

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL
DISTRICT NO. 19

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2009
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

 KEYSTONE ACCOUNTING, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

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STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

OFFICIAL ROSTER
June 30, 2009

Board of Education

Donald A. Valdez	Board President
Earnest E. Vigil	Board Vice President
Billy Joe F. Samora	Board Secretary
Silviano A. Atencio	Board Member
Thomas R. Rivas	Board Member

School Officials

Manuel F. Valdez	Superintendent
Anthony Casados	Assistant Superintendent
Danette Garcia	Business Manager

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FINANCIAL SECTION

FISCAL YEAR 2009

JULY 1, 2008 THROUGH JUNE 30, 2009

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KEYSTONE ACCOUNTING, LLC

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Farmington, NM 87401

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Telephone (505) 566-1900
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INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor
And the Board of Education of
Chama Valley Independent School District No. 19

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Chama Valley Independent School District No. 19, as of and for the year ended June 30, 2009, which collectively comprise Chama Valley Independent School District No. 19's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Chama Valley Independent School District No. 19's 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, 2009, as listed in the table of contents. These financial statements are the responsibility of the agency'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, each major fund, and the aggregate remaining fund information of the Chama Valley Independent School District No. 19, as of June 30, 2009, and the respective changes in financial position thereof and the respective budgetary comparisons of the General Fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Chama Valley Independent School District No. 19, as of June 30, 2009, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital projects funds, debt service fund, and all nonmajor governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2009, on our consideration of the Chama Valley Independent School District No. 19'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 conjunction with this report in assessing the results of our audit.

KEYSTONE ACCOUNTING, LLC

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Hector H. Balderas, State Auditor
And the Board of Education of
Chama Valley Independent School District No. 19

The District has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not a required part of, the basic financial statements.

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

Keystone Accounting, LLC

October 29, 2009

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
Chama Valley Independent Schools

STATEMENT OF NET ASSETS
June 30, 2009

	<u>Governmental Activities</u>
 <u>ASSETS</u>	
Cash and cash equivalents	\$ 2,512,675
Receivables:	
Delinquent property taxes receivable	378,513
Grant	404,462
Due from other governments	47,840
Deferred bond issuance costs	309,744
USDA commodities inventory	137
Food inventory	113
 Non-current:	
Non-depreciable assets	380,030
Depreciable capital assets, net	<u>14,083,534</u>
Total assets	<u>18,117,048</u>
 <u>LIABILITIES</u>	
Accounts payable	129,945
Accrued interest	85,309
Deferred grant revenue	86,618
Deposits held for others	2,750
Compensated absences	141,330
Noncurrent liabilities:	
Due within one year	565,000
Due in more than one year	<u>6,333,564</u>
Total liabilities	<u>7,344,516</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	7,479,691
Restricted:	
Debt service	668,646
Capital projects	2,384,194
Unrestricted	<u>240,001</u>
Total net assets	<u>\$ 10,772,532</u>

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

STATE OF NEW MEXICO
Chama Valley Independent Schools

STATEMENT OF ACTIVITIES
Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Primary government:					
Governmental activities:					
Instruction	\$ 3,397,676	\$ 11,045	\$ 1,697,504	\$ 3,834	\$ (1,685,293)
Support Services - Students	418,068	40,992	208,870	471	(167,735)
Support Services - Instruction	217,071	-	108,450	245	(108,376)
Support Services - General Administration	412,613	-	206,144	465	(206,004)
Support Services - School Administration	592,829	-	296,182	669	(295,978)
Central Services	321,138	-	160,443	-	(160,695)
Operations & Maintenance of Plant	1,417,710	-	708,298	-	(709,412)
Student Transportation	423,023	-	378,871	-	(44,152)
Food Services	336,433	17,901	203,079	-	(115,453)
Bond interest paid	281,155	-	-	-	(281,155)
Total governmental activities	<u>\$ 7,817,716</u>	<u>\$ 69,938</u>	<u>\$ 3,967,841</u>	<u>\$ 5,684</u>	<u>(3,774,253)</u>
General revenues:					
Property Taxes:					
					64,248
General purposes					582,986
Debt service					608,151
Capital projects					5,076,600
Grants and contributions not restricted					953
Unrestricted investment earnings					6,332,938
Total general revenues					6,332,938
Loss on asset disposal					(3,022)
Change in net assets					2,555,663
Net assets - beginning					8,216,869
Net assets - ending					\$ 10,772,532

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

STATE OF NEW MEXICO
Chama Valley Independent Schools

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2009

	General <u>Fund</u>	Debt Service <u>Fund</u>	Bond Building <u>Fund</u>	Special Capital Outlay - State <u>Fund</u>	Capital Improvements SB-9 <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<u>ASSETS</u>							
Pooled cash and investments	\$ 52,416	\$ 346,970	\$ 1,690,635	\$ 62,068	\$ 637,465	\$ (276,879)	\$ 2,512,675
Receivables:							
Delinquent property taxes	12,463	284,724	-	-	81,326	-	378,513
Grant	-	-	-	-	-	404,462	404,462
Due from other governments	1,485	36,952	-	-	9,403	-	47,840
USDA commodities inventory	-	-	-	-	-	137	137
Food inventory	-	-	-	-	-	113	113
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 66,364</u>	<u>\$ 668,646</u>	<u>\$ 1,690,635</u>	<u>\$ 62,068</u>	<u>\$ 728,194</u>	<u>\$ 127,833</u>	<u>\$ 3,343,740</u>
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Accounts payable	\$ 14,545	\$ -	\$ 113,830	\$ -	\$ -	\$ 1,570	\$ 129,945
Deposits held for others	2,750	-	-	-	-	-	2,750
Deferred revenue:							
Federal, state, and local grants	-	-	-	-	-	86,618	86,618
Delinquent property taxes	11,383	260,927	-	-	74,075	-	346,385
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>28,678</u>	<u>260,927</u>	<u>113,830</u>	<u>-</u>	<u>74,075</u>	<u>88,188</u>	<u>565,698</u>
Fund balance:							
Reserved:							
Retirement of long-term debt	-	407,719	-	-	-	-	407,719
Capital projects funds	-	-	1,576,805	62,068	654,119	17,127	2,310,119
Inventories	-	-	-	-	-	250	250
Unreserved reported in:							
General fund	37,686	-	-	-	-	-	37,686
Special revenue funds	-	-	-	-	-	22,268	22,268
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>37,686</u>	<u>407,719</u>	<u>1,576,805</u>	<u>62,068</u>	<u>654,119</u>	<u>39,645</u>	<u>2,778,042</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 66,364</u>	<u>\$ 668,646</u>	<u>\$ 1,690,635</u>	<u>\$ 62,068</u>	<u>\$ 728,194</u>	<u>\$ 127,833</u>	<u>\$ 3,343,740</u>

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

STATE OF NEW MEXICO
Chama Valley Independent Schools

RECONCILIATION OF THE BALANCE SHEET - ALL
GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2009

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

Fund balances - total governmental funds	\$ 2,778,042
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	14,463,564
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	346,385
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(6,815,459)</u>
Net assets of governmental activities	<u>\$ 10,772,532</u>

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

STATE OF NEW MEXICO
Chama Valley Independent Schools

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2009

	General Fund	Debt Service Fund	Bond Building Fund	Special Capital Outlay - State Fund	Capital Improvements SB-9 Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Federal sources:							
Forest reserve	\$ 86,291	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,291
Federal flowthrough grants	6,932	-	-	-	-	546,975	553,907
Federal direct grants	257,206	-	-	-	-	35,988	293,194
Food and milk reimbursements	-	-	-	-	-	187,920	187,920
USDA Commodities	-	-	-	-	-	15,159	15,159
	<u>350,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>786,042</u>	<u>1,136,471</u>
Total federal revenues							
State sources:							
State equalization guarantee	4,990,309	-	-	-	-	-	4,990,309
Transportation	378,871	-	-	-	-	-	378,871
State instructional material	39,225	-	-	-	-	-	39,225
State grant	5,550	-	-	2,341,777	-	142,341	2,489,668
	<u>5,413,955</u>	<u>-</u>	<u>-</u>	<u>2,341,777</u>	<u>-</u>	<u>142,341</u>	<u>7,898,073</u>
Total state revenues							
Local sources:							
Grant	41	-	-	-	-	6,406	6,447
District school tax levy	62,975	554,297	-	-	599,668	-	1,216,940
Fees and activities	11,045	-	-	-	-	58,893	69,938
Earnings from investments	851	789	4,221	263	1,200	102	7,426
	<u>74,912</u>	<u>555,086</u>	<u>4,221</u>	<u>263</u>	<u>600,868</u>	<u>65,401</u>	<u>1,300,751</u>
Total local revenues							
Total revenue	<u>\$ 5,839,296</u>	<u>\$ 555,086</u>	<u>\$ 4,221</u>	<u>\$ 2,342,040</u>	<u>\$ 600,868</u>	<u>\$ 993,784</u>	<u>\$ 10,335,295</u>

(continued)

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

	General Fund	Debt Service Fund	Bond Building Fund	Special Capital Outlay - State Fund	Capital Improvements SB-9 Fund	Other Governmental Funds	Total Governmental Funds
Expenditures:							
Current:							
Instruction	\$ 2,647,722	\$ -	\$ -	\$ -	\$ -	\$ 503,537	\$ 3,151,259
Support Services - Students	322,499	-	-	-	-	65,248	387,747
Support Services - Instruction	179,547	-	-	-	-	7,950	187,497
Support Services - General Administrati	319,934	5,175	-	-	5,771	51,808	382,688
Support Services - School Administration	446,103	-	-	-	-	103,731	549,834
Central Services	264,950	-	-	-	-	32,897	297,847
Operations & Maintenance of Plant	1,027,809	-	11,373	31,785	239,232	4,691	1,314,890
Student Transportation	379,899	-	-	-	8,006	4,438	392,343
Food Services	70,395	-	-	-	-	241,638	312,033
Capital outlay	257,206	-	471,900	2,347,774	116,851	-	3,193,731
Debt service:							
Principal retirement	-	530,000	-	-	-	-	530,000
Bond interest paid	-	239,566	-	-	-	-	239,566
Bond issuance costs	-	-	49,442	-	-	-	49,442
Total expenditures	<u>5,916,064</u>	<u>774,741</u>	<u>532,715</u>	<u>2,379,559</u>	<u>369,860</u>	<u>1,015,938</u>	<u>10,988,877</u>
Excess (deficiency) of revenues over expenditures	(76,768)	(219,655)	(528,494)	(37,519)	231,008	(22,154)	(653,582)
Other financing sources:							
Sale of bonds	-	-	612,000	-	-	-	612,000
Net change in fund balance	(76,768)	(219,655)	83,506	(37,519)	231,008	(22,154)	(41,582)
Fund balance at beginning of the year	<u>114,454</u>	<u>627,374</u>	<u>1,493,299</u>	<u>99,587</u>	<u>423,111</u>	<u>61,799</u>	<u>2,819,624</u>
Fund balance at end of the year	<u>\$ 37,686</u>	<u>\$ 407,719</u>	<u>\$ 1,576,805</u>	<u>\$ 62,068</u>	<u>\$ 654,119</u>	<u>\$ 39,645</u>	<u>\$ 2,778,042</u>

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

STATE OF NEW MEXICO
Chama Valley Independent Schools

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2009

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

Net change in fund balance - total governmental funds	\$ (41,582)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year	2,647,139
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	38,445
The issuance of long-term debt (e.g., bonds) 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, and similar, items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(70,420)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(17,919)</u>
Change in net assets of governmental activities	<u>\$ 2,555,663</u>

