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FS 07-192 Untimely Deposits

Condition: In the process of reviewing the receipts testwork we found three of the eleven receipts tested were not deposited within 24 hours of when they were received.

Criteria: NMAC 6.20.2.6 states that deposits must be made within a 24 hour period from the receipt of the monies.

Cause: Due to high turnover in staff, the receipting process has not been administered according to reasonable internal controls.

Effect: Non-adherence to state statutes places the School in noncompliance and lack of timeliness of deposits could subject the District to a possible occurrence of fraud.

Auditor's Recommendation: We recommend that the School emphasize the importance of timely deposits of receipts, and monitor receipts more closely in order to be compliant with state statutes.

Management Response: Management understands state statute and will ensure that all deposits meet the 24 hour rule.

FS 07-193 Lack of Supporting Documentation

Condition: During our test of travel and per diem expenses we found two of the seven tested did not have proper documentation attached.

Criteria: NMAC 6.20 2.14: Protection of records requires that the administrator and every other custodian of public records shall carefully protect and preserve such records from deterioration, mutilation, loss or destruction and, whenever advisable, shall cause them to be properly repaired and renovated.

Cause: Records were not properly completed and maintained.

Effect: Not maintaining adequate supporting documentation could result in fraudulent charges.

Auditor's Recommendation: We recommend that personnel in charge of documents review the proper procedures for maintaining documents, and seek to establish better controls over the handling of these documents.

Management Response: Management will establish a policy of reviewing all documents to ensure that they have the proper documentation prior to making any payment.

FS 07-194 Stale Dated Checks

Condition: The School is in violation of state statute regarding stale-dated checks.

Criteria: New Mexico Statutes, Section 6-10-57, NMSA, 1978 compilation requires local public bodies to cancel or void any check that is unpaid for one year after it is written.

Cause: In the operational account, the School has 4 items at June 30, 2007 that are over one year old and 2 items in the federal account. They are written in the amounts of \$9.75, 115.23, -62.5, -1,564.48 and \$30, 1,564.48.

Effect: The School is in violation of New Mexico Statute, Section 6-10-57, NMSA, 1978 and cash balances are not accurately reflected as a result of stale-dated checks appearing on the outstanding check listings.

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Auditor's Recommendation: We recommend that the School implement a procedure to review the outstanding check listings for all bank accounts and track stale-dated checks. If checks on the outstanding check listings are greater than one year old we recommend these checks be voided.

Management Response: School has implemented procedure that will track and adjust all stale dated checks. Checks will be reviewed May of each year and proper adjustments will be made.

FS 07-195 Inadequate Controls Over School Information

Condition: During the audit year the School had an incident with fraud. One of the staff took a lap top home and a family member was able to transfer funds from the School's bank account to the staff's personal bank account. The family member then withdrew the funds from the staff's personal bank account. The School's bank called the staff member to question this transaction and as soon as the staff member figured out what had happened, the staff member went to the board and replaced the stolen funds.

Criteria: Per NMAC 6 .20.2.11 Internal Control Structure Standards, every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

Cause: The staff member did not take the appropriate precautions to safeguard the School's assets against loss from unauthorized use.

Effect: The School had funds stolen.

Auditor's Recommendation: The School must implement the appropriate internal controls to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use.

Management Response: Management has established policy to prevent that the schools assets are safeguarded against loss from unauthorized use under similar circumstances in the future. The above condition was the result of a family member (a minor) who, without authority, accessed the staff member's laptop and password and gained access to staff member's personal online banking information. Because online banking access to accounts at Wells Fargo is through a person's social security number all accounts under that social security number are accessed once a person has the password. The minor child inadvertently learned the staff member's personal ID number and there with gained access to the schools account and accomplished the unauthorized transfer. The staff member immediately made the Principal and President of the Governing Council aware of the issue and took prompt steps to repay the money to the school. Steps have been taken to safeguard the school's account; by the staff member terminating access to his personal accounts online and changing his password. School has worked with the bank on how to better safeguard school accounts. Employee will be changing his personnel finances to Bank of America.

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FS 07-196 SAS 112 Compliance

Condition: The accounting management has not obtained updated training to adequately apply generally accepted accounting principles, which includes GASB 34 and subsequent pronouncements.

Criteria: Proper internal controls over the preparation and/or monitoring of the preparation of financial statements requires that management places a person knowledgeable in applying generally accepted accounting principles when preparing the entities financial statements.

Cause: Individuals responsible for the accounting and reporting functions for the Charter have not received training in preparing governmental financial statements in accordance with GASB (Governmental Accounting Standards Board) Statement No 34 and subsequent pronouncements.

Effect: The Charter, without the aid of its auditors, is unable to accurately prepare financial statements in accordance with governmental accounting standards.

Auditor's Recommendation: We recommend the Charter's accounting management receive the training relating to the preparation of the Charter's financial statements in accordance with generally accepted accounting principles and GASB pronouncements. This would give the individuals responsible for the accounting and reporting functions the knowledge to apply the appropriate principles to the financial statements.

Management Response: Management will continue to attend professional development training as needed to maintain, and apply generally accounting accepted accounting principles.

FS 07-197 Accruals

Condition: The School maintained a total of \$72,756 in accruals, which were incorrectly posted to the general ledger.

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards- A. Every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

Cause: The School believed that it was caused by the accounting system in rolling forward from one year to the next. Internal controls were not maintained to provide reasonable assurance that transactions were recorded properly.

Effect: Not monitoring these accounts resulted in an overstatement of \$72,756 in liabilities.

Auditor's Recommendation: The School should review the general ledger and assure that appropriate balances are maintained within each account.

