

**C**  
**W**  
**M** **Chester W. Mattocks**  
**Certified Public Accountant**

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT AND**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**ESPANOLA PUBLIC SCHOOL DISTRICT**

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**  
**OFFICIAL ROSTER**  
**As Of**  
**June 30, 2009**

**BOARD OF EDUCATION**

<u>NAME</u>	<u>TITLE</u>
Mr. Leonard J. Valerio	President
Ms. Joann V. Salazar	Vice-President
Mr. Andrew J. Chavez	Secretary
Mr. Floyd E. Archuleta	Member
Mr. Jose I. "Coco" Archuleta	Member

**SCHOOL OFFICIALS**

<u>NAME</u>	<u>POSITION</u>
Dr. David Cockerham	Superintendent
Charlene Sanchez	Business Manager



**INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Education  
State of New Mexico - Espanola Public School District  
Espanola, New Mexico

and

Mr. Hector Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

I have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the budgetary comparisons of the General Fund, the Cafeteria Special Revenue Fund and the Title I-IASA Special Revenue Fund of the State of New Mexico, Espanola Public School District (District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the Table of Contents. Also, I have audited the financial statements of each of the District's nonmajor governmental and fiduciary funds including budgetary comparisons of each nonmajor fund and the budgetary comparisons of the Bond Building Capital Projects Fund, the Capital Improvements SB-9 Capital Projects Fund and the Debt Service Debt Service Fund 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 District's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as discussed in the following paragraphs, I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements and the combining and individual fund 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

The District does not have the detailed records to support completely a significant portion of the recorded amounts of capital assets and the recorded amounts for the related accumulated depreciation. As a result for all relevant capital assets, I was not able to audit the recorded amounts for capital assets as of June 30, 2009 in the basic financial statements. In addition, some capital assets such as library books have not been recorded and some depreciable capital assets are not being depreciated.

Because of the effects of the matter discussed above, I am not able to express an opinion on the statement of net assets or the statement of activities, which are a necessary part of the basic financial statements referred to above.

In addition to the above matter, the accounting records for the Charter School Carinos Charter School, were inadequate. The supporting data for the Carinos Charter School's accounting records was incomplete and inadequate. Therefore, the scope of my work was not sufficient to enable me to express, and I do not express, an opinion on the financial statements for the discretely presented component unit, Carinos Charter School.

In addition to the above matters, the beginning fund balance for the Espanola Military Academy was presented as all unrestricted in the General Fund in the audit for the year ended June 30, 2006. I was unable to perform sufficient procedures to determine the correct composition of fund balances of the Espanola Military Academy at June 30, 2006, 2007 and 2008. Also, the Espanola Military Academy's records were not adequately supported by the available documentation. Therefore, the scope of my work was not sufficient to enable me to express, and I do not express, an opinion on the financial statements for the discretely presented component unit, Espanola Military Academy.

In my opinion, the governmental funds financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, aggregate remaining fund information of the District as of June 30, 2009, and the respective changes in financial position and the respective budgetary comparisons for the General Fund, the Cafeteria Special Revenue Fund, and the Title I- IASA Special Revenue Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Because of the effects of the matters discussed in the fifth and sixth paragraphs of this report, I am unable to express an opinion, and I do not express an opinion, on the combining and individual financial statements of each fund of the two component units including the fiduciary fund of Espanola Military Academy, and the respective budgetary comparisons of the individual funds of the two component units, Carinos Charter School and Espanola Military Academy. In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund and fiduciary fund of the District as of June 30, 2009, and the respective changes in financial position, thereof and the respective budgetary comparisons for each nonmajor governmental fund and the respective budgetary comparisons for the Bond Building Capital Projects Fund, the Capital Improvements SB-9 Capital Projects Fund and the Debt Service Debt Service Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated January 6, 2010, on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws and regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

The District has not presented its Management's Discussion and Analysis for the year ended June 30, 2009. The Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board.

My audit was made for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying financial information listed as Additional Schedules-Supporting Schedules in the Table of Contents and the Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements and the combining and individual fund financial statements of the District. Because of the effects of the matters discussed in the fifth and sixth paragraphs of this report, I am not able to express an opinion, and I do not express an opinion on the Schedule of Expenditures of Federal Awards. Because of the effects of the matters discussed in the fifth and sixth paragraphs of this report, I am not able to express an opinion, and I do not express an opinion on the Schedule of Cash Reconciliations- Component Unit- Carinos Charter School, Schedule of Cash Reconciliations- Component Unit- Espanola

Military Academy and the Schedule of Changes in Fiduciary Assets and Liabilities- Component Unit- Agency Fund- Espanola Military Academy- School Activity Fund.

The Additional Information – Supporting Schedules listed in the Table of Contents as Schedule of Cash Reconciliations- District, Schedule of Pledged Collateral, Schedule of Changes in Fiduciary Assets and Liabilities- District- All Agency Funds and the Combining Schedule of Changes in Fiduciary Assets-District- All Agency Funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and the combining and individual fund financial statements and, in my opinion are fairly stated in all material respects, in relation to the basic financial statements and the financial statements of each of the respective individual funds taken as a whole.

Chester W. Matthews, CPA

January 6, 2010

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF NET ASSETS**  
**AS OF JUNE 30, 2009**

	Governmental Activities	Component Units	
		Carinos Charter School	Espanola Military Academy
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 10,456,489	\$ 38,793	\$ 99,244
Property taxes receivable	2,117,966		
Due from grantor	1,876,503		
Inventory	90,653		
<b>Total current assets</b>	<b>14,541,611</b>	<b>38,793</b>	<b>99,244</b>
Noncurrent assets:			
Capital assets	78,021,502		
Less: Accumulated depreciation	(26,914,463)		
<b>Total noncurrent assets</b>	<b>51,107,039</b>	<b>-0-</b>	<b>-0-</b>
Other assets			
Bond issuance costs, net of accumulated amortization of \$17,189	29,690		
Bond discount costs, net of accumulated amortization \$2,970	5,130		
<b>Total assets</b>	<b>65,683,470</b>	<b>38,793</b>	<b>99,244</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	296,072		
Deferred revenue-grants	988,269		4,083
Current portion of long-term obligations	2,577,309		
<b>Total current liabilities</b>	<b>3,861,650</b>	<b>-0-</b>	<b>4,083</b>
Long-term liabilities:			
Noncurrent portion of long-term obligations	13,630,000		
<b>Total long-term liabilities</b>	<b>13,630,000</b>	<b>-0-</b>	<b>-0-</b>
<b>Total liabilities</b>	<b>17,491,650</b>	<b>-0-</b>	<b>4,083</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	35,142,039		
Restricted for:			
Debt service	3,266,085		
Special projects	513,323	(4,806)	
Capital projects	4,756,882	(43,500)	46,298
Unrestricted	4,513,491	87,099	48,863
<b>Total net assets</b>	<b>\$ 48,191,820</b>	<b>\$ 38,793</b>	<b>\$ 95,161</b>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2009**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>EXPENSES:</b>					
Governmental activities:					
Education	\$ (52,174,151)	\$ 296,051	\$ 13,965,767	\$ 1,957,780	\$ (35,954,553)
Total governmental activities	\$ (52,174,151)	\$ 296,051	\$ 13,965,767	\$ 1,957,780	(35,954,553)
Component Units:					
Carinos Charter School	\$ (1,389,941)	\$ -0-	\$ 16,422	\$ 72,000	
Espanola Military Academy	\$ (1,714,921)	\$ -0-	\$ 15,134	\$ 112,177	
General revenues:					
Taxes:					
Property taxes, levied for general purposes					78,381
Property taxes, levied for debt service					2,384,142
Property taxes, levied for capital projects					454,108
State equalization guarantee					31,137,021
Other local revenue					643,650
Loss on investment					(15,000)
Transfer to District					159,600
Interest and investment earnings					356,037
Subtotal, general revenues					35,197,939
Change in net assets					(756,614)
Net assets - beginning of year					48,948,434
Net assets - end of year					\$ 48,191,820

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

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Component Units

<u>Carinos Charter School</u>	<u>Espanola Military Academy</u>
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\$ (1,301,519)

\$ (1,587,610)

1,273,156	1,549,872
79,297	35,432
	(159,600)
<u>1,352,453</u>	<u>1,425,704</u>
50,934	(161,906)
<u>(12,141)</u>	<u>257,067</u>
<u>\$ 38,793</u>	<u>\$ 95,161</u>