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

STATE OF NEW MEXICO
Chama Valley Independent Schools

GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Federal sources:				
Forest reserve	\$ 14,353	\$ 14,353	\$ 86,291	\$ 71,938
Federal grant	-	257,206	257,206	-
Federal direct grant	<u>12,964</u>	<u>12,964</u>	<u>6,932</u>	<u>(6,032)</u>
Total federal revenues	<u>27,317</u>	<u>284,523</u>	<u>350,429</u>	<u>65,906</u>
State sources:				
State equalization guarantee	5,009,865	5,769,642	4,990,309	(779,333)
Transportation	349,376	382,180	378,871	(3,309)
State instructional material	39,225	39,225	39,225	-
State grant	<u>2,486</u>	<u>12,930</u>	<u>5,550</u>	<u>(7,380)</u>
Total state revenues	<u>5,400,952</u>	<u>6,203,977</u>	<u>5,413,955</u>	<u>(790,022)</u>
Local sources:				
Grant	50	50	41	(9)
District school tax levy	33,303	33,303	61,839	28,536
Fees and activities	14,050	14,050	11,045	(3,005)
Earnings from investments	<u>2,350</u>	<u>2,350</u>	<u>851</u>	<u>(1,499)</u>
Total local revenues	<u>49,753</u>	<u>49,753</u>	<u>73,776</u>	<u>24,023</u>
Total revenues	<u>\$ 5,478,022</u>	<u>\$ 6,538,253</u>	<u>\$ 5,838,160</u>	<u>\$ (700,093)</u>

(continued)

STATE OF NEW MEXICO
Chama Valley Independent Schools

GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Expenditures:				
Current:				
Instruction	\$ 2,648,400	\$ 3,164,597	\$ 2,668,855	\$ 495,742
Support Services - Students	310,960	331,486	322,441	9,045
Support Services - Instruction	159,007	183,925	179,547	4,378
Support Services - General Administration	387,168	383,820	318,473	65,347
Support Services - School Administration	574,726	502,492	446,103	56,389
Central Services	205,122	278,910	269,713	9,197
Operation & Maintenance of Plant	868,726	1,079,350	1,030,581	48,769
Student Transportation	350,326	383,733	379,125	4,608
Other Support Services	3,351	3,351	-	3,351
Food Services Operations	72,500	71,646	70,395	1,251
Total current expenses	5,580,286	6,383,310	5,685,233	698,077
Capital outlay:				
Buildings and improvements	-	257,206	257,206	-
Total expenditures	5,580,286	6,640,516	5,942,439	698,077
Excess (deficiency) of revenues over expenditures	(102,264)	(102,263)	(104,279)	(2,016)
Beginning cash balance budgeted	102,264	102,263	-	(102,263)
Fund balance at beginning of the year	-	-	114,454	114,454
Fund balance at end of the year	\$ -	\$ -	10,175	\$ 10,175
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			1,831	
Change in due from other governments			577	
Change in payables			26,376	
Change in deferred property taxes			(1,273)	
			\$ 37,686	

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

STATE OF NEW MEXICO
Chama Valley Independent Schools

AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
June 30, 2009

ASSETS

Pooled cash and investments	\$ <u>48,319</u>
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LIABILITIES

Total liabilities and fund balance	\$ <u>48,319</u>
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The notes to the financial statements are an integral part of this statement.

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STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

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STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Chama Valley Independent School District (District) is a special purpose government corporation governed by an elected five-member Board of Education. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to the public school education in the Village of Chama, New Mexico and the surrounding areas. The District is responsible for all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District's financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters. Based upon the application of these criteria, no component units or fiduciary units were included in the financial statements.

GAAP requires that financial statements present the District (primary government) and its component units. The district does not have any component units that are required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*.

1. Blended Component Units

The District does not have any component units reported as blended component units.

2. Discretely Presented Component Units

The District does not have any component units reported as discretely presented component units.

The summary of significant accounting policies of the District is presented to assist in the understanding of the Association's financial statements. The financial statements and notes are the representation of Chama Valley Independent School District's management who is responsible for their integrity and objectivity. The financial statements of the Association conform to Generally Accepted Accounting Principles (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 more significant of the government's accounting policies are described below.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of interfund activity has been removed from these statements.

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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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. 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, net of estimated refunds and estimated uncollectable amounts, in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The government reports the following major governmental funds:

General Fund – The general fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Bond Building Capital Projects Fund – This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

Special Capital Outlay-State Capital Projects Fund – This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

Capital Improvements SB-9 Capital Projects Fund – This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

Additionally, the government reports the following fund types:

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

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.

Fiduciary Funds – Fiduciary Funds are the agency funds used to account for financial resources used by the student activity groups for which the District has stewardship

Similar to private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Assets or Equity

1. *Deposits and investments*

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

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 school 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.

2. *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."

The District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB – 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the School District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectibles has not been recorded.

3. *Inventories*

USDA Commodities are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The costs of library books are not depreciated unless the individual cost is in excess of \$5,000. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Building improvements	20
Land Improvements	10-20
Vehicles	5-7
Office equipment	5
Computer equipment	3-5

5. *Compensated absences*

It is the School District's policy to permit employees to accumulate earned but unused vacation, which no more than 20 days will be paid to employees upon separation from the District's service. Twelve-month employees that are full time are entitled to two weeks paid vacation per year. Vacation days may not accrue from one year to the next without the prior approval of the superintendent, and is accrued when incurred in the government-wide financial statements.

Sick pay does not vest and is recorded as expenditures when it is paid.

6. *Long-term obligations*

In the government-wide 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 discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. *Fund balance*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

8. *Net assets*

Net assets are presented on the statement of net assets and may be presented in any of three components.

a. Invested in capital assets, net of related debt

This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not be included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

b. Restricted net assets

Net assets are reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

c. Unrestricted net assets

Unrestricted net assets consist of net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

In the governmental environment, net assets often are designated to indicate that management does not consider them to be available for general operations. In contrast to restricted net assets, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

9. *Indirect Costs*

The District's General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

10. *Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted 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.

11. *Revenues*

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".

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 \$4,990,309 in state equalization guarantee distributions during the year ended June 30, 2009.

Transportation Distribution: School districts in the State of New Mexico received 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. The District received \$378,871 in transportation distributions during the year ended June 30, 2009.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.” The details of the \$14,463,564 difference are as follows:

Capital assets	\$ 20,006,238
Accumulated depreciation	<u>(5,542,674)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 14,463,564</u>

Another element of the reconciliation states “other assets are not available to pay to current-period expenditures and therefore are deferred in the funds.” The details of the \$346,385 difference are as follows:

Property taxes receivable	<u>\$ 346,385</u>
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The final adjustment in the reconciliation indicates that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The \$6,815,459 difference is detailed as follows:

Bonds payable	\$ (6,877,000)
Accrued interest payable	(85,309)
Accrued vacation payable	(141,330)
Bond premiums	(31,833)
Amortization of bond premiums	10,269
Bond issue costs	428,309
Amortization of bond issue costs	<u>(118,565)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ (6,815,459)</u>

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities
(continued)

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$2,647,139 difference are as follows:

Capital outlay	\$ 3,193,731
Depreciation expense	<u>(546,592)</u>
Net adjustment to changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 2,647,139</u>

The second element in the reconciliation indicates “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The adjustment of \$38,445 is detailed as follows:

Reduction in revenue:	
Deferred property taxes in 2008	(307,940)
Amounts to be included in revenue:	
Deferred property taxes in 2009	<u>346,385</u>
Net adjustment to change in net assets of governmental activities for revenues that are not recorded in the funds	<u>\$ 38,445</u>

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities
(continued)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, 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.” The details of this \$(70,420) difference are as follows:

Principal repayments:	
General obligation debt	\$ 530,000
Proceeds of bonds	(612,000)
Amortization of bond premium	2,661
Bond issuance costs	49,442
Amortization of bond issuance costs	<u>(40,523)</u>
Net adjustment to decrease change in net assets of governmental activities	<u>\$ (70,420)</u>

The final element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$17,919 difference are as follows:

Accrued interest:	
June 30, 2009	\$ (85,309)
June 30, 2008	84,243
Compensated absences:	
June 30, 2009	(141,330)
June 30, 2008	127,499
Loss on asset disposal	<u>(3,022)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (17,919)</u>

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the Public School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Information (continued)

6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2009 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 5,580,286	\$ 6,640,516
Special Revenue Fund	677,599	1,217,902
Debt Service Fund	1,383,828	1,383,828
Capital Projects Fund	2,498,908	5,854,188
Totals	\$ 10,140,621	\$ 15,096,434

B. Deficit fund equity

There was one deficit fund balance of \$2,800 in the Operational Fund as of June 30, 2009. This deficit is expected to be covered by property tax revenues.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2009, the carrying amount of the District's deposits was \$2,560,994 and the bank balance was \$2,976,921 with the difference being outstanding checks. Of this balance \$250,000 was covered by federal depository insurance and \$1,787,702 was covered by collateral held in joint safekeeping by a third party. The remaining \$938,219 was not covered by pledged collateral is comprised of amounts in excess of those required to be collateralized under State law.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and Temporary Investments (continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico 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 District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2009, \$938,219 of the District's bank balance of \$2,976,921 was exposed to custodial risk as follows:

Uninsured and uncollateralized	\$	939,219
Uninsured and collateral held by pledging bank's trust dept not in the District's name		1,787,702
Total uninsured		2,726,921
Insured (FDIC)		250,000
Total deposits	\$	2,976,921
State of New Mexico collateral requirement:		
50% of uninsured public fund bank deposits	\$	1,363,461
Pledged security		1,787,702
Over collateralization	\$	424,241

The collateral pledged is listed on Page 107 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 Authority, public unit deposits are funds owned by the schools. 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 \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

B. Receivables

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the following:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements SB-9</u>	<u>Other Governmental Funds</u>
Receivables:				
Delinquent property taxes	\$ 12,463	\$ 284,724	\$ 81,326	\$ -
Grant	-	-	-	404,462
Due from other:				
Governments	<u>1,485</u>	<u>36,952</u>	<u>9,403</u>	<u>-</u>
Total	<u>\$ 13,948</u>	<u>\$ 321,676</u>	<u>\$ 90,729</u>	<u>\$ 404,462</u>

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
Other Governmental Funds	\$ -	\$ 86,618
Delinquent property taxes		
General Fund	11,383	-
Debt Service	260,927	-
Capital Improvements SB-9	<u>74,075</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 346,385</u>	<u>\$ 86,618</u>

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Restatement</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 266,200	\$ -	\$ -	\$ -	\$ 266,200
Construction in progress	-	113,830	-	-	113,830
Total capital assets, not being depreciated	<u>\$ 266,200</u>	<u>\$ 113,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,030</u>
Capital assets, being depreciated:					
Land improvements	\$ 947,999	\$ 93,231	\$ -	\$ -	\$ 1,041,230
Buildings and improvements	13,752,643	2,849,073	-	-	16,601,716
Furniture, fixtures, and equipment	1,906,774	137,597	(61,109)	-	1,983,262
Total capital assets being depreciated	<u>16,607,416</u>	<u>3,079,901</u>	<u>(61,109)</u>	<u>-</u>	<u>19,626,208</u>
Less accumulated depreciation for:					
Land improvements	(667,883)	(20,373)	-	-	(688,256)
Buildings and improvements	(3,027,922)	(383,223)	-	-	(3,411,145)
Furniture, fixtures, and equipment	(1,358,364)	(142,996)	58,087	-	(1,443,273)
Total accumulated depreciation	<u>(5,054,169)</u>	<u>(546,592)</u>	<u>58,087</u>	<u>-</u>	<u>(5,542,674)</u>
Total capital assets being depreciated, net	<u>\$ 11,553,247</u>	<u>\$ 2,533,309</u>	<u>\$ (3,022)</u>	<u>\$ -</u>	<u>\$ 14,083,534</u>

Depreciation has been allocated to the functions by the following amounts:

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 246,417
Support Services - Students	30,321
Support Services - Instruction	15,743
Support Services - General Administration	29,925
Support Services - School Administration	42,995
Central Services	23,291
Operations & Maintenance of Plant	102,820
Student Transportation	30,680
Food Services	24,400
Total Depreciation Expense	<u>\$ 546,592</u>

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

C. Capital Assets (continued)

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

Depreciation expense was not charged to functions/programs of the District because the detail information was not available.

Construction commitments

The Chama Valley Independent School District No. 19 received \$2,341,777 in funds from the State of New Mexico Public School Facilities Authority for the year ended June 30, 2009.

The District is involved in several long-term construction projects as part of their master plan for upgrading the district buildings. The amount of \$2,384,194 in the capital projects fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

D. Inter-Fund Receivables and Payables

There were not any inter-fund receivables or payables at June 30, 2009.