Management Response: Management has established a policy to review liabilities monthly.

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FS 07-198 Notification of Fraud to the State Auditor

Condition: During audit procedures it was noted that the School had an incident with fraud and did not notify the State Auditor.

Criteria: Per NMAC 2.2.10 K (3) Every agency and IPA, pursuant to Section 12-6-6, NMSA 1978 (Criminal Violations), shall notify the State Auditor immediately, in writing, upon discovery of any possible criminal statute violation in connection with its financial affairs. NMSA 1978 Article 6 Audit Act- 12-6-6 Criminal violations- Immediately upon discovery of any violation of a criminal statute in connection with financial affairs, the state auditor shall report the violation to the proper prosecuting officer and furnish the officer with all data and information in his possession relative to the violation. An agency or independent auditor shall report a violation immediately to the state auditor.

Cause: The Business Manager was not aware of this requirement.

Effect: The School is not in compliance with NMAC 2.2.10 K and as a result the State Auditor was not aware to report the violation to the proper prosecuting officer. This violation of State statutes could place the School at risk for legal action, and/or potential loss of funds.

Auditor's Recommendation: The School must keep up to date with all the laws and regulations to maintain compliance and should discuss with the State Auditor what actions should be taken in order to be compliant regarding this incident.

Management Response: Management will create a policy that all agencies will be notified according to NMAC 2.2.10.

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Section III – Federal Award Findings and Questioned Costs

FA 06-05 Reporting (repeated)

Federal program information:

Funding agency:	U.S. Department of Education
Title:	Title I and Title IIA
CFDA number:	87.010 and 84.3 67
Award year and number:	June 30, 2007

Condition: During the test work we noted instances in which it appeared that funding was not provided to charter schools within a timely manner, i.e. 30 days within the request for reimbursement

Criteria: According to federal guidelines and grant provisions, the grant is required to deliver sub-recipient funding in a timely manner.

Questioned Costs: None

Cause: The District failed to insure the program followed grant provisions with regards to special provisions and sub-recipient monitoring.

Effect: The District may not be in compliance with grant provisions stipulated in the federal compliance supplement.

Auditor's Recommendation: The District must insure compliance with grant provision and federal guidelines with regards to special provisions and sub-recipient monitoring. In order to insure compliance with these provisions, there should be periodic oversight of federal compliance provision for each federal program.

Management Response: Procedures were in place during this time that required extensive review of all invoices submitted for reimbursement by Federal funding in compliance with PED requirements. This review process often delayed reimbursement due to errors in invoices or non-compliance with spending guidelines. In 2007-2008, the Public Education Department has implemented a process whereby the charter schools will now request their reimbursement straight from them. APS will still verify the invoice, but the payment will now come directly from the PED to the charter.

FA 06-06 Title IIA - Personnel Files - Allowable Costs (repeated)

Federal program information:

Funding agency:	U.S. Department of Education
Title:	Title IIA
CFDA number:	84.367
Award year and number:	June 30,2007

Condition: We noted one instance during our audit procedures for which the District did not maintain adequate supporting documentation relating to personnel W-4's.

Criteria: According to Circular OMB A-87, to be allowable under Federal awards, costs, including compensation, must adequately documented.

Questioned Costs: None

Cause: The District was not following its policies and procedures regarding the payroll function.

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Effect: The District's policy is to maintain supporting documentation for all human resource activities and related payroll disbursements. It appears that the policy was not followed in the cases noted and adequate documentation, W-4 forms, were not retained. Future federal funding could be effected if costs cannot be substantiated.

Auditor's Recommendation: We recommend that adequate supporting documentation accompany cash disbursements as required by the District's policy and Circular OMB A-87.

Management Response: APS will evaluate the process that takes place when new employees complete these forms. The intention is to comply with all rules and regulations and every effort will be made to ensure that these forms are filed appropriately. APS hires approximately 2000 new employees each year. The employment forms are completed in the Employee Benefits Department and forwarded to Payroll.

FA 06-08 Audit Report and Submission of the Data Collection Form to the Federal Audit Clearinghouse (repeated)

Funding agency:	All
Title:	All
CFDA number:	All
Award year and number:	June 30,2007

Condition: APS has not yet submitted its audit report and Data Collection Form to the Federal Audit Clearinghouse subsequent to the March 31, 2008 deadline required by the Office of Management and Budget (OMB)

Criteria: OMB requirements state that public schools which receive and spend federal grants in excess of \$500,000 are required to submit the audit report and Data Collection Form to the Federal Audit Clearinghouse for the year ended June 30, 2007 on or before March 31, 2008.

Questioned Costs: None

Cause: APS was unable to submit the June 30, 2007 audit and the Data Collection Form to the Federal Audit Clearinghouse report on a timely basis.

Effect: As a result, APS is not in compliance with OMB requirement. The District was not timely in their financial reporting.

Auditor's Recommendation: APS must ensure that all future audit reports are filed in a timely manner. APS should ensure this process is timely.

Management Response: APS management reported this issue to the auditors after it became apparent that this was not completed. The common process is that the auditor initiates the form and presents it to management to complete and mail. However, APS accepts responsibility for this form and will ensure that it is completed and submitted in a timely manner.

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FA 07-01 Theft of Cash

Funding agency: U.S. Department of Agriculture
Title: National School Lunch Program
CFDA Number: 10.555
Award Number: 21000

Condition: During our testwork of the National School Lunch Program we noted two thefts of cash occurrences totaling \$7,984 at the Albuquerque Public Schools Food and Nutrition Administrative Office.