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2009**

	General Fund	Cafeteria	Title I- IASA	Debt Service
<b><u>ASSETS</u></b>				
Cash and investments	\$ 979,547			\$ 2,679,834
Due from other funds	1,796,516			
Property taxes receivable	43,560			1,559,059
Due from grantor		\$ 21,680	\$ 619,248	
Inventory	67,283	23,370		
<b>Total assets</b>	<b><u>\$ 2,886,906</u></b>	<b><u>\$ 45,050</u></b>	<b><u>\$ 619,248</u></b>	<b><u>\$ 4,238,893</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Due to other funds	\$ -0-	\$ 9,655	\$ 616,567	
Accounts payable and accrued liabilities	129,422	12,025	2,681	
Deferred revenue - grants				
Deferred revenues - property taxes	39,752			\$ 1,437,464
<b>Total liabilities</b>	<b><u>169,174</u></b>	<b><u>21,680</u></b>	<b><u>619,248</u></b>	<b><u>1,437,464</u></b>
Fund balances:				
Reserved for:				
Inventories	67,283	23,370		
Debt service				2,801,429
Unreserved:				
Designated				
Undesignated, reported in:				
General Fund	2,650,449			
Special Revenue Funds		-0-		
Capital Projects Funds				
<b>Total fund balances</b>	<b><u>2,717,732</u></b>	<b><u>23,370</u></b>	<b><u>-0-</u></b>	<b><u>2,801,429</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 2,886,906</u></b>	<b><u>\$ 45,050</u></b>	<b><u>\$ 619,248</u></b>	<b><u>\$ 4,238,893</u></b>

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

Bond Building	Capital Improvements SB-9	Other Governmental Funds	Total	Component Units	
				Carinos Charter School	Espanola Military Academy
\$ 3,476,454	\$ 59,370	\$ 3,261,284	\$ 10,456,489	\$ 38,793	\$ 99,244
	498,126	17,218	1,796,516	48,570	
	33,598	1,201,977	2,117,963		
			1,876,503		
			90,653		
<u>\$ 3,476,454</u>	<u>\$ 591,094</u>	<u>\$ 4,480,479</u>	<u>\$ 16,338,124</u>	<u>\$ 87,363</u>	<u>\$ 99,244</u>
		\$ 1,170,294	\$ 1,796,516	\$ 48,570	
	\$ 102,918	49,026	296,072		
		988,269	988,269		\$ 4,083
	488,176	14,483	1,979,875		
<u>\$ -0-</u>	<u>591,094</u>	<u>2,222,072</u>	<u>5,060,732</u>	<u>48,570</u>	<u>4,083</u>
			90,653		
		464,656	3,266,085		
			2,650,449	87,099	48,863
		513,323	513,323	(4,806)	
3,476,454		1,280,428	4,756,882	(43,500)	46,298
<u>3,476,454</u>	<u>-0-</u>	<u>2,258,407</u>	<u>11,277,392</u>	<u>38,793</u>	<u>95,161</u>
<u>\$ 3,476,454</u>	<u>\$ 591,094</u>	<u>\$ 4,480,479</u>	<u>\$ 16,338,124</u>	<u>\$ 87,363</u>	<u>\$ 99,244</u>



**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET ASSETS  
 AS OF JUNE 30, 2009**

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Total fund balances - governmental funds \$ 11,277,392

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets is:	\$ 78,021,502	
Accumulated depreciation is:	<u>(26,914,463)</u>	51,107,039

Delinquent property taxes not collected within sixty days after year end are not considered available revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities.	1,979,878
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Bond issuance costs are expensed for fund financial statements when paid but are amortized for government-wide financial statements over the life of the related bonds. Bond issuance costs net of accumulated amortization at June 30, 2009 were:	29,690
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Bond discount costs are expensed for fund financial statements but are amortized for government-wide financial statements over the life of the related bonds. Bond discount costs net of accumulated amortization at June 30, 2009 were:	5,130
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Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of:

Bonds payable	\$ (15,965,000)	
Compensated absences payable	<u>(242,309)</u>	<u>(16,207,309)</u>

Total net assets-governmental activities	<u>\$ 48,191,820</u>
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The accompanying notes are an integral part of these financial statements.

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	General Fund	Cafeteria	Title I- IASA	Debt Service
<b>REVENUES:</b>				
Local taxes	\$ 77,565			\$ 2,361,422
State sources	33,390,315	\$ 69,411		
Federal sources	1,214,044	2,031,788	\$ 2,023,493	
Charges for services	202,912	31,851		
Other local revenue	189,583	1,372		
Loss on investment	(15,000)			
Interest	187,318			44,710
<b>Total Revenues</b>	<b>35,246,737</b>	<b>2,134,422</b>	<b>2,023,493</b>	<b>2,406,132</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Instruction	18,515,894		1,764,772	
Support services-students	4,172,639			
Support services- instruction	584,316			
Support services-general administration	1,111,076		46,480	23,165
Support services -school administration	2,095,395		207,021	
Central services	1,045,683			
Operation and maintenance of plant	6,028,120		5,220	
Student transportation	1,841,637			
Food services operations		2,127,410		
Community service operations				
Debt service- principal and interest				2,485,869
Debt service- bond issuance costs				
Facilities acquisition and construction				
<b>Total Expenditures</b>	<b>35,394,760</b>	<b>2,127,410</b>	<b>2,023,493</b>	<b>2,509,034</b>
Excess (deficiency) of revenues over expenditures	(148,023)	7,012	-0-	(102,902)
<b>Other financing sources (uses):</b>				
Issuance of general obligation bonds				
Operating transfers in (out)				
Transfer to District	159,600			
<b>Total other financing sources (uses)</b>	<b>159,600</b>		<b>-0-</b>	
Net changes in fund balances	11,577	7,012	-0-	(102,902)
Fund balances - beginning of year	2,706,155	16,358	-0-	2,904,331
Fund balances - End of year	<b>\$ 2,717,732</b>	<b>\$ 23,370</b>	<b>\$ -0-</b>	<b>\$ 2,801,429</b>

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

Bond Building	Capital Improvements SB-9	Other Governmental Funds	Total Governmental Funds	Component Units	
				Carinos Charter School	Espanola Military Academy
	\$ 41,473	\$ 406,508	\$ 2,886,968		
	1,201,382	1,731,442	36,392,550	\$ 1,361,578	\$ 1,677,183
		4,956,398	10,225,723		
		61,288	296,051		
\$ 368,750	83,945	442,295	1,085,945	79,297	35,432
			(15,000)		
<u>77,929</u>	<u>11,542</u>	<u>34,538</u>	<u>356,037</u>		
<u>446,679</u>	<u>1,338,342</u>	<u>7,632,469</u>	<u>51,228,274</u>	<u>1,440,875</u>	<u>1,712,615</u>
		4,531,724	24,812,390	772,837	496,167
		940,541	5,113,180	92,433	96,927
		487,164	1,071,480	21,255	340,461
		84,353	1,265,074	862	57,152
		92,666	2,395,082	111,090	112,088
		205,064	1,250,747	145,095	302,700
		51,870	6,085,210	99,367	187,494
		70,097	1,911,734	3,975	
		102,555	2,229,965	27,527	9,755
		-0-	-0-		
		718,550	3,204,419		
		-0-	-0-		
<u>20,210</u>	<u>2,130,125</u>	<u>986,911</u>	<u>3,137,246</u>	<u>115,500</u>	<u>112,177</u>
<u>20,210</u>	<u>2,130,125</u>	<u>8,271,495</u>	<u>52,476,527</u>	<u>1,389,941</u>	<u>1,714,921</u>
<u>426,469</u>	<u>(791,783)</u>	<u>(639,026)</u>	<u>(1,248,253)</u>	<u>50,934</u>	<u>(2,306)</u>
			-0-		-0-
			-0-		-0-
			159,600		(159,600)
	<u>-0-</u>	<u>-0-</u>	<u>159,600</u>	<u>-0-</u>	<u>(159,600)</u>
426,469	(791,783)	(639,026)	(1,088,653)	50,934	(161,906)
<u>3,049,985</u>	<u>791,783</u>	<u>2,897,433</u>	<u>12,366,045</u>	<u>(12,141)</u>	<u>257,067</u>
<u>\$ 3,476,454</u>	<u>\$ -0-</u>	<u>\$ 2,258,407</u>	<u>\$ 11,277,392</u>	<u>\$ 38,793</u>	<u>\$ 95,161</u>

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2009**

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Total net change in fund balances - governmental funds. \$ (1,088,653)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation expense	(2,557,746)	
Capital outlays during the year which were capitalized	312,937	
(Deficiency) Excess of capital outlay over depreciation expense		(2,244,809)

In the Statement of Activities, certain operating expenses - compensated absences payable - are measured by the amounts incurred during the year. In the fund financial statements, however, expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). The (increases) decreases in the liabilities for the year were:

Compensated absences payable	28,181
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Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.	2,530,000
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Because some property taxes will not be collected for several months after the fiscal year end, they are not considered available revenues in the governmental funds, and are instead counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities. The change in the liability for the year was:	29,663
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Issuance of general obligation bonds is an other financing source in the governmental funds, but is a liability in the government-wide financial statements	-0-
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Bond issuance costs are an expenditure in the governmental funds but are amortized in the government-wide financial statements	
-Bond issuance costs incurred in current fiscal year	-0-
-Current year amortization	(9,376)

Bond discount costs are similar to bond issuance costs	
-Bond discount costs incurred in current year	-0-
-Current year amortization	(1,620)