E. Inter-Fund Transfers

There were not any inter-fund transfers made during the year ended June 30, 2009.

F. Long-Term Debt

General Obligation Bonds

General Obligation Bonds – The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries. The details of the bonds and notes as of June 30, 2009 are as follows:

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

<u>General Obligations Bonds</u>		<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance June 30, 2009</u>	<u>Amount Due Within One Year</u>
Series	2004	\$ 2,500,000	2.20% to 3.50%	\$ 1,820,000	\$ 195,000
Series	2005	2,000,000	2.25% to 4.00%	1,585,000	155,000
Series	2006	1,000,000	4.00%	870,000	65,000
Series	2006B	650,000	3.45% to 4.20%	575,000	75,000
Series	2007	775,000	3.40% to 3.54%	725,000	25,000
Series	2008	390,000	3.75% to 4.50%	390,000	15,000
Series	2008B	325,000	2.785% to 4.40%	300,000	25,000
Series	2009	<u>600,000</u>	2.785% to 4.40%	<u>600,000</u>	<u>10,000</u>
Total		<u>\$ 8,240,000</u>		<u>\$ 6,865,000</u>	<u>\$ 565,000</u>

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>General Obligation Bonds</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2010	\$ 565,000	\$ 240,778	\$ 805,778
2011	580,000	223,471	803,471
2012	595,000	205,111	800,111
2013	615,000	185,337	800,337
2014	630,000	164,189	794,189
2015 - 2019	3,565,000	410,883	3,975,883
2020 - 2024	<u>315,000</u>	<u>7,262</u>	<u>322,262</u>
Total	<u>\$ 6,865,000</u>	<u>\$ 1,437,031</u>	<u>\$ 8,302,031</u>

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

G. Long-Term Debt (continued)

Changes in long term debt – During the year ended June 30, 2009 the following changes occurred in liabilities reported in the general obligation bonds account group:

	Balance <u>June 30, 2008</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2009</u>	Amount Due <u>Within One Year</u>
Compensated absences:					
Compensated vacation	\$ 127,499	\$ 50,588	\$ 36,757	\$ 141,330	\$ 141,330
Bonds payable	<u>6,795,000</u>	<u>600,000</u>	<u>530,000</u>	<u>6,865,000</u>	<u>565,000</u>
	<u>\$ 6,922,499</u>	<u>\$ 650,588</u>	<u>\$ 566,757</u>	<u>\$ 7,006,330</u>	<u>\$ 706,330</u>

Reconciliation of non-current liabilities as of June 30, 2009:

Bonds payable	\$ 6,865,000
Unamortized:	
Bond premiums	21,564
Less: current maturities	(565,000)
Good faith money on October 2009 bond issue	<u>12,000</u>
Total non-current liabilities	<u>\$ 6,333,564</u>

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service fund.

V. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

V. OTHER INFORMATION (continued)

A. Risk Management (continued)

The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2009.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

C. Employee Retirement Plan

Plan Description - Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes the financial statements and required supplementary information for the plan. That report may be obtained by writing to:

ERB
P.O. Box 26129
Santa Fe, New Mexico 87502-6129
www.nmerb.org

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

V. OTHER INFORMATION (continued)

C. Employee Retirement Plan (continued)

Funding Policy - Plan members are required to contribute 7.9% of their gross salary. Chama Valley Independent School District is required to contribute 11.65% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The District's contributions to the ERB for the years ended June 30, 2009, 2008 and 2007 were \$382,931, \$401,344, and \$349,771 respectively, equal to the amount of the required contribution for the year. The contribution rates will increase each year as follows:

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2009-2010	12.460%	7.900%
2010-2011	13.150%	7.900%
2011-2012	13.900%	7.900%

D. Post-Retirement Health Care Benefits

Plan Description – Chama Valley Independent School District No. 19's contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are:

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

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009

V. OTHER INFORMATION (continued)

D. Post-Retirement Health Care Benefits (continued)

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to:

Retiree Health Care Authority
4308 Carlisle NE, Suite 104
Albuquerque, NM 87107

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

Chama Valley Independent School District No. 19's contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$46,363, \$47,499 and \$48,907, respectively, which equal the required contributions for each year.

E. School District Cash Flows

The District operates on primarily on reimbursement grants. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in its self does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District cash flows and the ability to deliver educational services to the community in an effective manner. The delay in receiving reimbursements has been progressively increasing through this and the previous two years. The current trend will adversely affect the District in subsequent years.

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STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

GENERAL FUNDS
Year Ended June 30, 2009

OPERATING FUND

The government's primary fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TEACHERAGE FUND

Accounts for all financial resources used in the housing of teachers.

TRANSPORTATION FUND

Accounts for all the Transportation funds received through the state that are used in the maintaining and operating vehicles used to transport students.

INSTRUCTIONAL MATERIALS FUND

Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

STATE OF NEW MEXICO
Chama Valley Independent Schools

GENERAL FUND
Combining Balance Sheet
June 30, 2009

	General Funds				Total General <u>Fund</u>
	<u>Operational Fund</u>	Teacherage <u>Fund</u>	Transportation <u>Fund</u>	Instructional Materials <u>Fund</u>	
<u>ASSETS</u>					
Pooled cash and investments	\$ 8,389	\$ 13,932	\$ 1,334	\$ 28,761	\$ 52,416
Receivables:					
Delinquent property taxes	12,463	-	-	-	12,463
Due from other governments	1,485	-	-	-	1,485
Total assets	<u>\$ 22,337</u>	<u>\$ 13,932</u>	<u>\$ 1,334</u>	<u>\$ 28,761</u>	<u>\$ 66,364</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable	\$ 13,754	\$ 143	\$ 648	\$ -	\$ 14,545
Deposits held for others	-	2,750	-	-	2,750
Deferred revenue:					
Delinquent property taxes	11,383	-	-	-	11,383
Total liabilities	25,137	2,893	648	-	28,678
Fund balance:					
Unreserved and reported in:					
Undesignated	(2,800)	11,039	686	28,761	37,686
Total liabilities and fund balance	<u>\$ 22,337</u>	<u>\$ 13,932</u>	<u>\$ 1,334</u>	<u>\$ 28,761</u>	<u>\$ 66,364</u>

STATE OF NEW MEXICO
Chama Valley Independent Schools

GENERAL FUND
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2009

	General Funds				
	Operational Fund	Teacherage Fund	Transportation Fund	Instructional Materials Fund	Total General Fund
Revenues:					
Federal sources:					
Forest reserve	\$ 86,291	\$ -	\$ -	\$ -	\$ 86,291
Federal flowthrough grants	6,932	-	-	-	6,932
Federal direct grants	<u>257,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,206</u>
Total federal revenues	<u>350,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,429</u>
State sources:					
State equalization guarantee	4,990,309	-	-	-	4,990,309
Transportation	-	-	378,871	-	378,871
State instructional material	-	-	-	39,225	39,225
State grant	<u>2,829</u>	<u>-</u>	<u>-</u>	<u>2,721</u>	<u>5,550</u>
Total state revenues	<u>4,993,138</u>	<u>-</u>	<u>378,871</u>	<u>41,946</u>	<u>5,413,955</u>
Local sources:					
Grant	41	-	-	-	41
District school tax levy	62,975	-	-	-	62,975
Fees and activities	891	10,154	-	-	11,045
Earnings from investments	<u>623</u>	<u>34</u>	<u>107</u>	<u>87</u>	<u>851</u>
Total local revenues	<u>64,530</u>	<u>10,188</u>	<u>107</u>	<u>87</u>	<u>74,912</u>
Total revenue	<u>5,408,097</u>	<u>20,376</u>	<u>378,978</u>	<u>42,033</u>	<u>5,839,296</u>
Expenditures:					
Current:					
Instruction	2,634,210	-	-	13,512	2,647,722
Support Services - Students	322,499	-	-	-	322,499
Support Services - Instruction	176,801	-	-	2,746	179,547
Support Services - General Administration	319,934	-	-	-	319,934
Support Services - School Administration	446,103	-	-	-	446,103
Central Services	264,950	-	-	-	264,950
Operations & Maintenance of Plant	1,016,450	11,359	-	-	1,027,809
Student Transportation	605	-	379,294	-	379,899
Food Services	70,395	-	-	-	70,395
Capital outlay	<u>257,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,206</u>
Total expenditures	<u>5,509,153</u>	<u>11,359</u>	<u>379,294</u>	<u>16,258</u>	<u>5,916,064</u>
Excess (deficiency) of revenues over expenditures	(101,056)	9,017	(316)	25,775	(76,768)
Fund balance at beginning of the year	<u>98,256</u>	<u>12,210</u>	<u>1,002</u>	<u>2,986</u>	<u>114,454</u>
Fund balance at end of the year	<u>\$ (2,800)</u>	<u>\$ 21,227</u>	<u>\$ 686</u>	<u>\$ 28,761</u>	<u>\$ 37,686</u>

STATE OF NEW MEXICO
Chama Valley Independent Schools

OPERATIONAL FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal sources:				
Forest reserve	\$ 14,353	\$ 14,353	\$ 86,291	\$ 71,938
Federal grant	-	257,206	257,206	-
Federal direct grant	12,964	12,964	6,932	(6,032)
Total federal revenues	<u>27,317</u>	<u>284,523</u>	<u>350,429</u>	<u>65,906</u>
State sources:				
State equalization guarantee	5,009,865	5,769,642	4,990,309	(779,333)
State grant	-	-	2,829	2,829
Total state revenues	<u>5,009,865</u>	<u>5,769,642</u>	<u>4,993,138</u>	<u>(776,504)</u>
Local sources:				
Grant	50	50	41	(9)
District school tax levy	33,303	33,303	61,839	28,536
Fees and activities	1,000	1,000	891	(109)
Earnings from investments	2,000	2,000	623	(1,377)
Total local revenues	<u>36,353</u>	<u>36,353</u>	<u>63,394</u>	<u>27,041</u>
Total revenues	<u>5,073,535</u>	<u>6,090,518</u>	<u>5,406,961</u>	<u>(683,557)</u>
Expenditures:				
Current:				
Instruction	2,609,175	3,116,413	2,634,209	482,204
Support Services - Students	310,960	331,486	322,441	9,045
Support Services - Instruction	156,521	179,954	176,801	3,153
Support Services - General Administration	387,168	383,820	318,473	65,347
Support Services - School Administration	574,726	502,492	446,103	56,389
Central Services	205,122	278,910	269,713	9,197
Operation & Maintenance of Plant	842,435	1,053,059	1,019,190	33,869
Student Transportation	950	1,553	12	1,541
Other Support Services	3,351	3,351	-	3,351
Food Services Operations	72,500	71,646	70,395	1,251
Total current expenses	<u>5,162,908</u>	<u>5,922,684</u>	<u>5,257,337</u>	<u>665,347</u>
Capital outlay:				
Buildings and improvements	-	257,206	257,206	-
Total expenditures	<u>5,162,908</u>	<u>6,179,890</u>	<u>5,514,543</u>	<u>665,347</u>
Excess (deficiency) of revenues over expenditures	(89,373)	(89,372)	(107,582)	(18,210)
Beginning cash balance budgeted	89,373	89,372	-	(89,372)
Fund balance at beginning of the year	-	-	98,256	98,256
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(9,326)	<u>\$ (9,326)</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			1,831	
Change in due from other governments			577	
Change in payables			5,391	
Change in deferred property taxes			(1,273)	
			<u>\$ (2,800)</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

TEACHERAGE FUND

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Local sources:				
Fees and activities	\$ 13,050	\$ 13,050	\$ 10,154	\$ (2,896)
Earnings from investments	350	350	34	(316)
Total revenues	13,400	13,400	10,188	(3,212)
Expenditures:				
Current:				
Operation & Maintenance of Plant	26,291	26,291	11,391	14,900
Excess (deficiency) of revenues over expenditures	(12,891)	(12,891)	(1,203)	11,688
Beginning cash balance budgeted	12,891	12,891	-	(12,891)
Fund balance at beginning of the year	-	-	12,210	12,210
Fund balance at end of the year	\$ -	\$ -	11,007	\$ 11,007
RECONCILIATION TO GAAP BASIS:				
Change in payables			32	
			\$ 11,039	