Criteria: NMAC 6.20.2.14 states that a School District shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular 102, and applicable state and federal laws and regulations.

Cause and Effect: Controls were not designed or implemented to deposit cash within 24 hours of receipt. Albuquerque Public School District policies and procedures require the District and its employees to follow required state statutes and regulations. In these instances, the District failed to follow state regulations and District policies resulting in non-compliance with State Statute. In addition, internal controls were not properly designed and implemented to prevent thefts of this nature to occur. There is increase risk that thefts may likely occur in the future if internal controls are not evaluated and modified to tighten the control of cash.

Questioned Costs: Due to the nature of the cash register monies, Albuquerque Public schools is unable to disclose the amount of money that is related to federal funds.

Auditor's Recommendation: We recommend that the District review cash management procedures with the responsible individuals annually to ensure that each is aware of the requirements so as not to violate State Statute 6-10-2 NMSA, 1978 and NMAC 6.20.2.14.

Management Response: APS recognizes that important improvements and changes in procedures are warranted to correct this issue. Changes that have taken place since then that include the purchase and installation of a safe for storage of cash during the day. The Director of Student Nutrition has implemented procedures that include storing all cash received immediately in a locked safe. The cash is being deposited on a daily basis as required by State Statute 6-10-2 NMSA. The Department has also strengthened its cafeteria cash handling procedures to help prevent this type of incident in the future.

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FA 07-02 Title I – Cash Management

Funding agency: U.S. Department of Education
Title: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Award Number: 24101

Condition: The program does not have a written policy regarding the frequency of cash reimbursement requests. The program did not draw down federal funds on a consistent basis.

Criteria: The Title I program is a reimbursement grant. The program should draw down funds on a more frequent basis to ensure that reimbursements of district funds are timely.

Questioned Costs: None

Cause: During the year, there was high turnover in the Grants and Contracts Department. In addition, there is not written policies and procedures that dictate the process of Cash Management.

Effect: The district did not receive all funds awarded to them.

Auditor's Recommendation: We recommend that the program develop a written policy regarding the frequency of reimbursement requests. The program should designate calendar dates that draw downs should occur, perhaps aligned with payroll dates. We recommend that draw downs should occur at least on a monthly basis.

Management Response: Cash Management is currently being performed in the General Ledger Department. The Grant Management Department Director is working closely with the General Ledger Department Director to re-organize the process of cash management. During this process a manual will be developed that will contain the written policies and procedures for cash collection. Included in this policy will be specific time frames for requesting cash. Cash will be drawn a regular intervals of no more than once a month depending on size of grant. Processes will also be developed for closer accounts receivable management.

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FA 07-03 Title I and Title IIa– Allowable Costs – Documentation of Employee Time and Effort

Funding agency: U.S. Department of Education
Title: Title I Grants to Local Educational Agencies
Title IIa Improving Teacher Quality
CFDA Number: 84.010 and 84.367
Award Number: 24101 and 24154

Condition: During our testwork we noted that APS is not tracking employee time and effort for employees splitting their time between grant programs. In addition, employees working in school-wide programs are not signing semi-annual certifications.

Criteria: According to grant requirements, APS has to track time spent on each program for any employee not working solely on one grant. Also, employees working on grant programs in schools with school wide programs have to sign a semi-annual certification along with their supervisor indicating time spent on the program.

Questioned Costs: None

Cause: Grant management was unaware of the requirement for documentation of time and effort.

Effect: The program is not in compliance with grant requirements and employee's time has the potential to be misstated.

Auditor's Recommendation: We recommend that APS develops written procedures for employees who split their time between grant programs or who work on grant programs at schools with school wide programs. Additionally there should be a review process to ensure the employee time and effort is being reported monthly and the semi-annual certifications are completed timely.

Management Response: Grant Management is now aware of the requirement and is in the process of developing the procedures of maintaining these records. Some of the records for these employees have begun during the 2007-2008 school year, however, the procedures are not complete. They will be implemented during the 2008-2009 school year in full compliance for all federal grants.

FA 07-04 Title I Special Tests – Schools Needing Improvement

Funding agency: U.S. Department of Education
Title: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Award Number: 24101

Condition: During our testwork we noted no evidence of letters sent to parents for 2 of 3 schools tested.

Criteria: According to 34 CFR 200.36, schools are required to communicate to parents of their students when the school is in need of improvement.

Cause: The department was not aware of documentation retention policies or requirements for federal programs.

Effect: The District in not in compliance with the requirements for the program.

Auditor's Recommendation: We recommend that the Title I office keeps a copy of the letter sent out from each school to ensure they can provide it if necessary.

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Management Response: The Title I Department is very aware of the documentation retention policies and requirements for Federal programs. School principals are told at the Title I annual orientation and at school monitoring visits that documents must be retained for five years. Beginning school year 2008-2009, schools will be required to provide the Title I department copies of all required parent notifications.

FA 07-05 Title I – Allowable Costs – Missing Authorization

Funding agency: U.S. Department of Education
Title: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Award Number: 24101

Condition: During our testwork we noted 1 out of 22 purchase card transactions tested that did not have authorization before being paid.

Criteria: Per APS Policies and Procedures, Purchase Card Reconciliations are prepared by the school and approved by the Title I Administrator prior to payment.

Cause: The initial reconciliation sent to the District for approval had incorrect amounts and was rejected and returned to the school. A revised reconciliation was sent to the District for processing and was entered without the approval of the Title I Administrator.

Effect: The District is not in compliance with the requirements for the program which could result in the District approving unallowed costs resulting in questioned costs.

Auditor's Recommendation: We recommend that the accounts payable department ensure proper approval before payment is made.