Change in net assets of governmental activities	<u>\$ (756,614)</u>
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The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes	\$ 75,727	\$ 75,727	\$ 75,952	\$ 225
State sources	32,918,611	32,989,038	33,002,231	13,193
Federal sources	404,425	1,189,109	1,214,044	24,935
Charges for services	5,000	5,000	88,095	83,095
Other local revenue	429,052	429,052	852,084	423,032
Investment	150,000	150,000	187,318	37,318
<b>Total revenues</b>	<b>33,982,815</b>	<b>34,837,926</b>	<b>35,419,724</b>	<b>581,798</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	19,979,426	19,085,376	18,584,586	500,790
Support services-students	4,705,641	4,705,641	4,152,929	552,712
Support services- instruction	627,064	725,088	600,731	124,357
Support services-general administration	960,038	1,069,909	1,098,507	(28,598)
Support services -school administration	2,177,301	2,177,301	2,095,899	81,402
Central services	1,104,104	1,119,236	1,040,938	78,298
Operation and maintenance of plant	5,763,156	7,072,150	6,081,035	991,115
Student transportation	1,617,200	1,889,420	1,841,637	47,783
Other support services	63,384	63,384	-0-	63,384
<b>Total expenditures</b>	<b>36,997,314</b>	<b>37,907,505</b>	<b>35,496,262</b>	<b>2,411,243</b>
Excess (deficiency) of revenues over expenditures	(3,014,499)	(3,069,579)	\$ (76,538)	\$ 2,993,041
Prior year cash required to balance budget	\$ 3,014,499	\$ 3,069,579		

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

**STATE OF NEW MEXIC  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY  
BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND -  
CAFETERIA  
FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ 1,800,000	\$ 2,061,944	\$ 69,411	\$ (1,992,533)
Federal sources	-0-	-0-	1,929,473	1,929,473
Charges for services	25,000	25,000	31,851	6,851
Other local revenue	-0-	-0-	1,372	1,372
Interest	-0-	-0-	-0-	-0-
 Total revenues	 <u>1,825,000</u>	 <u>2,086,944</u>	 <u>2,032,107</u>	 <u>(54,837)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	-0-	-0-	-0-
Support services-students				
Support services-instruction				
Support services-general administration				
Support services -school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations	<u>1,825,000</u>	<u>2,086,944</u>	<u>2,020,097</u>	<u>66,847</u>
 Total expenditures	 <u>1,825,000</u>	 <u>2,086,944</u>	 <u>2,020,097</u>	 <u>66,847</u>
 Excess (deficiency) of revenues over expenditures	 <u>\$ -0-</u>	 <u>\$ -0-</u>	 <u>\$ 12,010</u>	 <u>\$ 12,010</u>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - TITLE I - IASA  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources	\$ 2,273,802	\$ 2,273,802	\$ 2,071,353	\$ 202,449
Charges for services				
Other local revenue				
Interest				
	<u>2,273,802</u>	<u>2,273,802</u>	<u>2,071,353</u>	<u>202,449</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	1,956,926	1,956,926	1,762,289	194,637
Support services-students				
Support services-instruction				
Support services-general administration	72,576	72,576	46,480	25,896
Support services -school administration	230,044	230,044	207,021	23,023
Central service				
Operation and maintenance of plant	14,456	14,456	5,220	9,236
Student transportation				
Food service operations				
	<u>2,273,802</u>	<u>2,273,802</u>	<u>2,021,010</u>	<u>252,792</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 50,343</u>	<u>\$ 445,241</u>

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



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS-DISTRICT**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 538,219
Total assets	<u>\$ 538,219</u>
<b>LIABILITIES</b>	
Deposits held for others	\$ 538,219
Total liabilities	<u>\$ 538,219</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND-COMPONENT**  
**UNIT -ESPANOLA MILITARY ACADEMY FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Agency Fund Espanola Military Academy</u>
<b>ASSETS</b>	
Cash	\$ 481
Total assets	<u>\$ 481</u>
<b>LIABILITIES</b>	
Deposits held for others	\$ 481
Total liabilities	<u>\$ 481</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2009**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the State of New Mexico, Espanola Public School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

***A. Reporting Entity***

The District was created under the provision of Section 22-5-4 (NMSA, 1978 Comp.) to provide public education for the children within the District. The School Board is authorized to establish policies and regulations for its own government consistent with the laws of the state of New Mexico and the regulations of the State Board of Education and the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years. The Board selects a superintendent who administers the District.

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

***B. Basic Financial Statements - GASB Statement #34***

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The new reporting model focus is on either the District as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type activities. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The District did not have any business-type activities during the year ended June 30, 2009.

Since the District does not have any business-type activities, but only governmental activities, the District's policy is not to apply any FASB pronouncements issued after November 30, 1989 in its

government-wide financial statements, but only those issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

The government-wide Statement of Activities reflects both the gross and net cost per functional category. The District reports one function (education). The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenues (taxes, intergovernmental revenues, interest income, etc.). Historically, the previous mode did not summarize or present net cost by function or activity. The District does not currently employ indirect cost allocation systems.

This government-wide focus is more on the sustainability of the District as an entity and in aggregate financial position resulting from the activities of the current fiscal period.

The fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis here is on the major funds in either the governmental or business-type categories. Nonmajor funds (by category) are summarized into a single column.

The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the District's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column on the governmental-wide presentation.

Internal activity between the various funds is eliminated in the government-wide financial statements. Interfund receivables and payables at June 30, 2009 have been eliminated. These consist of amounts titled "Due from other funds" and "Due to other funds" in the fund financial statements. Carinos Charter School also had \$48,570 in due from /due to at June 30, 2009. They were eliminated in the government-wide financial statements.

The District's fiduciary funds (agency funds) are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. If the District had any component units similar to fiduciary funds, they would not be incorporated into the government-wide financial statements.

### ***C. Basis of Presentation***

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

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and description of each existing fund type follow.

### **Governmental Funds**

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

General fund - the primary operating fund of the District accounts for all financial resources, except those required to be accounted for in other funds.

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

Debt service funds - account for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Capital projects funds - account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

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

Cafeteria Special Revenue Fund - This fund is used to account for the cost of operating a student breakfast, lunch, snack bar and summer lunch program and is financed with federal grants and fees paid by program users. This fund is required by the National School Lunch/Breakfast Federal Program.

Title I- IASA Special Revenue Fund- To account for grant funds to be used for the purpose of improving educational opportunities for the educationally deprived children. Funding Authority is the U.S. Department of Education.

Debt Service Debt Service Fund -This fund is used to account for the accumulation of resources and for payment of long-term debt principal and interest. This fund is authorized by the bond resolutions.

Bond Building Capital Projects Fund - This fund is used to account for the erecting, remodeling, making additions to and furnishing school buildings and purchasing and improving school grounds. Funding is provided by issuance of general obligations bonds. This fund is authorized by the bond resolutions.

Capital Improvements SB-9 Capital Projects Fund- To account for the finding of major improvements to the District's facilities under provisions of the Public School Capital Improvements Act. Funding is derived from property tax revenues and from the State of New Mexico Public School Capital Improvement Fund.

## **Fiduciary Funds**

*Fiduciary funds* account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District. The District only had agency funds during the year ended June 30, 2009.

*Agency funds* are used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

School activity funds - accounts for assets held by the District as an agent for the individual schools and school organizations.

Clearing agency fund- accounts for assets held by the District before they are remitted to other entities such as withholdings including pension, retiree health care and others.

In addition, the Charter School, Espanola Military Academy has an agency fund for its school activity fund. No agency funds were noted for Carinos Charter School.

### Component Unit – Charter Schools

The District has two Charter Schools, Carinos Charter School which was established by order of the Secretary of Education in the fiscal year ended June 30, 2006 and the Espanola Military Academy which was established three years ago. Both Charter Schools meet the State Auditor's criteria for inclusion as component units. Both Charter Schools are presented discretely. The two charter schools do not have any component units. If they had any component units similar to fiduciary funds, they would not be incorporated into the government-wide financial statements. The two component units have been treated as major funds for financial statement purposes.

## ***D. Basis of Accounting***

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. The Government-wide Financial Statements and the Fiduciary Fund Financial Statements are presented on an accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented on a modified accrual basis.

Accrual Basis - Under the accrual basis of accounting, revenues are recorded when earned and expenditures are recorded when incurred.

Modified Accrual - All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all property tax revenues available if they are collected within 60 days of year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Property taxes are recognized when levied. Reimbursement receivables are recognized when the related expenditures are incurred. Other receipts and taxes become measurable and available when cash is received by the District and are recognized as revenue at that time.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

#### ***E. Budgets and Budgetary Accounting***

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

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

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

1. Prior to April 15, (unless a later date is fixed by the Secretary of the Public Education Department) the local school board submits to the School Budget Planning Unit (SBPU) of the New Mexico Public Education Department an estimated budget for the school district for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the Public Education Department by the school district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed operating budget will be reviewed and approved by the SBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The operating budget will be used by the District until it has been notified that the budget has been approved by the SBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBPU.
5. No school board or officer or employee of a school district shall make any expenditures or incur any obligation for the expenditure of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division, but this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the SBPU.
7. Legal budget control for expenditures is by function. Budgets were not prepared for the following Special Revenue Funds, because there were no activity in them during the fiscal year ended June 30, 2009.