STATE OF NEW MEXICO
Chama Valley Independent Schools

TRANSPORTATION FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
Transportation	\$ 349,376	\$ 382,180	\$ 378,871	\$ (3,309)
Local sources:				
Earnings from investments	-	-	107	107
Total revenues	349,376	382,180	378,978	(3,202)
 Expenditures:				
Current:				
Student Transportation	349,376	382,180	379,113	3,067
Excess (deficiency) of revenues over expenditures	-	-	(135)	(135)
Fund balance at beginning of the year	-	-	1,002	1,002
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	867	<u>\$ 867</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			(181)	
			<u>\$ 686</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

INSTRUCTIONAL MATERIALS FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State instructional material	\$ 39,225	\$ 39,225	\$ 39,225	\$ -
State grant	<u>2,486</u>	<u>12,930</u>	<u>2,721</u>	<u>(10,209)</u>
Total state revenues	41,711	52,155	41,946	(10,209)
Local sources:				
Earnings from investments	<u>-</u>	<u>-</u>	<u>87</u>	<u>87</u>
Total revenues	<u>41,711</u>	<u>52,155</u>	<u>42,033</u>	<u>(10,122)</u>
Expenditures:				
Current:				
Instruction	39,225	48,184	34,646	13,538
Support Services - Instruction	<u>2,486</u>	<u>3,971</u>	<u>2,746</u>	<u>1,225</u>
Total expenditures	<u>41,711</u>	<u>52,155</u>	<u>37,392</u>	<u>14,763</u>
Excess of revenues over expenditures	-	-	4,641	4,641
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>2,986</u>	<u>2,986</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	7,627	<u>\$ 7,627</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>21,134</u>	
			<u>\$ 28,761</u>	

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NONMAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
Chama Valley Independent Schools

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2009

Special Revenue Funds

	<u>Food Service Fund</u>	<u>Athletics Fund</u>	<u>Title I Fund</u>	<u>Migrant Children Education Fund</u>	<u>Entitlement IDEA-B Fund</u>	<u>Discretionary IDEA-B Fund</u>	<u>Competitive IDEA-B Fund</u>	<u>Preschool IDEA-B Fund</u>	<u>Title V Fund</u>	<u>Title III English Language Fund</u>
<u>ASSETS</u>										
Pooled cash and investments	\$ 21,265	\$ 822	\$ (28,191)	\$ (988)	\$ (81,178)	\$ (35,030)	\$ 916	\$ (4,806)	\$ (7)	\$ (26,297)
Receivables:										
Grant	872	-	28,373	1,685	81,178	35,030	-	4,806	7	26,297
USDA commodities inventory	137	-	-	-	-	-	-	-	-	-
Food inventory	113	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 22,387</u>	<u>\$ 822</u>	<u>\$ 182</u>	<u>\$ 697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LIABILITIES AND FUND BALANCE</u>										
Liabilities:										
Accounts payable	\$ 691	\$ -	\$ 182	\$ 697	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue:										
Federal, state, and local grants	-	-	-	-	-	-	916	-	-	-
Total liabilities	<u>691</u>	<u>-</u>	<u>182</u>	<u>697</u>	<u>-</u>	<u>-</u>	<u>916</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:										
Reserved:										
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Inventories	250	-	-	-	-	-	-	-	-	-
Unreserved and reported in:										
Special revenues funds	21,446	822	-	-	-	-	-	-	-	-
Total fund balance	<u>21,696</u>	<u>822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 22,387</u>	<u>\$ 822</u>	<u>\$ 182</u>	<u>\$ 697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
Chama Valley Independent Schools

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2009

Special Revenue Funds

	Title II Teacher Quality <u>Fund</u>	Title IV Drug Free Schools <u>Fund</u>	21st Century Community Living Centers <u>Fund</u>	Reading First <u>Fund</u>	Bilingual Education <u>Fund</u>	Title XIX Medicaid <u>Fund</u>	Rural Education Achievement <u>Fund</u>	Bill & Melinda Gates Foundation <u>Fund</u>	LANL Foundation <u>Fund</u>
ASSETS									
Pooled cash and investments	\$ (1,064)	\$ (520)	\$ (115,714)	\$ (11,826)	\$ 4	\$ 21,251	\$ (5,645)	\$ 44	\$ 18,343
Receivables:									
Grant	1,064	520	115,714	11,826	-	-	5,645	-	-
USDA commodities inventory	-	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 21,251</u>	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ 18,343</u>
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue:									
Federal, state, and local grants	-	-	-	-	4	21,251	-	44	18,343
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>21,251</u>	<u>-</u>	<u>44</u>	<u>18,343</u>
Fund balance:									
Reserved:									
Capital projects funds	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Unreserved and reported in:									
Special revenues funds	-	-	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 21,251</u>	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ 18,343</u>

(continued)

STATE OF NEW MEXICO
Chama Valley Independent Schools

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2009

	<u>Special Revenue Funds</u>								
	A Plus for Energy Fund	Technology for Education Fund	Incentives for School Improvement Fund	Pre-K Initiative Fund	Beginning Teacher Mentoring Fund	Chama Preschool Fund	State 21st Century Community Learning Center Fund	Pre-K State Fund	Libraries GO Bond Fund
ASSETS									
Pooled cash and investments	\$ 12,000	\$ 14,925	\$ 6,423	\$ (81,265)	\$ -	\$ 10,770	\$ 634	\$ 71	\$ (10,180)
Receivables:									
Grant	-	-	-	81,265	-	-	-	-	10,180
USDA commodities inventory	-	-	-	-	-	-	-	-	-
Food inventory	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 12,000</u>	<u>\$ 14,925</u>	<u>\$ 6,423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,770</u>	<u>\$ 634</u>	<u>\$ 71</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue:									
Federal, state, and local grants	<u>12,000</u>	<u>14,925</u>	<u>6,423</u>	<u>-</u>	<u>-</u>	<u>10,770</u>	<u>634</u>	<u>71</u>	<u>-</u>
Total liabilities	<u>12,000</u>	<u>14,925</u>	<u>6,423</u>	<u>-</u>	<u>-</u>	<u>10,770</u>	<u>634</u>	<u>71</u>	<u>-</u>
Fund balance:									
Reserved:									
Capital projects funds	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Unreserved and reported in:									
Special revenues funds	-	-	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 12,000</u>	<u>\$ 14,925</u>	<u>\$ 6,423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,770</u>	<u>\$ 634</u>	<u>\$ 71</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
Chama Valley Independent Schools

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2009

	<u>Special Revenue Funds</u>			<u>Capital Projects Funds</u>			
	<u>Library Books Fund</u>	<u>BP America Production Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>	<u>Energy Efficiency Act Fund</u>	<u>Public School Capital Outlay - 20% Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>							
Pooled cash and investments	\$ 1,237	\$ -	\$ (294,006)	\$ 17,027	\$ 100	\$ 17,127	\$ (276,879)
Receivables:							
Grant	-	-	404,462	-	-	-	404,462
USDA commodities inventory	-	-	137	-	-	-	137
Food inventory	-	-	113	-	-	-	113
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 1,237</u>	<u>\$ -</u>	<u>\$ 110,706</u>	<u>\$ 17,027</u>	<u>\$ 100</u>	<u>\$ 17,127</u>	<u>\$ 127,833</u>
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 1,570	\$ -	\$ -	\$ -	\$ 1,570
Deferred revenue:							
Federal, state, and local grants	1,237	-	86,618	-	-	-	86,618
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>1,237</u>	<u>-</u>	<u>88,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,188</u>
Fund balance:							
Reserved:							
Capital projects funds	-	-	-	17,027	100	17,127	17,127
Inventories	-	-	250	-	-	-	250
Unreserved and reported in:							
Special revenues funds	-	-	22,268	-	-	-	22,268
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balance	<u>-</u>	<u>-</u>	<u>22,518</u>	<u>17,027</u>	<u>100</u>	<u>17,127</u>	<u>39,645</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$ 1,237</u>	<u>\$ -</u>	<u>\$ 110,706</u>	<u>\$ 17,027</u>	<u>\$ 100</u>	<u>\$ 17,127</u>	<u>\$ 127,833</u>

STATE OF NEW MEXICO
Chama Valley Independent Schools

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2009

Special Revenue Funds

	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
	Food Service	Athletics	Title I	Migrant Children Education	Entitlement IDEA-B
Revenues:					
Federal sources:					
Federal flowthrough grants	-	-	148,144	7,641	82,658
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	187,920	-	-	-	-
USDA Commodities	<u>15,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total federal revenues	<u>203,079</u>	<u>-</u>	<u>148,144</u>	<u>7,641</u>	<u>82,658</u>
State sources:					
State grant	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Local sources:					
Grant	-	-	-	-	-
Fees and activities	17,901	40,992	-	-	-
Earnings from investments	<u>92</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total local revenues	<u>17,993</u>	<u>41,002</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>221,072</u>	<u>41,002</u>	<u>148,144</u>	<u>7,641</u>	<u>82,658</u>
Expenditures:					
Current:					
Instruction	-	42,590	75,492	1,871	65,961
Support Services - Students	-	-	1,759	1,274	13,708
Support Services - Instruction	-	-	3,220	-	-
Support Services - General Administration	-	-	35,123	3,927	-
Support Services - School Administration	-	-	1,006	569	2,062
Central Services	-	-	26,853	-	55
Operations & Maintenance of Plant	-	-	4,691	-	-
Student Transportation	-	-	-	-	872
Food Services	<u>241,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>241,638</u>	<u>42,590</u>	<u>148,144</u>	<u>7,641</u>	<u>82,658</u>
Excess (deficiency) of revenues over expenditures	(20,566)	(1,588)	-	-	-
Fund balance at beginning of the year	<u>42,262</u>	<u>2,410</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 21,696</u>	<u>\$ 822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
Chama Valley Independent Schools

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2009

Special Revenue Funds

	<u>Discretionary IDEA-B Fund</u>	<u>Competitive IDEA-B Fund</u>	<u>Preschool IDEA-B Fund</u>	<u>Title V Fund</u>	<u>Title III English Language Fund</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	39,941	-	4,806	-	13,880
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
Total federal revenues	<u>39,941</u>	<u>-</u>	<u>4,806</u>	<u>-</u>	<u>13,880</u>
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total local revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>39,941</u>	<u>-</u>	<u>4,806</u>	<u>-</u>	<u>13,880</u>
Expenditures:					
Current:					
Instruction	75	-	4,806	-	13,880
Support Services - Students	-	-	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	-	-	-	-	-
Support Services - School Administration	39,866	-	-	-	-
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services	-	-	-	-	-
Total expenditures	<u>39,941</u>	<u>-</u>	<u>4,806</u>	<u>-</u>	<u>13,880</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STATE OF NEW MEXICO
Chama Valley Independent Schools

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2009

	Special Revenue Funds				
	Title II Teacher Quality <u>Fund</u>	Title IV Drug Free Schools <u>Fund</u>	21st Century Community Living Centers <u>Fund</u>	Reading First <u>Fund</u>	Bilingual Education <u>Fund</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	43,490	1,858	204,557	-	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
	43,490	1,858	204,557	-	-
Total federal revenues					
State sources:					
State grant	-	-	-	-	-
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
	-	-	-	-	-
Total local revenues					
	-	-	-	-	-
Total revenue					
	43,490	1,858	204,557	-	-
Expenditures:					
Current:					
Instruction	15,060	1,792	156,334	-	-
Support Services - Students	22,284	-	-	-	-
Support Services - Instruction	-	-	-	-	-
Support Services - General Administration	5,521	66	3,676	-	-
Support Services - School Administration	525	-	44,547	-	-
Central Services	100	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services	-	-	-	-	-
	43,490	1,858	204,557	-	-
Total expenditures					
	43,490	1,858	204,557	-	-
Excess (deficiency) of revenues over expenditures					
	-	-	-	-	-
Fund balance at beginning of the year					
	-	-	-	-	-
Fund balance at end of the year					
	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
Chama Valley Independent Schools