Management Response: The requirements for payment of Federal Funds will be reiterated with the Accounts Payable Department to ensure that they obtain proper approval before making payments. Grant Management will work more closely with the accounts payable department to ensure all purchase card reconciliations are approved through our office before the payment is released.

FA 07-06 Title I – Eligibility – Targeted Assistance Schools

Funding agency: U.S. Department of Education
Title: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Award Number: 24101

Condition: During our testing we noted that 2 of the 3 targeted assistance schools tested were not able to provide documentation on the eligibility of the students receiving Title I funds.

Criteria: APS's policy is to allocate Title I funds in targeted assistance schools to individual students based on their test scores. The criteria are determined by each school and therefore vary from school to school.

Cause: Files are not being maintained for children eligible for Title I funds.

Effect: The schools are not in compliance with Title I Program Requirements.

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Auditor's Recommendation: We recommend that the schools start keeping files on the Title I students. Additionally we recommend that the schools develop checklists and a more formalized process to determine eligibility for the students.

Management Response: Title I funds are not allocated to schools based on student test scores. Title I funds are allocated to schools based on percentage of free and reduced lunch data. Student data is reported to Student Teacher Accountability Reporting System (STARS) four times per year. Research, Development and Accountability (RDA) continues to collect cumulative data for targeted students served throughout the school year. Eligibility for services is based on academic need and is determined using multiple criteria including New Mexico Standards Based Assessment (NMSBA), short cycle assessments, classroom assessments and teacher recommendation.

FA 07-07 Title IIa – Special Tests – Allocation of Funds, Horizon Academy North and Horizon Academy West Charter Schools

Funding agency: U.S. Department of Education

Title: Title IIa

CFDA number: 84.367

Award year: June 30, 2007

Condition: During our testing of allocation of funds from the District to the Charter Schools, we noted that funds that were to be allocated to Horizon Academy West were coded to Horizon Academy North.

Criteria: Office of Budget and Management Circular A-133; Applicable Compliance Supplements for CFDA Number 84.367 mandate proper allocation of federal funding and use of federal funding.

Questioned Costs: \$25,538.83

Cause: The charter schools account numbers were mixed when allocating funds.

Effect: The District is allocating funds to the wrong school.

Auditor's Recommendation: We recommend that the District implement controls in order to verify that the correct charter school is receiving the proper amount of funds allocated to them.

Management Response: We believe that this error occurred because of the similarity in names of these Charter Schools. This error was identified and corrected by the District shortly after the error occurred. New controls will be implemented to verify information before allocation instructions are sent to the bank. These extra precautions should help to prevent this type of error from occurring again.

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FA 07-08 Schedule of Expenditures of Federal Awards (SEFA)

Federal program information:

Funding agency: All

Title: All

CFDA number: All

Award year: June 30, 2007

Condition: During our testing of the SEFA, significant adjustments and research had to be performed in order to produce an accurate balances on the SEFA. Specifically, the Carl Perkins, 21st Century, Career Access Program, IDEA B, Title V Indian Health Care and Partnerships in Charter Education grants ending balances have discrepancies that are still being researched. Additionally a prior period adjustment occurred in the current year regarding an error of approximately \$1,900,000 that was improperly included as a federal grant on the SEFA for the year ended June 30, 2006.

Criteria: Office of Budget and Management Circular A-133; Applicable Compliance Supplements mandate proper accounting and of federal funding.

Questioned Costs: Unknown

Cause: Cash allocations in the prior year were incorrect and the deferred revenue/accounts receivable were posted according to the cash balances which have led to wrong reporting of the SEFA.

Effect: The District is not in compliance with Office of Budget and Management Circular A-133 requirements.

Auditor's Recommendation: We recommend that the District continue to maintenance the SEFA on a regular basis and perform monthly reconciliations to verify that the balances are accurate and true.

Management Response: APS management agrees that more attention is necessary to fully comply with the requirements associated with this request. Current staff is re-training on the regulations surrounding Federal Awards, and new procedures are being developed to encompass all financial areas of the awards. Closer communication is begin developed between the Accounting Department and the Grant Management Depart so that more reviews are taking place regularly.

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FA 07-09 USDA-Eligibility for Reduced Lunches

Funding agency: Department of Agriculture
Title: Food Services
Award Number: 24101

Condition: During an audit by the State Department of Education, it was noted that one student out of all students tested at LBJ Middle School who's application was incorrectly categorized.

Criteria: Per grant provisions, free, reduced price and paid lunches claimed for reimbursement are served to children eligible for free, reduced and paid lunches.

Cause: The application was incorrectly categorized.

Effect: The claim is excess of what is eligible.

Auditor's Recommendation: We recommend that the District as well as the schools, implement controls that require a final review of applications prior to submission for claim reimbursement.

Management Response: The student's status from LBJ was corrected as soon as the error was discovered. Applications are scanned and sometimes a carelessly written number is picked up incorrectly. For example, a 9 might be picked up as a 4 if not closed at the top. We have verifiers that view the application and compare it to the scanned view and correct any discrepancies, then approve the numbers and upload into the point of sale which makes the determination of free, reduced or paid. USDA allows up to \$600 in errors before any action on a finding is requested. However we have in place both an automated system and a person who verifies the information already in place. We have started more emphases in training on double checking the numbers for accuracy between the scanned and physical hand written numbers. One application out of several thousand is a very high accuracy rate.

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FA 07-10 USDA-Consolidated Lunch Counts

Funding agency: U.S. Department of Agriculture
Title: Food Services
CFDA Number:
Award Number: 21000

Condition: During an audit by the State Department of Education, it was noted that Albuquerque Public Schools incorrectly counted, recorded and consolidated lunches for the month of March 2007.