1. Immigrant Funding
  2. PNM Foundation
  3. State School Day Program
  4. Reading Improvements Incentives
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and any amendments.
9. Carinos Charter School overspent four of its functions in its Operational Account of its General Fund by various amounts. Carinos Charter School overspent its budget in its Special Revenue Fund- Charter School by \$10,000 and overspent its budget in its Capital Projects Fund- Public School Capital Outlay by \$54,000. Espanola Military Academy overspent its budget in its Capital Projects Fund-Public School Capital Outlay by \$22,681. A finding has been included in this report regarding the component units and their budgets.
10. The District overspent budget functions in our Special Revenue Funds as follows:
1. Entitlement IDEA-B Special Revenue Fund overspent its function, Student Transportation, by \$50,097.
  2. Title IV- Safe and Drug Free Schools and Community Special Revenue Fund overspent its function, Instruction, by \$127.
  3. Indian Ed. Formula Grant Special Revenue Fund overspent its function, Instruction, by \$7,357.
  4. LANL Foundation Special Revenue Fund overspent its function, Instruction by \$2,473.

In addition, the Operational Account of the General Fund overspent its function, support services- general administration by \$28,598.

A finding has been included has been included in the report for the overexpenditures of the District.

***F. Encumbrances***

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. Encumbrances lapse at the fiscal year end and are therefore not included as a reservation of fund balance. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

***G. Assets, Liabilities and Fund Equity***

**1. Cash**

The District is authorized under the provisions of Chapter 6, Article 10, Paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.



## **2. Investments**

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

- (a) Bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within the last five years preceding; or
- (b) Securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.
- (c) In contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor.
- (d) The District may invest its money with the New Mexico State Treasurer's short-term investment pool. Such money will not be invested in the State Treasurer's short-term investment pool for a period greater than 181 days.
- (e) The District may invest funds in the New Mexico State Treasurer's Local Government Investment Pool (Pool). The Pool's investments are U.S. term overnight repurchase agreements. Interest rates fluctuate depending upon the investments in the Pool.

## **3. Accounts Receivable**

Accounts receivable are recorded in the various governmental funds. They consist of amounts receivable from local governments relating to various grant agreements and property taxes receivable. Property taxes receivable are shown net an allowance for uncollectibles. The allowance is equal to 4% of outstanding property taxes at June 30, 2009.

## **4. Inventories**

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Inventories in the Operational account of the General Fund consist of related work and maintenance supplies. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

## **5. Capital Assets**

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair value at the date of donation. Software which meets the capitalization requirement is also capitalized. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs

incurred for repairs and maintenance are expensed as incurred. The District does not capitalize interest in regards to its capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Land improvements	20 years
Buildings & building improvements	40 years
Machinery and equipment, including computer equipment and software	3 to 10 years
Autos and vehicles	10 years

GASB Statement #34 requires the recording and depreciation of infrastructure assets, which include roads, bridges, traffic signals, etc. The District did not own any infrastructure assets as of June 30, 2009.

## **6. Deferred Revenues**

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

## **7. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the district-wide statement of net assets.

## **8. Long-term Liabilities**

For district-wide reporting, the insurance costs and any bond premium and any bond discount associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds, bond premium and bond discount will be amortized prospectively from the date of adoption of GASB Statement No. 34.

For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source at face value. Bond premiums are reported as an other financing source while bond discounts are reported as an other financing use. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

## **9. Fund Balances of Fund Financial Statements**

Reservations of fund balance represent amounts that are not appropriable for expenditures or legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The District designates the portion of the year end fund balance, not otherwise designated or reserved, for subsequent years' expenditures. These

designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

## **10. Restricted Net Assets**

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

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

Imposed by law through constitutional provisions or enabling legislation.

The Invested in Capital Assets, net of related debt consists of the portion of net assets which is associated with non-liquid capital assets less any outstanding related debt.

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

## **11. Interfund Transactions**

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

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

## **12. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## **13. Bond Issuance Costs, Bond Discounts and Bond Premiums**

The costs of issuing bonds, bond discounts, and bond premiums are capitalized in the government-wide financial statements and are amortized over the life of the related general obligation bonds payable.

## **2. CASH AND INVESTMENTS**

### **A. Pledged Collateral Requirement**

The District deposits its funds with various financial institutions. The District may invest in U.S. Treasury obligations but did not during the year ended June 30, 2009. New Mexico statute Section 6-10-17, 1978, provides that deposits of public monies in financial institutions must be secured by pledged collateral in an aggregate value equal to one-half of the amount of the public monies deposited after deducting the amount of Federal Deposit Insurance Corporation insurance coverage

for each financial institution. A schedule detailing the collateral pledged to the District's deposits is located in the back of this report.

AA. Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2009, \$347,656 of the District's bank balance of \$13,435,061 was exposed to custodial credit risk because it was uninsured and uncollateralized. At June 30, 2009, the carrying amount of these deposits was \$10,560,682.

#### B. Investments

As of June 30, 2009, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities Less than 1 Year</u>
Money Market at Valley National Bank, Espanola, NM	<u>\$8,425,000</u>	<u>\$8,425,000</u>
State Investment	587,544	587,544
Less estimated loss	<u>(15,000)</u>	<u>(15,000)</u>
	<u>572,544</u>	<u>572,544</u>
 Total	 <u>\$8,997,544</u>	 <u>\$8,497,544</u>

C. Custodial credit risk – Investments. For an investment, custodial credit risk is the risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). The carrying value of the District's investments at June 30, 2009 was \$9,012,544.

The State Treasurer Local Government Investment Pool is not SEC Registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment funds in securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool procedures that apply to all other state investments. The pool does not have unit shares; at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distribution dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2009. The State of New Mexico is the regulatory oversight entity and participation in the pool is voluntary. The credit rating was AAAM and the weighted average maturity was 43 days.

#### D. Summary of Cash and Investments

The District pools the cash from several bank accounts. For financial reporting purposes, individual fund cash balances are reported as either "Cash and Investments" if they have a positive balance or "Due To Other Funds" (in the case of a fund overdraft) with an offsetting "Due from Other Funds" in the Operational Account of the General Fund. These Due From/Due To balances have been eliminated in the government-wide financial statements.

	District	Carinos Charter School	Española Military Charter
A reconciliation of cash and investments follows:			
Total cash and investments on deposit, all financial institutions	\$ 13,187,504	\$ 45,181	\$ 202,944
Less: Outstanding checks and warrants	<u>(2,764,483)</u>	<u>(6,388)</u>	<u>(103,700)</u>
 Total cash	 10,423,021	 <u>\$ 38,793</u>	 <u>\$ 99,244</u>
Add: Investments with NM State Treasurer after estimated loss	572,544		
Less- Agency funds cash	(538,219)		
Less- Carinos Charter School cash	<u>(857)</u>		
Per financial statements:			
Cash and investments	<u>\$ 10,456,489</u>	<u>\$ 38,793</u>	<u>\$ 99,244</u>

### 3. INVENTORY

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. The reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

Inventories at June 30, 2009, consisted of the following:

Special Revenue Fund:	
Cafeteria	\$ 23,370
 Total	 <u>\$ 23,370</u>
 <b>General Fund:</b>	
Operational account (maintenance supplies)	\$ 67,283
 Total	 <u>\$ 67,283</u>

### 4. RECEIVABLES

Receivables at June 30, 2009, consisted of the following:

	General	Cafeteria	Debt Service	Bond Building	Capital Improvements SB-9	Other Governmental Funds	Total
Prop. taxes receivable	\$ 43,560	\$ -0-	\$ 1,559,059	\$ -0-	\$ 498,126	\$ 17,218	\$ 2,117,963
Due from grantor		21,680			33,598	1,821,225	1,876,503
 Total	 <u>\$ 43,560</u>	 <u>\$ 21,680</u>	 <u>\$ 1,559,059</u>	 <u>\$ -0-</u>	 <u>\$ 531,724</u>	 <u>\$ 1,838,443</u>	 <u>\$ 3,994,466</u>

Property taxes receivable are shown net of an allowance for uncollectible taxes of 4% of outstanding property taxes at year end. All other amounts are considered to be fully collectible. Property taxes not received within 60 days of the fiscal year end are shown as deferred property taxes in the fund financial statements.