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2009

	Special Revenue Funds			
	Title XIX Medicaid <u>Fund</u>	Rural Education Achievement <u>Fund</u>	Bill & Melinda Gates Foundation <u>Fund</u>	LANL Foundation <u>Fund</u>
	Revenues:			
Federal sources:				
Federal flowthrough grants	-	-	-	-
Federal direct grants	30,343	5,645	-	-
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
	-	-	-	-
Total federal revenues	30,343	5,645	-	-
State sources:				
State grant	-	-	-	-
	-	-	-	-
Local sources:				
Grant	-	-	-	-
Fees and activities	-	-	-	-
Earnings from investments	-	-	-	-
	-	-	-	-
Total local revenues	-	-	-	-
Total revenue	30,343	5,645	-	-
Expenditures:				
Current:				
Instruction	3,917	-	-	-
Support Services - Students	25,416	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	766	-	-	-
Central Services	244	5,645	-	-
Operations & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
	-	-	-	-
Total expenditures	30,343	5,645	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
Chama Valley Independent Schools

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2009

Special Revenue Funds

	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
Revenues:					
Federal sources:					
Federal flowthrough grants	-	-	-	-	-
Federal direct grants	-	-	-	-	-
Food and milk reimbursements	-	-	-	-	-
USDA Commodities	-	-	-	-	-
Total federal revenues	-	-	-	-	-
State sources:					
State grant	-	7,222	30,305	47,245	1,003
Local sources:					
Grant	-	-	-	-	-
Fees and activities	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Total local revenues	-	-	-	-	-
Total revenue	-	7,222	30,305	47,245	1,003
Expenditures:					
Current:					
Instruction	-	-	29,498	29,289	-
Support Services - Students	-	-	807	-	-
Support Services - Instruction	-	3,727	-	-	1,003
Support Services - General Administration	-	3,495	-	-	-
Support Services - School Administration	-	-	-	14,390	-
Central Services	-	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	3,566	-
Food Services	-	-	-	-	-
Total expenditures	-	7,222	30,305	47,245	1,003
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Fund balance at beginning of the year	-	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
Chama Valley Independent Schools

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2009

	Special Revenue Funds			
	Chama Preschool Fund	State 21st Century Community Learning Center Fund	Pre-K State Fund	Libraries GO Bond Fund
Revenues:				
Federal sources:				
Federal flowthrough grants	-	-	-	-
Federal direct grants	-	-	-	-
Food and milk reimbursements	-	-	-	-
USDA Commodities	-	-	-	-
	-	-	-	-
Total federal revenues	-	-	-	-
State sources:				
State grant	-	56,566	-	-
	-	56,566	-	-
Local sources:				
Grant	-	-	-	-
Fees and activities	-	-	-	-
Earnings from investments	-	-	-	-
	-	-	-	-
Total local revenues	-	-	-	-
Total revenue	-	56,566	-	-
Expenditures:				
Current:				
Instruction	-	56,566	-	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
Central Services	-	-	-	-
Operations & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services	-	-	-	-
	-	-	-	-
Total expenditures	-	56,566	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -

(continued)

STATE OF NEW MEXICO
Chama Valley Independent Schools

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2009

	Special Revenue Funds		
	Library Books Fund	BP America Production Fund	Total Nonmajor Special Revenue Funds
Revenues:			
Federal sources:			
Federal flowthrough grants	-	-	546,975
Federal direct grants	-	-	35,988
Food and milk reimbursements	-	-	187,920
USDA Commodities	-	-	15,159
	-	-	786,042
State sources:			
State grant	-	-	142,341
	-	-	142,341
Local sources:			
Grant	-	6,406	6,406
Fees and activities	-	-	58,893
Earnings from investments	-	-	102
	-	6,406	65,401
Total local revenues	-	6,406	65,401
Total revenue	-	6,406	993,784
Expenditures:			
Current:			
Instruction	-	6,406	503,537
Support Services - Students	-	-	65,248
Support Services - Instruction	-	-	7,950
Support Services - General Administration	-	-	51,808
Support Services - School Administration	-	-	103,731
Central Services	-	-	32,897
Operations & Maintenance of Plant	-	-	4,691
Student Transportation	-	-	4,438
Food Services	-	-	241,638
	-	6,406	1,015,938
Total expenditures	-	6,406	1,015,938
Excess (deficiency) of revenues over expenditures	-	-	(22,154)
Fund balance at beginning of the year	-	-	44,672
Fund balance at end of the year	\$ -	\$ -	\$ 22,518

(continued)

STATE OF NEW MEXICO
Chama Valley Independent Schools

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2009

Capital Projects Funds

	<u>Energy Efficiency Act Fund</u>	<u>Public School Capital Outlay - 20% Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Federal sources:				
Federal flowthrough grants	-	-	-	546,975
Federal direct grants	-	-	-	35,988
Food and milk reimbursements	-	-	-	187,920
USDA Commodities	-	-	-	15,159
	<hr/>	<hr/>	<hr/>	<hr/>
Total federal revenues	-	-	-	786,042
State sources:				
State grant	-	-	-	142,341
	<hr/>	<hr/>	<hr/>	<hr/>
Local sources:				
Grant	-	-	-	6,406
Fees and activities	-	-	-	58,893
Earnings from investments	-	-	-	102
	<hr/>	<hr/>	<hr/>	<hr/>
Total local revenues	-	-	-	65,401
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	-	-	-	993,784
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Instruction	-	-	-	503,537
Support Services - Students	-	-	-	65,248
Support Services - Instruction	-	-	-	7,950
Support Services - General Administration	-	-	-	51,808
Support Services - School Administration	-	-	-	103,731
Central Services	-	-	-	32,897
Operations & Maintenance of Plant	-	-	-	4,691
Student Transportation	-	-	-	4,438
Food Services	-	-	-	241,638
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-	1,015,938
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	-	-	-	(22,154)
Fund balance at beginning of the year	17,027	100	17,127	61,799
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance at end of the year	<u>\$ 17,027</u>	<u>\$ 100</u>	<u>\$ 17,127</u>	<u>\$ 39,645</u>

BUDGETARY PRESENTATION

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SPECIAL REVENUE FUNDS
Year Ended June 30, 2009

FOOD SERVICES

This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-4, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 sat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.

ATHLETICS

This fund provides financing for school athletic activities. Funding is provided by fees from patrons.

TITLE I

To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

MIGRANT CHILDREN EDUCATION

To support high quality education programs for migratory children and help ensure that migratory children who move among the states are not penalized in any manner by disparities among states in curriculum, graduation requirements, or state academic content and student academic achievement standards. Funds also ensure that migratory children not only are provided with appropriate education services (including supportive services) that address their special needs but also that such children receive full and appropriate opportunities to meet the same challenging state academic content and student academic achievement standards that all children are expected to meet. Federal funds are allocated by formula to SEAs, based on each state's per pupil expenditure for education and counts of eligible migratory children, age 3 through 21, residing within the state. Authorization: The Elementary and Secondary Education Act of 1965 ,Title I, Part C, as amended by the No Child Left Behind Act of 2001; 20 U.S.C. 6391-6399.

ENTITLEMENT/COMPETITIVE/DISCRETIONARY IDEA-B

The Entitlement/Competitive/Discretionary IDEA-B program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

PRESCHOOL IDEA-B

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SPECIAL REVENUE FUNDS
Year Ended June 30, 2009

TITLE V

To assist State and Local educational agencies in the reform of elementary and secondary education. Authorized by the Elementary and Secondary Education Act of 1965, Title VI, as amended, 20 U.S.C. 7301-7373.

TITLE III ENGLISH LANGUAGE

To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

TITLE II TEACHER QUALITY

To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in the academic achievement. Authorization is granted through the Elementary and Secondary Education Act of 1965, as amended, Title II, Part A, Public Law 107-110.

TITLE IV DRUG FREE SCHOOLS

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 coordinated with related Federal, State, and community efforts and resources. Authorized by Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 U.S.C. 7111-7118.

21ST CENTURY COMMUNITY LIVING CENTERS

After school adolescence care, providing the community with responsible Child Care, while providing the children and their families with referral services, drug prevention education, academic help, and character building (social skill) activities. Funding is provided by the Department of Education under the Elementary and Secondary Education Act of 1965, Title X, part I Section 10901, Public Law 103-382 Stat. 3844, 20 U.S.C. 8241.

READING FIRST

To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Authorization is granted by Elementary and Secondary Education Act of 1965 (ESEA), as amended, Public Law 107-110.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SPECIAL REVENUE FUNDS
Year Ended June 30, 2009

BILINGUAL EDUCATION

To develop and implement new comprehensive, coherent, and successful bilingual education or special alternative instructional programs for limited English proficient students including programs of early childhood education, kindergarten through twelfth grade education, gifted and talented education, and vocational and applied technology education; to improve the education of limited English proficient students and their families by implementing family education programs and parent outreach and training activities designed to assist parents to become active participants in the education of their children; to improve the instructional program by identifying, acquiring, and upgrading curriculum, instructional and educational software, and assessment procedures, to compensate personnel, including teacher aides who have been specifically trained, or are being trained, to provide services, and to provide tutorials and academic career counseling for children and youth of limited English proficiency. Authorized by Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A.

TITLE XIX MEDICAID

To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically-eligible groups. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-14, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

RURAL EDUCATION ACHIEVEMENT

Funding to provide assistance to rural districts to carry out activities to help improve the quality of teaching and learning in schools. Authorized by Elementary and Secondary Education Act, as amended, Title VI, Part B.

BILL & MELINDA GATES FOUNDATION

To provide superintendents and principals from public and private schools access to quality leadership development focused on technology integration and whole systems change

LANL FOUNDATION

Local grant sponsored by Los Alamos National Laboratory that was used to provide a scholarship to a senior high student at Questa Independent High School that was to be used in a four-year program for educational efforts in pursuing an engineering degree at a New Mexico college or university.

A PLUS FOR ENERGY

To assist high school lab based science courses in the study of energy sources.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SPECIAL REVENUE FUNDS
Year Ended June 30, 2009

TECHNOLOGY FOR EDUCATION

State funding to provide financial assistance to school districts to improve educational opportunities for all students to close the technology gap between schools and the workplace through enhancement of computer education. The funding is provided by state resources and supplements the federal funding for the Technology Literacy Challenge grant. The creation of the fund is authorized by NMSA 1978 22-15A-1 TO 22-15A-10.

INCENTIVES FOR SCHOOL IMPROVEMENTS

State funding awarded to five School Districts in the state for achieving improved test scores of the students in their districts. The funds were used to purchase supplies and other textbooks for the school district. Authority for creation is NMSA 25-13A-1.

PRE-K INITIATIVE

The pre-k program shall address the total development needs of preschool children, including physical, cognitive, social and emotional needs, and shall include health care, nutrition, safety and multicultural sensitivity.

BEGINNING TEACHER MENTORING

Funds to assist school districts in the design, implementation, and evaluation of beginning teacher mentoring programs. Funding is provided through the 2000 legislative session, with appropriated funds from the General Appropriations Act.

CHAMA PRESCHOOL

Funds to develop and implement voluntary NM PreK programs for 4 year olds throughout New Mexico to advance childhood development and readiness.

STATE 21ST CENTURY COMMUNITY LEARNING CENTER

To provide (1) opportunities for academic enrichment, including providing tutorial services to help students, particularly students in high-poverty areas and those who attend low-performing schools, meet State and local student performance standards in core academic subjects such as reading and mathematics; (2) students a broad array of additional services, programs, and activities, such as youth development activities, drug and violence prevention programs, counseling programs, art, music, and recreation programs, technology education programs, and character education programs, that are designed to reinforce and complement the regular academic program of participating students; and (3) families of students served by community learning centers opportunities for literacy and related educational development.

PRE-K STATE

Funds to develop and implement voluntary NM PreK programs for 4 year olds throughout New Mexico to advance childhood development and readiness.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SPECIAL REVENUE FUNDS
Year Ended June 30, 2009

LIBRARY BOOKS

To support the purchase of library books. Authorized through New Mexico Senate Bill 471.

BP AMERICA PRODUCTION

To provide students with experiences and career awareness in wildlife, forestry, and environmental management operations.