Criteria: Grant provisions require that meals be counted, recorded, consolidated and reported through a system which yields correct reimbursement claims.

Questioned Costs: \$19,115

Cause: When the meal counts were consolidated to a summary report, meal counts were not the same as the schools monthly report.

Effect: The claim is excess of what is supported by documentation.

Auditor's Recommendation: We recommend that the District, as well as each school, implement controls that require a final review of applications prior to submission for reimbursement.

Management Response: APS utilizes a third party software program to consolidate all the numbers from our main point of sale software, the charter schools served, and then calculates provision two numbers into allowed percentages of free, reduced, and paid meals based on the base year numbers. It was found that there was a glitch in the software that, during the review month of March 2007 at certain sites, added previous month's numbers to March's totals for lunch and missed some day totals for Breakfast. The software developers were called in while PED auditors were still on site and the problem was corrected. The money was reimbursed to PED for the lunch over-claim and a new claim was submitted for the breakfast under-claim. We have begun a double check of numbers between the third party software and raw data directly from the point of sale to prevent this from reoccurring.

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Horizon Academy South

FA 07-11 Eligibility

Federal program information:

Funding agency:	U.S. Department of Agriculture
Title:	School Lunch Program
CFDA number:	10.555
Award year and number:	06-30-07

Condition: During test work of the School Lunch Program, there was one student out of five tested whose application for free or reduced lunch indicated a different status than what they were receiving. (the student qualified for reduced but was free).

Criteria: According to the OMB Circular A-133 Compliance Supplement, children belonging to households meeting nationwide income eligibility requirements may receive meals at no charge or, in the case of the NSLP and SBP, at reduced price.

Cause: The School is not correctly evaluating the students' eligibility for free or reduced lunch.

Effect: The School is not in compliance with the eligibility requirement of the School Lunch Program and is therefore not paying at the appropriate amounts.

Auditor's Recommendation: The School must carefully review student applications to determine that students are receiving the reduced or free lunches that they are eligible for to ensure compliance with grant requirements.

Management Response: HAS contracts out management of the Cafeteria to Cateen Corp. They do all classifications or applications and test work to insure accuracy. We have met with them and they have assured us that they will increase their training, evaluation process and testing of applications. In addition, management will also select applications for testing to insure compliance.

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FA 07-12 Reporting

Federal program information:

Funding agency:	U.S. Department of Agriculture
Title:	School Lunch Program
CFDA number:	10.555
Award year and number:	06-30-07

Condition: During test work of the School Lunch Program three months out of the year were selected for additional review of supporting documentation. There were exceptions noted for all three months. Canteen of New Mexico, a contracted service provider, uses two separate checklists to verify the accuracy of the daily count. There were discrepancies, for two of the three months selected, in these reports and there was no evidence of an investigation as to the reason for the differences. For the other month selected, the daily record of meal counts summary, maintained by the Canteen of New Mexico, did not agree to the claim report.

Criteria: According to the OMB Circular A-133 Compliance Supplement, to receive reimbursement payments for meals (and milk under the SMP) served, a SFA, institution, or sponsor must submit claims for reimbursement to its administering agency (7 CFR sections 210.8(b), 225.9(d), and 225.15(c)(2)). All claims must be supported by accurate meal counts by category and type taken at the point of service or developed through an approved alternative procedure (7 CFR sections 210.7, 210.8, 215.8, 215.10, 220.9, and 220.11).

Cause: Proper review of documentation is not being conducted.

Effect: The School is not in compliance with the reporting requirement of the School Lunch Program and is not submitting correct information to the NM Department of Education.

Auditor's Recommendation: The School must carefully review supporting documentation to determine that actual student count numbers are being submitted to the NM Department of Education.

Management Response: HAS contracts out management of the Cafeteria to Cateen Corp. They do all accumulation of daily information. We have met with them regarding this finding and they have assured us that they will increase their training and evaluation process to insure that discrepancies are investigated. We have also instituted a procedure that verifies claim information and the claim forms prior to submission to the state for reimbursement. Management will also perform random checks of supporting documentation.

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Section IV - Prior Year Audit Findings

Albuquerque Public Schools

06-01 Prior Period Restatements	Repeated
06-07 Audit Report	Repeated
06-08 Purchasing	Repeated
06-10 PED Reporting	Cleared
06-11 Timely Reconciliation of Capital Asset Inventory	Repeated
06-13 Overspending of Budgeted Amounts	Repeated
06-14 Capital Assets Recognition	Repeated
06-15 Allowable Costs	Cleared
06-16 Licensure	Cleared
06-17 Pledged Collateral-Cash Equivalents and Deposits	Cleared
06-21 Encumbrances	Cleared
06-22 Allowable Costs-HB33	Cleared
FA 06-01 USDA – Allowable Costs	Cleared
FA 06-02 Allowable Costs – USDA Payroll	Cleared
FA 06-03 USDA – Eligibility	Cleared
FA 06-04 Title I – Internal Controls	Cleared
FA 06-05 Reporting	Repeated
FA 06-06 Personnel Files – Allowable Costs	Repeated
FA 06-07 Audit Report Submission of Data Collection Form and Reporting Package	Repeated
FA 06-08 Audit Report and Submission of the Data Collection Form to the Federal Audit Clearinghouse	Repeated
FA 06-09 2005 Audit Report and Submission of the Data Collection Form to the Federal Audit Clearinghouse	Repeated