**5. INTERFUND RECEIVABLES AND PAYABLES**

The District operates a pooled cash account. As Funds report as follows: Positive cash balances are reported as "Cash and Investments" while negative cash balances are reported as "Due to other funds" with an offsetting amount reported as "Due from other funds" in the Operational Account of the General Fund. These amounts are eliminated in the government-wide financial statements.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major:		
General (Operational)	\$ 1,796,516	
Cafeteria		\$ 9,655
Title I- IASA		616,567
Total major funds	<u>1,796,516</u>	<u>626,222</u>
Non major:		
Other governmental funds:		
Special Revenue Funds:		
Discretionary IDEA-B		5,263
Education of Homeless		299
English Language Acquisition		106,135
Teacher/Principal Training and Recruitment		102,143
Safe and Drug Free Schools		6,175
Rural and Low Income Schools		17,026
Title I School Improvements		22,185
Reading First		191,600
Carl D. Perkins Special Project		24,716
ARRA Title I- IASA Federal Stimulus		8,272
ARRA IDEA-B Federal Stimulus		282,483
ARRA IDEA-B Preschool Federal Stimulus		19,047
LANL Foundation		18,449
Family and Youth Resource		29,533
Extended School Program		9,935
Schools on the Rise		5,621
Rural Ed.-Summer Enrichment Program		20,342
Kindergarten Plus Three		47,544
Library SB 301 G.O. Bonds		6,182
After School Learning Programs		1,293
NM Standards Based Student Progress Tracking		500
Summer Reading, Math & Science Institute		88,733
NM Highway Dept.		3,348
Total Special Revenue Funds-Nonmajor		<u>1,016,824</u>
Capital Projects Funds:		
Special Capital Outlay-State		153,470
Total Capital Projects Funds-Nonmajor		<u>153,470</u>
Total other governmental funds		<u>1,170,294</u>
Total major and non-major governmental funds	<u>\$ 1,796,516</u>	<u>\$ 1,796,516</u>

**6. CAPITAL ASSETS**

The District's capital assets were as follows for the year ended June 30, 2009:

	Balance June 30, 2008	Additions	Deletions	Transfers	Balance June 30, 2009
Assets not being depreciated:					
Land and improvements	\$ 4,852,702	\$ -0-	\$ -0-	\$ -0-	\$ 4,852,702
Construction in progress	100,493	-0-	-0-	(100,493)	-0-
<b>Total assets not being depreciated</b>	<b>4,953,195</b>	<b>-0-</b>	<b>-0-</b>	<b>(100,493)</b>	<b>4,852,702</b>
Assets being depreciated:					
Buildings and improvements	66,917,091	72,512	-0-	100,493	67,090,096
Machinery and equipment	5,838,279	240,425	-0-	-0-	6,078,704
<b>Total assets being depreciated</b>	<b>72,755,370</b>	<b>312,937</b>	<b>-0-</b>	<b>100,493</b>	<b>73,168,800</b>
<b>Total assets</b>	<b>77,708,565</b>	<b>312,937</b>	<b>-0-</b>	<b>-0-</b>	<b>78,021,502</b>
Less Accumulated depreciation for:					
Buildings and improvements	(21,825,309)	(2,310,754)	-0-	-0-	(24,136,063)
Machinery and equipment	(2,531,408)	(246,992)	-0-	-0-	(2,778,400)
<b>Total accumulated depreciation</b>	<b>(24,356,717)</b>	<b>(2,557,746)</b>	<b>-0-</b>	<b>-0-</b>	<b>(26,914,463)</b>
<b>Total capital assets, less accumulated depreciation</b>	<b>\$ 53,351,848</b>	<b>\$ (2,244,809)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 51,107,039</b>

For the year ended June 30, 2009 depreciation expense of \$2,557,746 was charged to the Governmental Activities-Education of the District. Land and improvement capital assets, totaling \$4,852,702 were not charged with depreciation in accordance with accounting principles generally accepted in the United States of America. Construction-in-progress is also not charged with depreciation until placed in service.

**7. LONG-TERM LIABILITIES**

**A. Changes in Long-Term Liabilities**

During the year ended June 30, 2009, the following changes occurred in the liabilities reported in the government-wide Statement of Net Assets:

	Balance at June 30, 2008	Additions	Deletions	Balance June 30, 2009	Due Within One Year	Amounts considered Long-Term
Bonds payable	\$18,495,000	\$ -0-	\$ (2,530,000)	\$ 15,965,000	\$ 2,335,000	\$ 13,630,000
Compensated absences payable	270,490	247,502	(275,683)	242,309	242,309	-0-
Capital lease payable	64,058	-0-	(64,058)	-0-	-0-	-0-
<b>Total</b>	<b>\$18,829,548</b>	<b>\$ 247,502</b>	<b>\$ (2,869,741)</b>	<b>\$ 16,207,309</b>	<b>\$ 2,577,309</b>	<b>\$ 13,630,000</b>

General obligation bonds are repaid with property taxes which are collected by the Debt Service Fund.

In prior years, the General Fund has been used to pay accrued compensated absences and will likely continue to do so, except for Special Revenue Funds that have employees which will pay for their own employees.

**B. General Obligation Bonds**

General obligation bonds, authorized by the voters of the District, are issued for the purposes of erecting, remodeling, making additions to and furnishing school buildings, and purchasing and improving school grounds. The following is a list of bonds issued and outstanding at June 30, 2009.

Series	Amount of Original Issue	Final Mat. Year Ending June 30	Range of Interest Rates	Balance July 1, 2008	Addition (Retired)	Balance June 30, 2009
June 15, 1998	\$ 5,000,000	2010	4.25 – 6.25%	\$ 1,065,000	\$ (530,000)	\$ 535,000
Feb 15, 1999	3,500,000	2012	4.0 – 5.9%	1,975,000	(400,000)	1,575,000
May 1, 2000	1,500,000	2012	4.8 – 6.8%	600,000	(100,000)	500,000
June 1, 2002	5,300,000	2018	3.15 – 4.65%	3,940,000	(330,000)	3,610,000
June 1, 2003	5,000,000	2016	1.35 – 3.74%	4,140,000	(395,000)	3,745,000
June 1, 2004	5,000,000	2017	3.00 – 4.50%	4,675,000	(125,000)	4,550,000
Sept. 1, 2007	2,100,000	2013	3.70 to 3.95%	2,100,000	(650,000)	1,450,000
Total				\$ 18,495,000	\$ (2,530,000)	\$ 15,965,000

The annual debt service requirements to maturity for general obligation bonds at June 30, 2009 are as follows:

Year ending June 30	Principal	Interest	Total
2010	\$ 2,335,000	\$ 580,364	\$ 2,915,364
2011	2,200,000	486,647	2,686,647
2012	2,405,000	398,207	2,803,207
2013	1,895,000	316,149	2,211,149
2014	1,655,000	250,043	1,905,043
Subtotal	10,490,000	2,031,410	12,521,410
2015-2018	5,475,000	393,036	5,868,036
Total	\$ 15,965,000	\$ 2,424,446	\$ 18,389,446

**C. Capital Lease Payable**

The District entered into a capital lease payable in the fiscal year ended June 30, 2006. The capital lease payable was for \$249,000 in principal and included \$22,886 in interest payments. Payments were for \$67,971 per year for four years. The interest rate on this lease is 6.109%. The lease originated in June 2006, but no payments were made until the fiscal year ended June 30, 2007. This lease was paid off during the fiscal year ended June 30, 2009.

**8. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor 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 which



may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

The District is a defendant in several lawsuits. Although the outcome of the lawsuits is not presently determinable, it is the opinion of management that the resolution of these matters will not have a material adverse effect on the principal condition of the District.

**9. INSURANCE COVERAGE**

The District is insured through the New Mexico Public School Insurance Authority. Coverage provided includes all-peril on buildings and contents; crime coverage; general liability; civil rights and personal injury; motor vehicle and fleet property damage and liability; school bus property damage and liability coverage; and statutory workmen’s compensation coverage. The crime coverage portion of this insurance includes employee fidelity/faithful performance coverage up to \$250,000 each occurrence.

**10. BUDGET TO GAAP RECONCILIATION**

The Statements of Revenues and Expenditures - Budget (Non-GAAP Budgetary Basis) and Actual (Non-GAAP Budgetary Basis) present budget comparisons using cash basis revenues and expenditures, while the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds utilizes the modified accrual basis of accounting. The following is a reconciliation of revenues and expenditures between the statements for the major funds:

	General	Cafeteria	Title I-IASA	Debt Service	Bond Building	Capital Improvements SB-9
Revenues per modified accrual basis	\$ 35,246,737	\$2,134,422	\$ 2,023,493	\$ 2,406,132	\$ 446,679	\$ 1,338,342
Differences attributable to accruals at Beginning and ending of year:						
Taxes receivable	(1,613)			(44,887)		79
Intergovernmental receivables		4,633	47,860			(33,598)
Deferred revenue						
Loss on investment	15,000					
Reclassification of transfer	159,600					
Commodities received		(106,948)				
Revenues per budgetary basis	<u>\$ 35,419,724</u>	<u>\$2,032,107</u>	<u>\$ 2,071,353</u>	<u>\$ 2,361,245</u>	<u>\$ 446,679</u>	<u>\$ 1,304,823</u>
Expenditures per modified accrual basis	\$ 35,394,760	\$2,127,410	\$ 2,023,493	\$ 2,509,034	\$ 20,210	\$ 2,130,125
Differences attributable to accruals at Beginning and ending of year:						
Accounts payable	112,758	(7,377)	(2,483)			(93,093)
Changes in inventories	(11,256)	7,012				
Commodities used		(106,948)				
Expenditures per budgetary basis	<u>\$ 35,496,262</u>	<u>\$2,020,097</u>	<u>\$ 2,021,010</u>	<u>\$ 2,509,034</u>	<u>\$ 20,210</u>	<u>\$ 2,037,032</u>

**11. ERA PENSION 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, disability benefits and cost-of-living adjustments to plan members and beneficiaries. ERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERA, P.O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERA's website at [www.nmerb.org/educationalretirementact.htm](http://www.nmerb.org/educationalretirementact.htm).