STATE OF NEW MEXICO
Chama Valley Independent Schools

FOOD SERVICE SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Federal sources:				
Food and milk reimbursements	\$ 174,014	\$ 205,047	\$ 190,928	\$ (14,119)
USDA Commodities	<u> -</u>	<u> 15,159</u>	<u> 15,159</u>	<u> -</u>
Total federal revenues	<u> 174,014</u>	<u> 220,206</u>	<u> 206,087</u>	<u> (14,119)</u>
Local sources:				
Fees and activities	13,900	13,900	17,900	4,000
Earnings from investments	<u> 85</u>	<u> 85</u>	<u> 92</u>	<u> 7</u>
Total local revenues	<u> 13,985</u>	<u> 13,985</u>	<u> 17,992</u>	<u> 4,007</u>
Total revenues	187,999	234,191	224,079	(10,112)
Expenditures:				
Current:				
Food Services Operations	<u> 195,571</u>	<u> 241,763</u>	<u> 240,911</u>	<u> 852</u>
Excess (deficiency) of revenues over expenditures	(7,572)	(7,572)	(16,832)	(9,260)
Beginning cash balance budgeted	7,572	7,572	-	(7,572)
Fund balance at beginning of the year	<u> -</u>	<u> -</u>	<u> 42,262</u>	<u> 42,262</u>
Fund balance at end of the year	<u><u> -</u></u>	<u><u> -</u></u>	25,430	<u><u> 25,430</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(35)	
Change in grant receivable			(3,008)	
Change in payables			<u> (691)</u>	
			<u><u> 21,696</u></u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

ATHLETICS SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Local sources:				
Fees and activities	\$ 35,000	\$ 47,435	\$ 40,992	\$ (6,443)
Earnings from investments	<u>50</u>	<u>50</u>	<u>10</u>	<u>(40)</u>
Total revenues	<u>35,050</u>	<u>47,485</u>	<u>41,002</u>	<u>(6,483)</u>
Expenditures:				
Current:				
Instruction	37,702	49,955	42,590	7,365
Support Services - General Administration	<u>-</u>	<u>182</u>	<u>-</u>	<u>182</u>
Total expenditures	<u>37,702</u>	<u>50,137</u>	<u>42,590</u>	<u>7,547</u>
Excess (deficiency) of revenues over expenditures	(2,652)	(2,652)	(1,588)	1,064
Beginning cash balance budgeted	2,652	2,652	-	(2,652)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>2,410</u>	<u>2,410</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	822	<u>\$ 822</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 822</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

TITLE I SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Federal sources:				
Federal grant	\$ 146,230	\$ 178,509	\$ 152,798	\$ (25,711)
Expenditures:				
Current:				
Instruction	76,907	77,953	75,492	2,461
Support Services - Students	-	1,759	1,759	-
Support Services - Instruction	28,172	30,096	3,220	26,876
Support Services - General Administration	34,651	35,318	35,123	195
Support Services - School Administration	2,500	1,507	1,006	501
Central Services	-	26,901	26,853	48
Operation & Maintenance of Plant	4,000	4,975	4,975	-
Total expenditures	<u>146,230</u>	<u>178,509</u>	<u>148,428</u>	<u>30,081</u>
Excess of revenues over expenditures	-	-	4,370	4,370
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	4,370	<u>\$ 4,370</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(4,654)	
Change in payables			<u>284</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

MIGRANT CHILDREN EDUCATION SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 10,000	\$ 10,000	\$ 10,356	\$ 356
Expenditures:				
Current:				
Instruction	1,000	1,174	1,174	-
Support Services - Students	-	1,274	1,274	-
Support Services - General Administration	6,100	4,652	3,927	725
Support Services - School Administration	<u>2,900</u>	<u>2,900</u>	<u>569</u>	<u>2,331</u>
 Total expenditures	 <u>10,000</u>	 <u>10,000</u>	 <u>6,944</u>	 <u>3,056</u>
 Excess of revenues over expenditures	 -	 -	 3,412	 3,412
 Fund balance at beginning of the year	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund balance at end of the year	 <u>\$ -</u>	 <u>\$ -</u>	 3,412	 <u>\$ 3,412</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(2,715)	
Change in due to other funds			<u>(697)</u>	
			 <u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

ENTITLEMENT IDEA-B SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 115,502	\$ 63,524	\$ (51,978)
Expenditures:				
Current:				
Instruction	-	98,805	65,961	32,844
Support Services - Students	-	13,708	13,708	-
Support Services - School Administration	-	2,062	2,061	1
Central Services	-	55	55	-
Student Transportation	-	872	872	-
	<u>-</u>	<u>115,502</u>	<u>82,657</u>	<u>32,845</u>
 Total expenditures	 <u>-</u>	 <u>115,502</u>	 <u>82,657</u>	 <u>32,845</u>
Excess (deficiency) of revenues over expenditures	-	-	(19,133)	(19,133)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(19,133)	<u>\$ (19,133)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>19,133</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

DISCRETIONARY IDEA-B SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 43,383	\$ 52,565	\$ 9,182
Expenditures:				
Current:				
Instruction	-	75	75	-
Support Services - School Administration	-	43,308	39,866	3,442
Total expenditures	-	43,383	39,941	3,442
Excess of revenues over expenditures	-	-	12,624	12,624
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	12,624	\$ 12,624
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(12,624)	
			\$ -	

STATE OF NEW MEXICO
Chama Valley Independent Schools

PRESCHOOL IDEA-B SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 4,936	\$ -	\$ (4,936)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>4,936</u>	<u>4,806</u>	<u>130</u>
Excess (deficiency) of revenues over expenditures	-	-	(4,806)	(4,806)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(4,806)	<u>\$ (4,806)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>4,806</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

TITLE V SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ -	\$ 308	\$ 308
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	308	308
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	308	<u>\$ 308</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(308)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

TITLE III ENGLISH LANGUAGE SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Federal sources:				
Federal grant	\$ 13,886	\$ 20,605	\$ 593	\$ (20,012)
 Expenditures:				
Current:				
Instruction	<u>13,886</u>	<u>20,605</u>	<u>13,880</u>	<u>6,725</u>
Excess (deficiency) of revenues over expenditures	-	-	(13,287)	(13,287)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(13,287)	<u>\$ (13,287)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>13,287</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

TITLE II TEACHER QUALITY SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Federal sources:				
Federal grant	\$ 43,490	\$ 56,640	\$ 50,260	\$ (6,380)
Expenditures:				
Current:				
Instruction	21,150	18,210	15,060	3,150
Support Services - Students	10,000	22,284	22,284	-
Support Services - General Administration	2,340	5,521	5,521	-
Support Services - School Administration	10,000	10,525	525	10,000
Central Services	-	100	100	-
Total expenditures	43,490	56,640	43,490	13,150
Excess of revenues over expenditures	-	-	6,770	6,770
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	6,770	\$ 6,770
RECONCILIATION TO GAAP BASIS:				
Change in receivables			(7,834)	
Change in deferred revenue			1,064	
			\$ -	

STATE OF NEW MEXICO
Chama Valley Independent Schools

TITLE IV DRUG FREE SCHOOLS SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ -	\$ 2,423	\$ 1,830	\$ (593)
Expenditures:				
Current:				
Instruction	-	2,357	1,792	565
Support Services - General Administration	-	66	66	-
Total expenditures	-	2,423	1,858	565
Excess (deficiency) of revenues over expenditures	-	-	(28)	(28)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(28)	\$ (28)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			28	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

21ST CENTURY COMMUNITY LIVING CENTERS SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal sources:				
Federal grant	\$ 131,520	\$ 227,997	\$ 111,123	\$ (116,874)
Expenditures:				
Current:				
Instruction	151,148	206,171	156,334	49,837
Support Services - General Administration	3,000	3,676	3,676	-
Support Services - School Administration	<u>46,572</u>	<u>87,350</u>	<u>44,547</u>	<u>42,803</u>
Total expenditures	<u>200,720</u>	<u>297,197</u>	<u>204,557</u>	<u>92,640</u>
Excess (deficiency) of revenues over expenditures	(69,200)	(69,200)	(93,434)	(24,234)
Beginning cash balance budgeted	69,200	69,200	-	(69,200)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(93,434)	<u>\$ (93,434)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>93,434</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

TITLE XIX MEDICAID SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Federal sources:				
Federal direct grant	\$ 30,000	\$ 34,999	\$ 29,301	\$ (5,698)
Expenditures:				
Current:				
Instruction	3,204	6,903	3,917	2,986
Support Services - Students	25,096	25,800	25,698	102
Support Services - School Administration	1,700	2,052	765	1,287
Central Services	-	244	244	-
Total expenditures	30,000	34,999	30,624	4,375
Excess (deficiency) of revenues over expenditures	-	-	(1,323)	(1,323)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	-	-	(1,323)	\$ (1,323)
RECONCILIATION TO GAAP BASIS:				
Change in payables			281	
Change in deferred revenue			1,042	
			\$ -	

STATE OF NEW MEXICO
Chama Valley Independent Schools

RURAL EDUCATION ACHIEVEMENT SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Federal sources:				
Federal direct grant	\$ -	\$ 5,645	\$ -	\$ (5,645)
 Expenditures:				
Current:				
Central Services	<u>-</u>	<u>5,645</u>	<u>5,645</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	(5,645)	(5,645)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(5,645)	<u>\$ (5,645)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>5,645</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

LANL FOUNDATION SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Local sources:				
Grant	-	\$ -	\$ 625	\$ 625
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	625	625
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	625	<u>\$ 625</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			(625)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

A PLUS FOR ENERGY SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Local sources:				
Grant	\$ -	\$ -	\$ 12,000	\$ 12,000
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	12,000	12,000
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	12,000	<u>\$ 12,000</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			(12,000)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

TECHNOLOGY FOR EDUCATION SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 7,222	\$ 7,825	\$ 603
Expenditures:				
Current:				
Support Services - Instruction	-	3,727	3,727	-
Support Services - General Administration	-	3,495	3,495	-
Total expenditures	-	7,222	7,222	-
Excess of revenues over expenditures	-	-	603	603
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	603	\$ 603
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			(603)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

INCENTIVES FOR SCHOOL IMPROVEMENT SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 36,727	\$ -	\$ (36,727)
Expenditures:				
Current:				
Instruction	-	35,920	29,498	6,422
Support Services - Students	-	807	807	-
Total expenditures	-	36,727	30,305	6,422
Excess (deficiency) of revenues over expenditures	-	-	(30,305)	(30,305)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(30,305)	\$ (30,305)
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			30,305	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

PRE-K INITIATIVE SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ 47,614	\$ 20,008	\$ (27,606)
Expenditures:				
Current:				
Instruction	-	29,649	29,289	360
Support Services - School Administration	-	14,391	14,390	1
Student Transportation	-	3,574	3,566	8
	<u>-</u>	<u>47,614</u>	<u>47,245</u>	<u>369</u>
Total expenditures	<u>-</u>	<u>47,614</u>	<u>47,245</u>	<u>369</u>
Excess (deficiency) of revenues over expenditures	-	-	(27,237)	(27,237)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(27,237)	<u>\$ (27,237)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>27,237</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

BEGINNING TEACHER MENTORING SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
State sources:				
State grant	\$ -	\$ 1,003	\$ 1,003	\$ -
 Expenditures:				
Current:				
Support Services - Instruction	-	1,003	1,003	-
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

STATE 21ST CENTURY COMMUNITY LEARNING CENTER SPECIAL REVENUE FUND

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
State sources:				
State grant	\$ -	\$ 56,566	\$ 63,446	\$ 6,880
 Expenditures:				
Current:				
Instruction	-	56,566	56,566	-
Excess of revenues over expenditures	-	-	6,880	6,880
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	6,880	<u>\$ 6,880</u>
 RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(6,246)	
Change in deferred revenue			(634)	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

PRE-K STATE SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 473	\$ 473
Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	473	473
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	473	<u>\$ 473</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(402)	
Change in deferred revenue			<u>(71)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

LIBRARY BOOKS SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State sources:				
State grant	\$ -	\$ -	\$ 1,237	\$ 1,237
 Expenditures:				
Current:				
Instruction	-	-	-	-
Excess of revenues over expenditures	-	-	1,237	1,237
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,237	<u>\$ 1,237</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>(1,237)</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

BP AMERICA PRODUCTION SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive <u>(Negative)</u>
Revenues:				
Local sources:				
Grant	\$ -	\$ 7,031	\$ 3,750	\$ (3,281)
 Expenditures:				
Current:				
Instruction	<u>-</u>	<u>7,031</u>	<u>6,406</u>	<u>625</u>
Excess (deficiency) of revenues over expenditures	-	-	(2,656)	(2,656)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(2,656)	<u>\$ (2,656)</u>
 RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>2,656</u>	
			<u>\$ -</u>	

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

CAPITAL PROJECTS FUNDS
Year Ended June 30, 2009

BOND BUILDING FUND

This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.