21st Century

FS 06-23 Cash not Reconciled	Cleared
FS 06-24 Budget Adjustment Requests	Cleared
FS 06-25 Difference with General Ledger and 941, PERA/(ERA) and RHC	Cleared
FS 06-26 Budgetary Conditions	Cleared
FS 06-27 Internal Controls Over Journal Entries	Repeated
FS 06-28 PED Reports	Repeated

Academia de Lengua y Cultura

FS 06-29 Pledged Collateral	Repeated
FS 06-30 Stale Dated Checks	Cleared
FS 06-31 BAR not requested for Expenditure	Revised
FS 06-32 Procurement not Received/Tested on Expenditure	Cleared
FS 06-33 Cash not Reconciled	Repeated
FS 06-34 Employee Retirement Board Contributions	Repeated
FS 06-35 Internal Controls over Non-Standard Journal Entries	Repeated
FS 06-36 Business Licensure	Cleared
FS 06-37 Budgetary Conditions	Repeated
FS 06-38 Segregation of Duties	Repeated
FS 06-39 Inadequate Segregation of Duties in the Receipting Process	Cleared
FS 06-40 Internal Control Structure	Cleared
FS 06-41 PED Reports	Repeated
FS 06-42 Failure to Authorize Purchases with Signatory Authority	Cleared

Albuquerque Institute for Math & Science

No Prior Year Findings

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

Amy Biehl Charter High School and Foundation

FS 06-43 Payroll – Lack of Authorization on Pay Rates.	Cleared
FS 06-44 Timely Deposits	Cleared
FS 06-45 Approval and Documentation on Journal Entries	Repeated
FS 06-46 Business Licensure	Cleared
FS 06-47 Budgetary Conditions	Cleared
FS 06-48 Lack of Supporting Documentation – Foundation	Cleared

Career Academic & Technical Academy

No Prior Year Findings

Cesar Chavez Community School

FS 06-50 Procurement	Cleared
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Christine Duncan

No Prior Year Findings

Creative Education Preparatory Institute #1

FS 06-58 Bank Deposits	Repeat
FS 06-59 PED Reports	Repeat

Creative Education Preparatory Institute #2

No Prior Year Findings

Digital Arts and Technology Academy

FS 06-51 Supply Inventory	Repeated
FS 06-52 Approval and Documentation on Journal Entries	Repeated
FS 06-53 Business Licensure	Cleared
FS 06-54 Budgetary Conditions	Cleared
FS 06-55 RHC Contributions	Cleared
FS 06-56 Reporting	Cleared
FS 06-57 PED Reports	Repeated

East Mountain High School & Foundation

FS 06-61 Travel & Per Diem	Cleared
FS 06-62 Disbursements – Lack of Documentation	Cleared
FS 06-63 Cash receipts – Inadequate Documentation	Cleared
FS 06-64 Fixed assets – Lack of Disposal Records	Cleared
FS 06-65 Budgetary Conditions	Cleared
FS 06-66 Gross Pay Does Not Agree To Contract Amount	Repeated
FS 06-67 Approval and Documentation on Journal Entries	Repeated
FS 06-68 PED Reports	Repeated

El Camino Real Academy (formerly Horizon South Academy)

FS 06-84 Payroll-Lack of Supporting Documentation	Cleared
FS 06-85 Budget Adjustment Requests	Cleared
FS 06-86 Internal Controls over Non-Standard Journal Entries	Cleared
FS 06-87 Pledged Collateral	Cleared
FS 06-88 Budgetary Conditions	Repeated

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

High Tech Charter School

FS 06-69 Procurement	Repeated
FS 06-70 Credit Card Purchases-Lack of Supporting Documentation	Cleared
FS 06-71 Cash Reconciliations	Cleared
FS 06-72 Business Licensure	Cleared
FS 06-73 Budgetary Conditions	Cleared
FS 06-75 PED Reports	Cleared

Horizon Academy West

FS 06-89 Cash not Reconciled	Repeated
FS 06-90 Cash Receipts – Differences with General Ledger	Cleared
FS 06-91 Pledged Collateral	Cleared
FS 06-92 Business Licensure	Cleared
FS 06-93 PED Reports	Repeated
FS 06-94 Internal Control over Journal Entries	Cleared
FS 06-95 Activity Funds	Repeated
FS 06-96 Reporting	Cleared

La Academia de Esperanza

No Prior Year Findings

La Luz del Monte Learning Center

No Prior Year Findings

La Promesa Early Learning Center

FS 06-97 Lack of Supporting Documentation	Cleared
FS 06-98 Gross Pay Does Not Agree To Contract Amount	Repeated
FS 06-99 Lack of Authority Signatory on Payroll Registers	Repeated
FS 06-100 Travel and Per Diem	Cleared
FS 06-101 ERA and RHC Contributions	Repeated
FS 06-102 Budget Adjustment Requests	Cleared
FS 06-103 Pledged Collateral	Repeated
FS 06-104 Business Licensure	Repeated
FS 06-105 Budgetary Conditions	Repeated
FS 06-106 Internal Controls Over Journal Entries	Repeated
FS 06-107 Segregation of Duties	Cleared
FS 06-108 Inadequate Segregation of Duties in the Receipting Process	Cleared
FS 06-109 PED Reports	Repeated
FS 06-110 Federal Cash Requirements	Cleared

La Resolana Leadership Academy

FS 06-111 Disbursement – Lack of Authorization	Repeated
FS 06-112 Pledged Collateral	Cleared
FS 06-113 Travel & Per Diem	Cleared
FS 06-114 Business Licensure	Cleared
FS 06-115 Budgetary Conditions	Cleared
FS 06-116 Internal Controls Over Journal Entries	Cleared
FS 06-117 Policies and Procedures	Repeated
FS 06-118 PED Reports	Cleared