**Funding Policy.** Plan members are required to contribute 7.825% of their gross salary. The 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 the legislature. The District's contributions to ERB for the years ended June 30, 2009, 2008, and 2007 (employer portion only) were \$2,844,136, \$2,607,402 and \$2,309,453, respectively, equal to the amount of the required contributions of each.

## **12. POST-EMPLOYMENT BENEFITS-STATE RETIREE HEALTH CARE PLAN**

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

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

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

*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](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each

participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The District's contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$312,281, \$310,889, and \$295,365 respectively, which equal the required contributions for each year.

### **13. OPERATING LEASES**

The District leases certain office equipment, primarily copying machines under operating leases of varying terms. Total operating lease payments for the year ended June 30, 2009 were \$110,850. Future lease payment commitments under operating which were cancelable under conditions permitted by current statutes are as follows:

<u>Year Ending June 30</u>	<u>Lease Payments</u>
2010	\$110,850
2011	<u>28,603</u>
Total	<u>\$139,453</u>

### **14. ESPANOLA MILITARY ACADEMY-GOING CONCERN**

As of July 1, 2009, the Charter School, Espanola Military Academy ceased to exist as a Charter School. It became a school within the District. During the fiscal year ended June 30, 2009, the Espanola Military Academy transferred \$159,600 to the District in anticipation of its closing. The transfer was recorded in the District's General Fund. During the year ended June 30, 2009, the District transferred \$202,622 to the Espanola Military Academy of funds held for Espanola Military Academy by the District at June 30, 2008 since Espanola Military Academy had its own separate operations during the fiscal year ended June 30, 2009 and kept all of its own records for the year ended June 30, 2009. No adjustments are needed due to the going concern because the Espanola Military Academy only had cash at June 30, 2009.

### **15. LOSS ON INVESTMENT**

The State Treasurer Office invested a portion of the LGIP in the The Reserve Primary Fund ("the Fund"), a money market fund, in fiscal years 2006, 2007, 2008, and 2009. On September 15, 2008, the balance of the LGIP's investment in the Fund was \$381.7 million. On September 16, 2008, The Reserve Primary Fund's net asset value fell below \$1.00 and holdings in the Fund were frozen. Since September 2008, The Reserve Primary Fund has returned approximately \$0.90 per share to shareholders. On February 26, 2009, The Reserve Primary Fund announced that it was withholding \$3.5 billion of the Fund's assets for anticipated and pending litigation against it, which amount could increase or decrease as the Fund evaluates information related to such litigation. As a result, the State Treasurer's Office cannot anticipate what the actual loss to the LGIP from The Reserve Primary Fund may be or when the actual loss may be realized. No actual loss has been realized to date. The total remaining Reserve Primary Fund position as of June 30, 2009, is \$39.5 million. The LGIP's remaining position in The Reserve Primary Fund is a non-performing asset. At June 30, 2009, the District had \$92,822 that had been placed in a Reserve

Contingencies Fund by the New Mexico State Treasurer. The District recorded a loss of \$15,000 for their portion as of June 30, 2009 based on information provided by the New Mexico State Treasurer.

**16. DEFICIT FUND BALANCES**

Carinos Charter School had a deficit fund balance of \$264 in the Instructional Materials Account of its General Fund, of \$4,806 in its Special Revenue Fund- Non- Instructional Support and of \$43,500 in its Capital Projects Fund- Public School Capital Outlay. Carinos Charter School will eliminate the deficits in the future by raising more revenues or by transfers from the Operational Account of its General Fund.

**17. SUBSEQUENT EVENT**

After it was closed, the Espanola Military Academy transferred in July 2009 its remaining funds of \$99,244 to the District.

**SUPPLEMENTAL SECTION**

## **GENERAL FUND**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Operational Account: Accounts for the general operations of the District.

Transportation Account: Accounts for the State funds received which are used for the transportation of students.

Instructional Materials Account: Accounts for the State funds received which are used to purchase instructional materials.

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING BALANCE SHEET - BY ACCOUNT - GENERAL FUND  
AS OF JUNE 30, 2009**

	<b>Operational Account</b>	<b>Transportation Account</b>	<b>Instructional Materials Account</b>	<b>Total</b>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 687,275		\$ 292,272	\$ 979,547
Due from other funds	1,796,516			1,796,516
Taxes receivable	43,560			43,560
Inventory	67,283			67,283
	<u>687,275</u>		<u>292,272</u>	<u>979,547</u>
Total assets	<u>\$ 2,594,634</u>	<u>\$ -0-</u>	<u>\$ 292,272</u>	<u>\$ 2,886,906</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>				
Liabilities:				
Due to other funds	\$ -0-			\$ -0-
Accounts payable	94,359		\$ 35,063	129,422
Deferred revenue - property taxes	39,752			39,752
	<u>94,359</u>		<u>35,063</u>	<u>129,422</u>
Total liabilities	<u>134,111</u>	<u>\$ -0-</u>	<u>35,063</u>	<u>169,174</u>
Fund Equity:				
Fund balances:				
Reserved for inventory	67,283			67,283
Unreserved:				
Designated for subsequent year's expenditures				
Undesignated	2,393,240	-0-	257,209	2,650,449
	<u>2,393,240</u>	<u>-0-</u>	<u>257,209</u>	<u>2,650,449</u>
Total fund balances	<u>2,460,523</u>	<u>-0-</u>	<u>257,209</u>	<u>2,717,732</u>
Total liabilities and fund equity	<u>\$ 2,594,634</u>	<u>\$ -0-</u>	<u>\$ 292,272</u>	<u>\$ 2,886,906</u>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - BY ACCOUNT - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Operational Account</u>	<u>Transportation Account</u>	<u>Instructional Materials Account</u>	<u>Total</u>
<b><u>REVENUES</u></b>				
Local taxes	\$ 77,565			\$ 77,565
State sources	31,137,021	\$ 1,839,420	\$ 413,874	33,390,315
Federal sources	1,214,044			1,214,044
Charges for services	202,912			202,912
Other local revenue	178,532		11,051	189,583
Loss on investment	(15,000)			(15,000)
Interest	187,318			187,318
	<u>32,982,392</u>	<u>1,839,420</u>	<u>424,925</u>	<u>35,246,737</u>
Total revenues				
<b><u>EXPENDITURES</u></b>				
Current:				
Instruction	18,216,372		299,522	18,515,894
Support services-students	4,156,224		16,415	4,172,639
Support services- instruction	584,316			584,316
Support services-general administration	1,111,076			1,111,076
Support services -school administration	2,095,395			2,095,395
Central services	1,045,683			1,045,683
Operation and maintenance of plant	6,028,120			6,028,120
Student transportation	2,217	1,839,420		1,841,637
Food service operations				
Facilities acquisition and construction				
	<u>33,239,403</u>	<u>1,839,420</u>	<u>315,937</u>	<u>35,394,760</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	(257,011)	-0-	108,988	(148,023)
Other financing uses:				
Operating transfers in (out)	159,600			159,600
	<u>159,600</u>			<u>159,600</u>
Net changes in fund balances	(97,411)	-0-	108,988	11,577
Fund balances, beginning of year	2,557,934	-0-	148,221	2,706,155
	<u>2,557,934</u>	<u>-0-</u>	<u>148,221</u>	<u>2,706,155</u>
Fund balances, end of year	\$ 2,460,523	\$ -0-	\$ 257,209	\$ 2,717,732
	<u>\$ 2,460,523</u>	<u>\$ -0-</u>	<u>\$ 257,209</u>	<u>\$ 2,717,732</u>