SPECIAL CAPITAL OUTLAY - STATE

This fund provides financing for special appropriation monies received from the State of New Mexico under Chapter 367, Laws of 1993.

CAPITAL IMPROVEMENTS SB – 9

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

ENERGY EFFICIENCY ACT

This fund permits governmental agencies of the State of New Mexico to enter into contracts with providers to reduce energy costs. Funding is provided by the State of New Mexico by authority of NMSA 1987 6-23-1.

PUBLIC SCHOOL CAPITAL OUTLAY – 20%

A capital projects fund to capture the 20% of eligible federal (Forest Reserve and Impact Aid) and local revenue (local taxes) that must be budgeted in Capital Outlay. Provides financing for the construction and improvement of buildings and land, and the purchase of equipment.

STATE OF NEW MEXICO
Chama Valley Independent Schools

BOND BUILDING CAPITAL PROJECTS FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Earnings from investments	\$ 18,000	\$ 18,000	\$ 4,221	\$ (13,779)
Expenditures:				
Current:				
Operation & Maintenance of Plant	40,000	9,719	1,500	8,219
Capital outlay:				
Land and improvements	-	4,200	4,200	-
Construction in progress	1,852,645	2,878,726	482,961	2,395,765
Total capital outlay	1,852,645	2,882,926	487,161	2,395,765
Total expenditures	1,892,645	2,892,645	488,661	2,403,984
Excess (deficiency) of revenues over expenditures	(1,874,645)	(2,874,645)	(484,440)	2,390,205
Other financing sources:				
Sale of bonds	-	1,000,000	552,685	(447,315)
Net change in fund balance	(1,874,645)	(1,874,645)	68,245	1,942,890
Beginning cash balance budgeted	1,874,645	1,874,645	-	(1,874,645)
Fund balance at beginning of the year	-	-	1,493,299	1,493,299
Fund balance at end of the year	\$ -	\$ -	1,561,544	\$ 1,561,544
RECONCILIATION TO GAAP BASIS:				
Change in payables			15,261	
			<u>\$ 1,576,805</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

SPECIAL CAPITAL OUTLAY - STATE CAPITAL PROJECTS FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
State sources:				
State grant	\$ 50,000	\$ 2,391,777	\$ 2,341,777	\$ (50,000)
Local sources:				
Earnings from investments	<u>10</u>	<u>10</u>	<u>263</u>	<u>253</u>
Total revenues	<u>50,010</u>	<u>2,391,787</u>	<u>2,342,040</u>	<u>(49,747)</u>
Expenditures:				
Current:				
Operation & Maintenance of Plant	<u>41,721</u>	<u>41,721</u>	<u>31,785</u>	<u>9,936</u>
Capital outlay:				
Buildings and improvements	-	2,341,777	2,341,777	-
Equipment	<u>10,000</u>	<u>10,000</u>	<u>5,997</u>	<u>4,003</u>
Total capital outlay	<u>10,000</u>	<u>2,351,777</u>	<u>2,347,774</u>	<u>4,003</u>
Total expenditures	<u>51,721</u>	<u>2,393,498</u>	<u>2,379,559</u>	<u>13,939</u>
Excess (deficiency) of revenues over expenditures	(1,711)	(1,711)	(37,519)	(35,808)
Beginning cash balance budgeted	1,711	1,711	-	(1,711)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>99,587</u>	<u>99,587</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	62,068	<u>\$ 62,068</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 62,068</u>	

STATE OF NEW MEXICO
Chama Valley Independent Schools

CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local sources:				
District school tax levy	\$ 226,493	\$ 239,996	\$ 593,377	\$ 353,381
Earnings from investments	1,900	1,900	1,200	(700)
Total revenues	228,393	241,896	594,577	352,681
Expenditures:				
Current:				
Support Services - General Administration	2,265	5,771	5,771	-
Operation & Maintenance of Plant	258,380	278,910	247,238	31,672
Total current expenses	260,645	284,681	253,009	31,672
Capital outlay:				
Land and improvements	50,000	103,730	89,236	14,494
Equipment	151,800	77,497	16,296	61,201
Construction in progress	92,097	102,137	11,319	90,818
Total capital outlay	293,897	283,364	116,851	166,513
Total expenditures	554,542	568,045	369,860	198,185
Excess (deficiency) of revenues over expenditures	(326,149)	(326,149)	224,717	550,866
Beginning cash balance budgeted	326,149	326,149	-	(326,149)
Fund balance at beginning of the year	-	-	423,111	423,111
Fund balance at end of the year	\$ -	\$ -	647,828	\$ 647,828
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			11,949	
Change in due from other governments			2,825	
Change in deferred property taxes			(8,483)	
			\$ 654,119	

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

DEBT SERVICE FUND
Year Ended June 30, 2009

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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STATE OF NEW MEXICO
Chama Valley Independent Schools

DEBT SERVICES FUND
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
District school tax levy	\$ 769,072	\$ 769,072	\$ 522,683	\$ (246,389)
Earnings from investments	<u>2,800</u>	<u>2,800</u>	<u>789</u>	<u>(2,011)</u>
 Total revenues	 <u>771,872</u>	 <u>771,872</u>	 <u>523,472</u>	 <u>(248,400)</u>
 Expenditures:				
Current:				
Support Services - General Administration	<u>7,691</u>	<u>7,691</u>	<u>5,175</u>	<u>2,516</u>
 Debt service:				
Principal retirement	530,000	530,000	530,000	-
Bond interest paid	239,072	239,567	239,566	1
Reserves	<u>607,065</u>	<u>606,570</u>	<u>-</u>	<u>606,570</u>
 Total debt service	 <u>1,376,137</u>	 <u>1,376,137</u>	 <u>769,566</u>	 <u>606,571</u>
 Total expenditures	 <u>1,383,828</u>	 <u>1,383,828</u>	 <u>774,741</u>	 <u>609,087</u>
Excess (deficiency) of revenues over expenditures	(611,956)	(611,956)	(251,269)	360,687
Beginning cash balance budgeted	611,956	611,956	-	(611,956)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>627,374</u>	<u>627,374</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	376,105	<u>\$ 376,105</u>
 RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			41,834	
Change in due from other governments			18,469	
Change in deferred property taxes			<u>(28,689)</u>	
			<u>\$ 407,719</u>	

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OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
Chama Valley Independent Schools

SCHEDULE OF CAPITAL ASSETS - BY SOURCE

June 30, 2009

Capital assets:	
Land and improvements	\$ 1,307,431
Buildings and improvements	16,715,546
Equipment (software)	1,869,431
Construction in progress	<u>113,830</u>
Total Capital assets	<u>\$ 20,006,238</u>
Investment in Capital assets from:	
General Fund	\$ 2,830,245
Special revenue funds:	
Federal Projects	419,453
State Projects	64,867
Capital projects funds:	
Bond Building	8,622,147
Special Capital Outlay - State	5,385,657
Capital Improvements SB-9	1,902,459
Energy Efficiency Act	256,282
Public School Capital Outlay - 20%	8,732
Activities	1,573
Donated	<u>514,823</u>
Total investment in Capital assets	<u>\$ 20,006,238</u>

STATE OF NEW MEXICO
Chama Valley Independent Schools

FIDUCIARY FUNDS
Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2009

Activity		Balance			Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>June 30, 2009</u>
23001	Central Office Activity	\$ 668	\$ 53	\$ 364	\$ 357
23003	Transportation Activity	62	-	-	62
23110	Escalante - Natural Helpers	-	10	-	10
23112	Escalante - Office/Admin	1,477	3,257	1,426	3,308
23116	Escalante - Library	35	81	-	116
23117	Escalante - FFA	2,374	597	1,700	1,271
23118	Escalante - BPA	789	14,874	12,375	3,288
23119	Escalante - Third Rock	179	-	-	179
23120	Escalante - Student Council	110	4,552	4,236	426
23121	Escalante - Honor Society	640	2	129	513
23129	Escalante - Class 2010	4,178	1,797	2,665	3,310
23131	Escalante - Journalism	1,050	4,130	2,369	2,811
23132	Escalante - Class 05	13	-	-	13
23133	Escalante - Class 06	101	-	-	101
23134	Escalante - Class 07	2	-	-	2
23135	Escalante - Business Ed	143	207	326	24
23136	Escalante - Class 08	486	1	-	487
23137	Escalante - Weight Room	746	283	-	1,029
23138	Escalante - Class 09	1,869	4,366	3,171	3,064
23139	Art Lab	591	167	96	662
23140	EHS Cheerleaders	3,113	4,103	4,909	2,307
23141	Class 2011	1,130	1,805	-	2,935
23142	Escalante - Class of 2012	-	826	-	826
23201	TA Mid - Athletics	2,298	1,178	3,476	-
23202	Mid Volleyball/Football	1,417	134	1,551	-
23204	TA Mid - Closeup	1	15,128	15,120	9
23210	TA Mid - Natural Helpers	68	-	68	-
23212	TA Mid - Office/Admin.	699	108	17	790
23216	TA Mid - Library	712	2	487	227
23218	TA Mid - BPA	-	24	-	24
23219	TA Mid - BPA Boosters	7	-	-	7
23220	TA Mid - Student Council	5,076	8,825	7,648	6,253
23227	TA Mid - Class of 01	109	1	-	110
23232	TA Mid - Class of 06	311	1	-	312
23233	TA Mid - Class of 07	33	1	-	34
23301	TA Elem - 5th & 6th Basketba	-	1,507	512	995
23302	TA Elem - 3rd & 4th Basketba	1,180	1,346	724	1,802
23303	TA Elem - T.A.P.T.O.	\$ 1	\$ 184	\$ -	\$ 185

(continued)

STATE OF NEW MEXICO
Chama Valley Independent Schools

FIDUCIARY FUNDS
Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2009

Activity		Balance				Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2009</u>
23313	TA Elem - Administration	\$ 1,303	\$ 1,142	\$ 1,194		\$ 1,251
23315	TA Elem - Lost Books	181	1	-		182
23316	TA Elem - Library	891	1,447	1,057		1,281
23350	TA Elem - Kindergarten	21	-	-		21
23351	TA Elem - 1st Grade	6	-	-		6
23352	TA Elem - 2nd Grade	36	-	-		36
23353	TA Elem - 3rd Grade	82	1	-		83
23354	TA Elem - 4th Grade	17	593	610		-
23355	TA Elem - 5th Grade	26	-	-		26
23603	Chama - 7th & 8th Grade	2,376	5	2,381		-
23604	Chama - 5th & 6th Grade	251	2,269	1,641		879
23605	Chama - Basketball	25	-	25		-
23610	Chama - Natural Helpers	289	-	288		1
23612	Chama Mid Administration	2,155	1,848	1,936		2,067
23613	Chama Elem. Administration	496	2	-		498
23615	Chama Textbooks	68	1	-		69
23616	Chama Library	967	264	-		1,231
23620	Chama Student Council	1,759	40	49		1,750
23640	Chama Spelling Bee	32	1	25		8
23645	Chama Book Orders	15	1,953	1,920		48
23660	Chama Miscellaneous	1,830	7,423	9,251		2
23661	Escalante Mid - High School	-	5,579	4,548		1,031
	Pooled cash and investments	<u>\$ 44,494</u>	<u>\$ 92,119</u>	<u>\$ 88,294</u>		<u>\$ 48,319</u>
	<u>LIABILITIES</u>					
	Deposits held for others	<u>\$ 44,494</u>	<u>\$ 92,119</u>	<u>\$ 88,294</u>		<u>\$ 48,319</u>

STATE OF NEW MEXICO
Chama Valley Independent Schools

SCHEDULE OF PLEDGED COLLATERAL
June 30, 2009

	<u>Community Bank</u>
Cash on deposit at June 30, 2009	\$ 2,976,921
Less FDIC coverage	<u>250,000</u>
Uninsured funds	<u>\$ 2,726,921</u>
50% collateral requirement	\$ 1,363,461
Pledged collateral	<u>1,787,702</u>
Excess of pledged collateral	<u>\$ 424,241</u>

Pledged collateral of financial institutions consists of the following at June 30, 2009

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
Community Bank			
FHLMC	7/30/2009	3128X3SL8	\$ 200,779
FHLB	2/12/2010	3133MWBM2	1,021,759
FHLMC	12/1/2012	31282SDE9	174,555
FHLMC	12/1/2012	31282SDE9	290,925
FNMA	12/1/2020	3128M1ET2	65,224
FHLMC	10/1/2021	31292GCY0	5,282
FNMA	4/1/2024	31360FC45	6,779
FNMA	4/1/2024	31360FC45	<u>22,399</u>
			<u>\$ 1,787,702</u>

The above securities are held at Federal Home Loan Bank in Dallas, TX.