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

Los Puentes

FS 06-119 Cash not Reconciled	Cleared
FS 06-120 Payroll – Lack of Documentation	Cleared
FS 06-121 Credit Cards – Lack of supporting documentation	Cleared
FS 06-122 Cash Receipts – Lack of Documentation	Cleared
FS 06-123 Budgetary Conditions	Cleared
FS 06-124 Internal Controls Over Journal Entries	Cleared
FS 06-125 Inadequate Segregation of Duties in the Receipting Process	Cleared
FS 06-126 PED Reports	Cleared
FS 06-127 Compensated Absences	Cleared

Montessori Elementary

FS 06-128 Deposits within 24 Hours	Repeated
FS 06-129 Lack of supporting documentation	Cleared
FS 06-130 Purchase Orders were overspent	Cleared
FS 06-131 Bids	Cleared

Montessori of the Rio Grande

FS 06-132 Cash Receipts – Untimely Deposits	Cleared
FS 06-133 Procurement	Cleared
FS 06-134 Budgetary Conditions	Cleared

Mountain Mahogany Community School

FS 06-135 Bank Reconciliation	Cleared
FS 06-136 Cash Disbursements	Cleared
FS 06-137 Journal Entries	Repeated
FS 06-138 Budget Adjustments	Cleared
FS 06-139 Quarterly Reports	Repeated
FS 06-140 Business Licensure	Cleared
FS 06-141 Budgetary Conditions	Cleared
FS 06-142 Segregation of Duties	Cleared
FS 06-143 PED Reports	Cleared

Native American Community Academy

FS 06-144 Pledged Collateral	Cleared
FS 06-145 Internal Controls Over Non-Standard Journal Entries	Cleared

North Albuquerque CO-OP

FS 06-146 Pledged Collateral	Cleared
FS 06-147 Budgetary Conditions	Cleared
FS 06-148 Internal Controls Over Journal Entries	Repeated

North Valley Academy (formerly Horizon Academy Northwest)

FS 06-76 Cash not Reconciled	Cleared
FS 06-77 Disbursements – Lack of Supporting Documentation	Cleared
FS 06-78 Pledged Collateral	Cleared
FS 06-79 Business Licensure	Cleared
FS 06-80 Budgetary Conditions	Cleared
FS 06-81 Activity Funds	Cleared
FS 06-82 Internal Controls over Journal Entries	Cleared
FS 06-82 PED Reports	Cleared

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

Nuestros Valores

FS 06-149 Cash not Reconciled	Cleared
FS 06-150 Stale Dated Check	Cleared
FS 06-151 Difference with General Ledger and 941 Reports	Cleared
FS 06-152 Budgetary Conditions	Cleared
FS 06-153 Internal Controls Over Journal Entries	Repeated
FS 06-154 PED Reports	Cleared
FS 06-155 Segregation of Duties	Cleared

Public Academy for Performing Arts

FS 06-156 Lack of Payroll Documentation	Repeated
FS 06-157 Federal Cash Requirements	Cleared
FS 06-158 Disbursements-Lack of Purchase Order Authorization	Repeated
FS 06-159 Cash Receipts-Lack of Documentation	Cleared
FS 06-160 Travel and Per Diem	Cleared
FS 06-161 Stale Dated Checks	Cleared
FS 06-162 Budgetary Conditions	Repeated
FS 06-163 Segregation of Duties	Cleared
FS 06-164 PED Reports	Repeated
FS 06-165 Internal Controls over Journal Entries	Cleared

Ralph J. Bunche

FS 06-166 Budgetary Conditions	Cleared
FS 06-167 Purchasing	Cleared
FS 06-168 PED Reports	Cleared
FS 06-169 Segregation of Duties	Cleared
FS 06-170 Allowable Costs	Cleared
FS 06-171 Licensure	Cleared
FS 06-172 Bids	Cleared
FS 06-173 Contracted Services	Cleared
FS 06-174 Internal Control Structure	Cleared
FS 06-175 Abuse of Funds	Cleared
FS 06-176 Anti-Donation	Cleared

Robert F. Kennedy

FS 06-177 Cash Receipts – Untimely Deposits	Repeated
FS 06-178 Budgetary Conditions	Repeated

School for Integrated Academics

No Prior Year Findings

South Valley Academy

FS 06-179 Cash not Reconciled	Repeated
FS 06-180 Federal Cash Requirements	Cleared
FS 06-181 Lack of Authority Signature on Payroll Registers	Cleared
FS 06-182 Disbursements – Lack of Authorization	Cleared
FS 06-183 Budgetary Conditions	Repeated
FS 06-184 Internal Controls over Non-Standard Journal Entries	Cleared
FS-06-185 PED Reports	Cleared

Southwest Primary Learning Center

No Prior Year Findings

STATE OF NEW MEXICO
ALBUQUERQUE PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007

Southwest Secondary Learning Center

No Prior Year Findings

The Bataan Military Academy

No Prior Year Findings

The Learning Community Center

No Prior Year Findings

Youth-Build

FS 06-186 Anti-Donation

Cleared

FS 06-187 Procurement & Purchase Orders

Cleared

FS 06-188 Segregation of Duties

Repeated

FS 06-189 Budgetary Conditions

Repeated

Section V – Other Disclosures

Exit Conference

The contents of this report were discussed on July 21, 2008. The following individuals were in attendance.