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



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND - OPERATIONAL ACCOUNT FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes	\$ 75,727	\$ 75,727	\$ 75,952	\$ 225
State sources	31,327,849	31,181,136	31,137,021	(44,115)
Federal sources	404,425	1,189,109	1,214,044	24,935
Charges for services	5,000	5,000	202,912	197,912
Other local revenue	57,282	57,282	338,132	280,850
Investment	150,000	150,000	187,318	37,318
<b>Total revenues</b>	<u>32,020,283</u>	<u>32,658,254</u>	<u>33,155,379</u>	<u>497,125</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	19,362,078	18,468,028	18,212,239	255,789
Support services-students	4,705,641	4,705,641	4,152,929	552,712
Support services- instruction	588,033	686,057	584,316	101,741
Support services-general administration	960,038	1,069,909	1,098,507	(28,598)
Support services				
-school administration	2,177,301	2,177,301	2,095,899	81,402
Central services	1,104,104	1,119,236	1,040,938	78,298
Operation and maintenance of plant	5,763,156	7,072,150	6,081,035	991,115
Student transportation	50,000	50,000	2,217	47,783
Other support services	63,384	63,384	-0-	63,384
<b>Total expenditures</b>	<u>34,773,735</u>	<u>35,411,706</u>	<u>33,268,080</u>	<u>2,143,626</u>
Excess (deficiency) of revenues over expenditures	(2,753,452)	(2,753,452)	<u>\$ (112,701)</u>	<u>\$ 2,640,751</u>
Prior year cash required to balance budget	<u>\$ 2,753,452</u>	<u>\$ 2,753,452</u>		
Net change in fund balances (Non- GAAP) Budgetary Basis				\$ (112,701)
Adjustments to revenue:				
Property tax				1,613
Loss on investment				(15,000)
Adjustments to expenditures:				
Change in inventory				(11,256)
Change in accounts payable				<u>39,933</u>
Net change in fund balances (GAAP)				<u>\$ (97,411)</u>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND - TRANSPORTATION ACCOUNT  
 FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ 1,567,200	\$ 1,784,340	\$ 1,839,420	\$ 55,080
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>1,567,200</u>	<u>1,784,340</u>	<u>1,839,420</u>	<u>55,080</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation	1,567,200	1,839,420	1,839,420	-0-
Food services operations				
Total expenditures	<u>1,567,200</u>	<u>1,839,420</u>	<u>1,839,420</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ (55,080)</u>	<u>\$ -0-</u>	<u>\$ 55,080</u>
Prior year cash required to balance budget		<u>\$ 55,080</u>		
Net change in fund balances (Non- GAAP Budgetary Basis)				\$ -0-
No adjustments to revenue or expenditures				<u>-0-</u>
Net change in fund balances				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND - INSTRUCTIONAL MATERIALS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources	\$ 23,562	\$ 23,562	\$ 25,790	\$ 2,228
Federal sources				
Charges for services				
Other local revenue	371,770	371,770	399,135	27,365
Interest				
	<u>395,332</u>	<u>395,332</u>	<u>424,925</u>	<u>29,593</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	617,348	617,348	372,347	245,001
Support services-students				
Support services- instruction	39,031	39,031	16,415	22,616
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
	<u>656,379</u>	<u>656,379</u>	<u>388,762</u>	<u>267,617</u>
Excess (deficiency) of revenues over expenditures	(261,047)	(261,047)	<u>\$ 36,163</u>	<u>\$ 297,210</u>
Prior year cash required to balance budget	<u>\$ 261,047</u>	<u>\$ 261,047</u>		
Net change in fund balances (Non-GAAP Budgetary Basis):				\$ 36,163
Adjustment to revenue – none				-0-
Adjustments to expenditures- change in accounts payable between years				<u>72,825</u>
Net change in fund balances (GAAP)				<u>\$ 108,988</u>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET - BY FUND TYPE  
 AS OF JUNE 30, 2009**

	Special Revenue	Debt Service	Capital Projects	Total
<b><u>ASSETS</u></b>				
Cash and investments	\$ 1,505,077	\$ 461,921	\$ 1,294,286	\$ 3,261,284
Due from grantor	1,048,507		153,470	1,201,977
Taxes receivable		17,218		17,218
 Total assets	 <u>\$ 2,553,584</u>	 <u>\$ 479,139</u>	 <u>\$ 1,447,756</u>	 <u>\$ 4,480,479</u>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>				
Liabilities:				
Due to other funds	\$ 1,016,824		\$ 153,470	\$ 1,170,294
Accounts payable	35,168		13,858	49,026
Deferred revenue - grants	988,269			988,269
Deferred revenue - property taxes		\$ 14,483		14,483
 Total liabilities	 <u>2,040,261</u>	 <u>14,483</u>	 <u>167,328</u>	 <u>2,222,072</u>
Fund Equity:				
Fund balances:				
Unreserved:				
Designated for subsequent year's expenditures				
Undesignated	513,323	464,656	1,280,428	2,258,407
 Total fund balances	 <u>513,323</u>	 <u>464,656</u>	 <u>1,280,428</u>	 <u>2,258,407</u>
 Total liabilities and fund equity	 <u>\$ 2,553,584</u>	 <u>\$ 479,139</u>	 <u>\$ 1,447,756</u>	 <u>\$ 4,480,479</u>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCES - BY FUND TYPE  
 FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b><u>REVENUES</u></b>				
Local taxes		\$ 406,508		\$ 406,508
State sources	\$ 975,044		\$ 756,398	1,731,442
Federal sources	4,956,398			4,956,398
Charges for services	61,288			61,288
Other local revenue	442,295			442,295
Interest		4,597	29,941	34,538
Total revenues	<u>6,435,025</u>	<u>411,105</u>	<u>786,339</u>	<u>7,632,469</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Instruction	4,531,724			4,531,724
Support services-students	940,541			940,541
Support services- instruction	487,164			487,164
Support services-general administration	80,313	4,040		84,353
Support services				
-school administration	92,666			92,666
Central services	205,064			205,064
Operation and maintenance of plant	51,870			51,870
Student transportation	70,097			70,097
Food services operations	102,555			102,555
Facilities acquisition and construction	3,348		983,563	986,911
Debt service	-0-	718,550		718,550
Total expenditures	<u>6,565,342</u>	<u>722,590</u>	<u>983,563</u>	<u>8,271,495</u>
Excess (deficiency) of revenues over expenditures	<u>(130,317)</u>	<u>(311,485)</u>	<u>(197,224)</u>	<u>(639,026)</u>
Other financing sources				
Operating transfers in	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net changes in fund balances	<u>(130,317)</u>	<u>(311,485)</u>	<u>(197,224)</u>	<u>(639,026)</u>
Fund balances, beginning of year	<u>643,640</u>	<u>776,141</u>	<u>1,477,652</u>	<u>2,897,433</u>
Fund balances, end of year	<u>\$ 513,323</u>	<u>\$ 464,656</u>	<u>\$ 1,280,428</u>	<u>\$ 2,258,407</u>

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

## **SPECIAL REVENUE FUNDS**

**SPECIAL REVENUE FUNDS-** are used for the proceeds of specific revenue sources, which are legally restricted to expenditures for specific purposes.

**Cafeteria-Major Fund-** To account for income from lunch sales and provide for the operating expenses of the school lunch and breakfast program. Funding is provided by user charges and reimbursements under the National School Lunch and School Breakfast Programs (P 100-435). Reported as a major fund.

**Title I-IASA Major Fund-** To account for grant funds to be used for the purpose of improving educational opportunities for the educationally deprived children. Funding authority is the U.S. Department of Education (PL 100-297). Reported as a major fund.

**Athletics-** To account for income from gross receipts and other proceeds from District athletic events and to provide for the payment of operating expenses of those activities (SDE Regulation 6, NMAC 2.2).

**Non-Instructional Support-** To account for user fees from various school functions (Public Education Dept., PSAB, Supplement 3).

**Discretionary IDEA-B -** To account for the operations of discretionary aid to students with disabilities Funding Authority is the U.S. Department of Education (PL 99-457).

**IDEA-B Preschool-** To account for the operations of supplementary aid to students with disabilities ages 5-21. Funding authority is the U.S. Department of Education (PL 99-457).

**Education of the Homeless-** To account for funds used to educate homeless children.

**Title II-D-Enhancing Education Through Technology-** To account for grant funds received to conduct a demonstration project aimed at reforming schools (PL 103-382 and Title III, Part A, Subpart 2, Section 3132).

**Title III- No Child Left Behind-** To account for resources used to implement the No Child Left Behind Legislation (No Child Left Behind Act, Laws, 2002).

**English Language Acquisition –** To account for federal flow-through grants to assist students with the English language (Title III, Part A, Sections 3101 and 3129).

**Teacher/Principal Training and Recruitment –** To account for grants through the Public Education Department to improve training and recruitment (Title II, Part A).

**Safe and Drug Free Schools-** To account for operations to promote drug use prevention education, intervention and rehabilitation referral in public schools. Funding authority is the U.S. Department of Education (PL 100-297 and Title IV, Part A, Subpart 1).

**Rural and Low Income Schools-** To account for resources provided to aid in implementation of school improvement plans (ESEA, PL 103-382 and Title VI, Part B, Subpart 2).

**Title I School Improvements-** To account for resources provided to districts for approved school improvements or corrective action plans. Funding authority is Section 1003, Title I ESEA (PL 103-382).

**Immigrant Funding Title III-** To account for funds used for immigrant programs (PL 107-110, ESEA, Title III, Part A, Sections 3101 and 3129).

**Reading First-** To account for funds used for read first (PL 107-110).

**Carl D. Perkins Special Project-** To account for funds to finance special projects under the Carl D. Perkins Career and Technical Education Act of 2006, Title I.

**Carl D. Perkins Secondary-** To account for funds distributed through the Carl D. Perkins Technical Education of 2006, Title I.

ARRA-Title – IASA- Federal Stimulus- To account for Title I-IASA Federal stimulus funds. Funding authority is ARRA.

ARRA-IDEA-B- Federal Stimulus- To account for IDEA-B Federal stimulus funds. Funding authority is ARRA.

ARRA-IDEA-B Preschool- Federal Stimulus- To account for IDEA-B Preschool Federal stimulus funds. Funding authority is ARRA.

Alcohol Abuse Reduction- To account for funds to be used for alcohol abuse programs. Funding Authority is P1, 107-110, Safe and Drug-Free Schools and Communities.