STATE OF NEW MEXICO
Chama Valley Independent Schools

CASH RECONCILIATION
June 30, 2009

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 115,970	\$ 5,141,378	\$ (5,257,337)	\$ 8,378	\$ 8,389	\$ -	\$ 8,389
Teacherage	15,135	10,188	(11,391)	-	13,932	-	13,932
Transportation	1,469	378,538	(379,113)	440	1,334	-	1,334
Instructional Materials	24,120	42,033	(37,392)	-	28,761	-	28,761
Food Services	38,097	208,871	(225,752)	49	21,265	-	21,265
Athletics	2,410	40,699	(42,590)	303	822	-	822
Federal Flowthrough Funds	(201,491)	442,565	(546,562)	783	(304,705)	-	(304,705)
Federal Direct Funds	22,578	29,301	(36,269)	-	15,610	-	15,610
Local Grants	17,762	12,625	-	-	30,387	-	30,387
State Flowthrough Funds	(9,036)	93,991	(142,340)	-	(57,385)	-	(57,385)
Local/State	2,656	3,750	(6,406)	-	-	-	-
Bond Building	1,622,390	556,906	(488,661)	-	1,690,635	-	1,690,635
Special Capital Outlay - State	99,587	263	(37,782)	-	62,068	-	62,068
Capital Improvements SB-9	412,749	594,073	(369,860)	503	637,465	-	637,465
Energy Efficiency Act	17,027	-	-	-	17,027	-	17,027
Public School Capital Outlay - 20%	100	-	-	-	100	-	100
Debt Services	598,240	523,472	(774,742)	-	346,970	-	346,970
Agency Funds	-	-	-	-	-	48,319	48,319
Total	\$ 2,779,763	\$ 8,078,653	\$ (8,356,197)	\$ 10,456	\$ 2,512,675	\$ 48,319	\$ 2,560,994

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>		
Operational	Checking	Community Bank	\$ 2,976,921	Adjustments to report:	
				Agency funds	\$ 48,319
				Adjustments to cash:	
				Bank balance	\$ 2,976,921
				Outstanding checks	(415,927)
				Total adjustment to cash	<u>\$ 2,560,994</u>

SINGLE AUDIT SECTION

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Hector H. Balderas, State Auditor
and the Board of Education
Chama Valley Independent School District No. 19

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and other major funds, and the combining and individual funds presented as supplemental information of Chama Valley Independent School District No. 19, as of and for the year ended June 30, 2009, and have issued our report thereon dated October 29, 2009. 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 Chama Valley Independent School District No. 19'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 Chama Valley Independent School District No. 19's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Chama Valley Independent School District No. 19'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.

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 Chama Valley Independent School District No. 19'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. Finding 2009 – 1.

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 agency's internal control.

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Hector H. Balderas, State Auditor
and the Board of Education
Chama Valley Independent School District No. 19

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, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and other matters

As part of obtaining reasonable assurance about whether Chama Valley Independent School District No. 19's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Chama Valley Independent School District No. 19's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Chama Valley Independent School District No. 19's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the Chama Valley Independent School District No. 19, the audit committee, the State Auditor, the New Mexico Legislature, New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

Keystone Accounting, LLC
October 29, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENT APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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REPORT ON COMPLIANCE WITH REQUIREMENT APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Hector H. Balderas, State Auditor
And the Board of Education
Chama Valley Independent School District No. 19

Compliance

We have audited the compliance of Chama Valley Independent School District No. 19 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement (Revised May 2009) that are applicable to each of its major federal programs for the year ended June 30, 2009. Chama Valley Independent School District No. 19's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of finding 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 Chama Valley Independent School District No. 19's management. Our responsibility is to express an opinion on Chama Valley Independent School District No. 19'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; 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 Chama Valley Independent School District No. 19'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 on Chama Valley Independent School District No. 19's compliance with those requirements.

In our opinion, Chama Valley Independent School District No. 19, 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, 2009.

Internal Control Over Compliance

The management of Chama Valley Independent School District No. 19 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Chama Valley Independent School District No. 19's internal control over compliance with 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 an opinion on compliance and not for the purpose of expressing an opinion on the effectiveness of Chama Valley Independent School District No. 19's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Chama Valley Independent School District No. 19's internal control over compliance.

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Hector H. Balderas, State Auditor
And the Board of Education
Chama Valley Independent School District No. 19

A *control deficiency* in the District'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 District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

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

This report is intended solely for the information and use of management, others within the Chama Valley Independent School District No. 19, the State Auditor, the New Mexico Legislature, New Mexico Public Education Department, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

Keystone Accounting, LLC

October 29, 2009

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2009

A. PRIOR YEAR AUDIT FINDINGS

2007 – 3 BUDGET OVER EXPENDITURES

Current Status: Resolved. Not repeated in the current year.

2008 – 1 PREPARATION OF FINANCIAL STATEMENTS

Current Status: Not resolved. Repeated in the current year as finding 2009 – 1.

2008 – 3 CASH ACCOUNTS NOT RECONCILED TO GENERAL LEDGER

Current Status: Resolved. Not repeated in the current year.

2008 – 4 MISSING RECEIPTS

Current Status: Resolved. Not repeated in the current year.

2008 – 5 FAILURE TO FILE TAX FORM 941

Current Status: Resolved. Not repeated in the current year.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Chama Valley Independent School District No. 19.
2. There was one significant deficiency disclosed during the audit of the financial statements in the 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. There were no deficiencies disclosed as material weaknesses.
3. No instances of noncompliance material to the financial statements of Chama Valley Independent School District No. 19 were disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal awards program in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for Chama Valley Independent School District No. 19 expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Chama Valley Independent School District No. 19 that is required to be reported in accordance with OMB Circular A-133.510(a).
7. The programs treated as major programs include: 21st Century Community Living CFDA #84.287 , IDEA-B Cluster CFDA #84.027 and 84.173, USDA Child Nutrition Cluster CFDA #10.555 and 10.553, and Title I CFDA #84.010.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Chama Valley Independent School District No. 19 was determined to be a low-risk auditee.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2009 – 1 PREPARATION OF FINANCIAL STATEMENTS
(Repeat of prior year Findings 2008 – 1)

Condition: The financial statements were prepared by the auditor.

Criteria: Management is required to have an internal control system of financial reporting including the preparation of the financial statements.

Effect of condition: Management's ability to ascertain the accuracy and completeness of the financial statements has been diminished.

Cause: Management does not have internal controls in place that are necessary for the preparation of the financial statements.

Recommendation: Management should develop a plan and system of controls that enable them to review the accuracy and completeness of the financial statements.

Management's Response: A system of controls will be developed and implemented that will allow management to determine the accuracy and fair presentation of the financial statements.

C. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No audit findings to report.

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

STATE OF NEW MEXICO
Chama Valley Independent Schools

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>			
Pass-Through Program From:			
New Mexico Department of Education:			
<u>Child Nutrition -- Cluster:</u>			
USDA National School Lunch Program	10.555	21000	\$ 123,058
USDA School Breakfast Program	10.553	21000	<u>64,862</u>
Total Child Nutrition Cluster			187,920
Direct Program:			
Forest Reserve	10.670	11000	<u>86,291</u>
Pass-Through Program From:			
New Mexico Human Service Department:			
USDA Commodities Program	10.550	21000	<u>15,159</u>
Total U.S. Department of Agriculture			<u>289,370</u>
<u>Special Education -- Cluster:</u>			
<u>U.S. Department of Education:</u>			
Pass-Through Programs From:			
New Mexico Department of Education:			
IDEA-B Entitlement	84.027	24106	82,658
IDEA-B Discretionary	84.027	24107	39,941
IDEA-B Preschool	84.173	24109	<u>4,806</u>
Total U.S. Department of Education - Special Education (IDEA-B) Cluster			<u>\$ 127,405</u>

(continued)

See accompanying notes to the
Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO
Chama Valley Independent Schools

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education (continued):</u>			
Pass-Through Programs From (continued):			
New Mexico Department of Education (continued):			
Title I Basic Education Grant	84.010	24101	\$ 148,144
Migrant Children Education	84.011	24103	7,641
Title III English Language	84.365	24153	13,880
Title II Improving Teacher Quality	84.367	24154	43,490
Title IV Drug-Free Schools	84.186	24157	1,858
21st Century Community Living	84.287	24159	204,557
Rural Education	84.358A	25233	<u>5,645</u>
Subtotal Pass-Through Programs			<u>425,215</u>
Total U.S. Department of Education			<u>552,620</u>
<u>U.S. Department of Health and Human Services:</u>			
Pass-Through Program From:			
New Mexico Department of Health:			
Title XIX Medicaid	93.778	25153	<u>30,343</u>
Total Expenditures of Federal Awards			<u>\$ 872,333</u>

See accompanying notes to the
Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

Notes To The Schedule Of Expenditures Of Federal Awards
Year Ended June 30, 2009

1. Scope of audit pursuant to OMB Circular A-133

All federal grant operations of Chama Valley Independent School District No. 19 (the “School District”) are included in the scope of the Office of management and Budget (“OMB”) Circular A-133 audit (the “Single Audit”). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised May 2009 the “Compliance Supplement”). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2009 cash and non-cash expenditures to ensure coverage of at least 25% (LOW risk auditee) of federally granted funds. Actual coverage is approximately 79% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$857,174 and all non-cash expenditures amounted to \$15,159.

Major Federal Award Program Description	Fiscal 2009 <u>Expenditure</u>
Cash assistance:	
21st Century Community Living	\$ 204,557
Title I	148,144
Food Services	187,920
IDEA-B Special Education Cluster	<u>127,405</u>
Total	<u>\$ 668,026</u>

The District did not have any Type-A programs. The District’s federal programs 21st Century Community Learning , IDEA-B Special Education Cluster, USDA Child Nutrition Cluster, and Title I were considered low risk Type B programs for the 2009 audit.

The U.S. Department of Education is the School District’s oversight agency for single audit.

STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

Notes To The Schedule Of Expenditures Of Federal Awards
Year Ended June 30, 2009

2. Summary of significant accounting policies

Basis of presentation

The accompanying Schedule of Expenditure of Federal Awards includes all federal grants to the School District that had activity during the fiscal year ended June 30, 2009. This Statement has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School District has met the qualifications for the respective grant.

Accrued and deferred reimbursements

Various reimbursement procedures are used for Federal awards received by the School District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

3. Audits performed by other entities

There were no other audits performed by other organizations on the School Districts federal grant programs in 2009.

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REQUIRED DISCLOSURE

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STATE OF NEW MEXICO
CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

REQUIRED DISCLOSURES
Year Ended June 30, 2009

REQUIRED DISCLOSURE

The financial statements were prepared by the independent public accountants.

An exit conference was held October 29, 2009, during which the audit findings were discussed. The exit conference was attended by the following individuals:

CHAMA VALLEY INDEPENDENT SCHOOL DISTRICT NO. 19

Donald Valdez	President
Anthony Casados	Assistant Superintendent
Danette Garcia	Business Manager
Rosario Aguilar	Assistant Business Manager

KEYSTONE ACCOUNTING, LLC

Terry Ogle, CPA	Partner
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