Winston Brooks, Superintendent
Gina Hickman, Chief Financial Officer
Tami Coleman, Director of Accounting
Mary Lee Martin, Board President

Wayne Brown, Moss Adams, LLP, Partner
Amy Carter, Moss Adams LLP, Senior Manager
JJ Griego, Griego Professionals Services, LLC

Albuquerque Public Schools

In addition, the contents of each individual Charter School reports were discussed on various dates between June 1 and July 31, 2008, with the representatives of the schools. The following individuals were in attendance.

21st Century

Donna Eldredge, Principal
Todd Culp, Governing Council president
Josesph Sanchez, Governing Council member
Kathryn Krivitzky, Business manager

Academia de Lengua y Cultura

Colleen Adolph, Principal
Mary Scofield, Business Manager

Albuquerque Institute for Math & Science

Kathy Sandoval-Snider, Principal
Kathryn Watkins, Governing Council
Nicole Glasrud, Business Manager

Amy Biehl Charter High School and Foundation

Tony Monfilietto, Foundation Executive Director
Cliff Wintrode, Governing Council member
Betty Seeley, Business Manager

Career Academic & Technical Academy

Toni Allison, Governing Board Member
Ronda Lovato, Business Manager

Cesar Chavez Community School

Carly Thomas, Principal
Dona Rose, Governing Council

Christine Duncan

Jesus Moncada, Principal
Carlos Otero, Governing Council, President
Domingo Sanchez, Business Manager

Section V – Other Disclosures

Creative Education Preparatory Institute #1

Thomas Crespin, Program Director, Principal

Tina Patel, Operations Coordinator

Suzy Sanchez, Finance

Maviecinne Nowley, Governing Council

Creative Education Preparatory Institute #2

Stan Albrycht, Business Manager

Judy Bergs, APS, Charter School Business Manager

Digital Arts and Technology Academy

Evelyn Hunemuller, COO

Al Sanchez, Governing Council

Lynette Quintana, Business Officer

Michael Vigil, REDW

Jay Jullian, REDW

East Mountain High School & Foundation

Lane Widner, Principal

Russ Cummins, Governing Council Member

Kay Girdner, Business Manager

Lisa Quick, Foundation Business Manager/Governing Council

Valinda Gorder, Foundation, Governing Council

El Camino Real Academy (formerly Horizon South Academy)

Jennifer Mercer, Principal

Mary Scofield, Business Manager

Horizon Academy West

Michael Vigil, Business Manager

Jay Julian, Assistant Business Manager

Charlotte Baca, Accounting Specialist

Cindy Carter, Principal

Judy Bergs, APS, Charter School Business Manager

La Academia de Esperanza

Steve Wood, Principal

George Perez, Business Manager

Juby Berg, APS, Charter School Business Manager

La Luz del Monte Learning Center

Araceli Sosa, Business Manager

Al Baysinger, Principal

La Promesa Early Learning Center

Bernadette Maes, Principal

Roberta Maestas, Governing Council for the La Promesa Charter School

Stan Albrycht, Business Manager

Analee Maestas, Executive Director for the La Promesa Charter School

Amy Atkins, President of La Promesa Foundation

La Resolana Leadership Academy

Justina Montoya, Principal

Kay Tenorio, Governing Council

Jay Jullian, REDW/Business Manager

Section V – Other Disclosures

Los Puentes

Ellen Moore, Principal
Jean Stavley, Governing Council member
Pat Kelly, Business Manager

Montessori Elementary

Spencer Visconti, President
Stan Albrycht, Business Manager

Montessori of the Rio Grande

Chris Felix, Business Manager

Mountain Mahogany Community School

Kendra Toth, Executive Coordinator
Stephanie Treadwell, School Administrator
Craig Oresman, Governing Council
Diane Gunn, Business Manager

Native American Community Academy

Kara Bobroff, Principal
Jaquin Noon, Governing Council
Robert Vallegos, Business Manager

North Albuquerque CO-OP

Shelly Cherrin, Principal
Marcos Martinez, Governing Council
Rhonda Lovato, Business Manager

North Valley Academy (formerly Horizon Academy North)

Julie Crespy, Business Manager

Nuestros Valores

Monica Aguilar, Principal
Mark Amijo, Governing Council president
Al Valdez, Business Manager
Jenifer English, Assistant Business Manager

Public Academy for Performing Arts

Tamara Henderson, Principal
Valerie Scott, Board Member
Rhonda Lovato, Business Manager

Ralph J. Bunche

Michael Vigil, Business Manager
Jay Julian, Assistant Business Manager
Charlotte Baca, Accounting Specialist
Marsha Aardiman, Board Member

Robert F. Kennedy

Julie Crespy, Business Manager
Robert Baade, Head Teacher

School for Integrated Academics

Kelly Callahan, Principal
Emily Salazar, Governing Council
Curt Szarek, Business Manager

Section V – Other Disclosures

South Valley Academy

Ruby Chavez, Business Manager
Mary Scofield, Associate Business Manager
Juan Abeyta, Board Member
Alan Marks, Principal

Southwest Primary Learning Center

Araceli Sosa, Business Manager
Jerry Duran, Governing Council

Southwest Secondary Learning Center

Araceli Sosa, Business Manager
Aggie Lopez, Governing Council

The Bataan Military Academy

Elen Moore, Governing Council
Darva Chino, Governing Council
Jay Jullian, REDW/Business Manager

The Learning Community Center

Viola Martinez, Principal
Stan Albrycht, Business Manager
Jim Howden
George Peres

Youth-Build

Lee Maxwell, Governing Council President
Kay Birukoff, Principal
Wayne Gordon, Assistant Principal
Alfred Martinez, Business Manager
Judy Bergs, APS Charter School Business Manager
Rudy Sparig, Board Member (Finance Committee)