Johnson O'Malley- To provide assistance in meeting the specialized and unique educational needs of all eligible Indian Students (PL 93-638 and PL 100-497).

Impact Aid- Special Education- To account for funds received under the Federal Impact Aid Law (PL 81-874) to operate programs for those children with special needs and Native American children. Funding authority is the U.S. Department of Education.

Impact Aid- Indian Education- To develop and implement elementary and secondary school projects that meet the special educational and culturally related academic needs of Indian children (PL 103-382).

GRADS Child Care- To account for funds used to provide child care services in conjunction with the Graduation, Reality and Dual Role Skills (GRADS) Program. Funding is provided by the federal government through the State of New Mexico Children, Youth and Families Department.

Title XIX Medicaid – To account for funds obtained for the provision of medical services to children of low-income families. Funding is the U.S. Government (Title XIX).

Indian Ed Formula Grant – To account for a direct U.S. Department of Education grant (PL 100-427).

LANL Foundation- To provide funds to public school districts for improvement of technological education (DOE Regulation and LANL Administration).

PNM Foundation- To account for resources provided through the PNM Foundation (New Mexico Public Education Dept., PSAB Supplement 3).

Teacher Incentive Fund- To account for a U.S. Department of Education pass-through grant passed through the State of New Mexico Northern New Mexico Network for Rural Education. Authorization is the Elementary and Secondary Education Act, as amended, Executive Order Title V, Part D, Subpart 1, as amended by Department of Education Appropriation Acts for Fiscal Years 2006-2009.

Technology for Education- To account for resources to enable school districts to utilize computers for education (22-15 A, NMSA, 1978 Comp.).

Incentives for School Improvement- To provide financial incentives to individual schools that exceed expected academic performance (22-13A-1, NMSA, 1978 Comp.).

Family and Youth Resource – To account for state grants related to families and youth (NMPED/School Health Unit-Laws of 2004).

Truancy Initiative- To account for funds to be used to deal with truancy issues. (NMPED/ School Health Unit-Laws of 2004)

State School Improvements – To account for state grants related to school improvements (HB 2, page 223).

Reading Improvements Initiative- To account for state funds used to address and accelerate the reading ability of students. Funding is through the New Mexico Public Education Dept.

Beginning Teacher Mentoring Program – To account for funds for a program to mentor new teachers from NM Public Education Department.

Breakfast for Elementary Students – To provide state grants for providing breakfast to elementary students through the New Mexico Public Education Department.

Extended School Program – To account for state grants through New Mexico Public Education Department to extend schools' programs.

Schools on the Rise – To account for state grants through New Mexico Public Education Department to schools who meet certain criteria.

Rural Ed Summer Enrichment Program- To account for funds to be used for summer programs from NM Public Education Department.

Kindergarten Plus Three- To account for funds for a kindergarten program (HB 198, Laws of 2007).

Libraries SB 301 GO – To account for proceeds of state general obligation bonds sent to Districts by State of New Mexico for use in libraries (Laws of 2006).

Afterschool Learning Program- To account for funds to be used for programs after school through the New Mexico Public Education Department.

NM Standards Based

Student Progress Tracking- To account for a funds used to track student progress in regards to standards. Funding is through New Mexico Public Education Department.

Summer Reading, Math & Science Institute – To account for funds for summer programs. Funding is through New Mexico Public Education Department.

G.O. Library Bonds – To account for proceeds of G.O. Bonds to be used for libraries (Laws of 2006).

New Mexico Highway Department- To account for funds provided by New Mexico Highway Department to be used for a road project.

Resources for School Health- To account for funds used to implement a coordinated school health program. Funds received under contract with New Mexico Department of Health.

Center for Teaching Excellence- To account for a grant related to improving teachers (ENMU Action Research Grant).

AP New Mexico Incentive Funding – To provide incentive state grants to schools through Public Education Department.

Office of Cultural Affairs– To account for a grant from a state agency to be used for cultural programs.

Private Direct Grants- To account for restricted funds used for private direct grants.

McCune Charitable Foundation- To account for funds for educational research grants received from a private foundation (New Mexico Public Education Dept., PSAB Supplement 3).

School Based Health Center – To account for resources provided by State of New Mexico Department of Health to implement a school based health program.



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
**AS OF JUNE 30, 2009**

	<u>Athletics</u>	<u>Non- Instructional</u>	<u>IDEA - B Entitlement</u>	<u>Discretionary IDEA-B</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 140,570	\$ 372,753	\$ 85,414	
Due from grantor				\$ 5,263
Total assets	<u>\$ 140,570</u>	<u>\$ 372,753</u>	<u>\$ 85,414</u>	<u>\$ 5,263</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>				
Liabilities:				
Due to other funds				\$ 5,263
Accounts payable			\$ 3,485	
Deferred revenue - grants			81,929	
Total liabilities	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>85,414</u>	<u>5,263</u>
Fund balances:				
Unreserved:				
Designated for subsequent year's expenditures				
Undesignated	<u>140,570</u>	<u>372,753</u>		
Total fund balances	<u>140,570</u>	<u>372,753</u>		
Total liabilities and fund equity	<u>\$ 140,570</u>	<u>\$ 372,753</u>	<u>\$ 85,414</u>	<u>\$ 5,263</u>

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

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<u>Preschool IDEA-B</u>	<u>Education Of Homeless</u>	<u>Enhancing Ed Thru Tech</u>	<u>Title III Incentive</u>	<u>English Language Acquisition</u>	<u>Teacher/ Principal Training and Recruitment</u>
\$ 4,083	\$ 299			\$ 106,135	\$ 110,775
<u>\$ 4,083</u>	<u>\$ 299</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 106,135</u>	<u>\$ 110,775</u>
	\$ 299			\$ 106,135	\$ 102,143 8,632
\$ 4,083					
<u>4,083</u>	<u>299</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>106,135</u>	<u>110,775</u>
<u>\$ 4,083</u>	<u>\$ 299</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 106,135</u>	<u>\$ 110,775</u>

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS (continued)  
 AS OF JUNE 30, 2009**

	<u>Safe and Drug Free Schools</u>	<u>Rural &amp; Low Income Schools</u>	<u>Title I School Improvements</u>	<u>Immigrant Funding</u>	<u>Reading First</u>
<b><u>ASSETS</u></b>					
Cash and investments				\$ 10,907	
Due from grantor	\$ 6,175	\$ 17,026	\$ 22,185		\$ 191,600
Total assets	<u>\$ 6,175</u>	<u>\$ 17,026</u>	<u>\$ 22,185</u>	<u>\$ 10,907</u>	<u>\$ 191,600</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>					
Liabilities:					
Due to other funds	\$ 6,175	\$ 17,026	\$ 22,185		\$ 191,600
Accounts payable					
Deferred revenue - grants				\$ 10,907	
Total liabilities	<u>6,175</u>	<u>17,026</u>	<u>22,185</u>	<u>10,907</u>	<u>191,600</u>
Fund balances:					
Unreserved:					
Designated for subsequent year's expenditures					
Undesignated					
Total fund balances					
Total liabilities and fund equity	<u>\$ 6,175</u>	<u>\$ 17,026</u>	<u>\$ 22,185</u>	<u>\$ 10,907</u>	<u>\$ 191,600</u>

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

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<u>Carl D. Perkins Special Project</u>	<u>Carl D. Perkins Secondary</u>	<u>ARRA Title I-IASA Federal Stimulus</u>	<u>ARRA IDEA-B Federal Stimulus</u>	<u>ARRA IDEA-B Preschools Federal Stimulus</u>	<u>Alcohol Abuse Reduction</u>
\$ 24,716	\$ -0-	\$ 8,272	\$ 282,483	\$ 19,047	\$ 23,051
<u>\$ 24,716</u>	<u>\$ -0-</u>	<u>\$ 8,272</u>	<u>\$ 282,483</u>	<u>\$ 19,047</u>	<u>\$ 23,051</u>
\$ 24,716		\$ 8,272	\$ 282,483	\$ 19,047	\$ 23,051
<u>24,716</u>	<u>\$ -0-</u>	<u>8,272</u>	<u>282,483</u>	<u>19,047</u>	<u>23,051</u>
<u>\$ 24,716</u>	<u>\$ -0-</u>	<u>\$ 8,272</u>	<u>\$ 282,483</u>	<u>\$ 19,047</u>	<u>\$ 23,051</u>

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS (continued)**  
**AS OF JUNE 30, 2009**

	<u>Johnson O'Malley</u>	<u>Impact Aid Special Education</u>	<u>Impact Aid Indian Education</u>	<u>GRADS Child Care CYFD</u>	<u>Title XIX Medicaid</u>
<b><u>ASSETS</u></b>					
Cash and investments		\$ 35,531	\$ 73,190	\$ 1,500	\$ 361,658
Due from grantor					
Total assets	<u>\$ -0-</u>	<u>\$ 35,531</u>	<u>\$ 73,190</u>	<u>\$ 1,500</u>	<u>\$ 361,658</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>					
Liabilities:					
Due to other funds					
Accounts payable					
Deferred revenue - grants		\$ 35,531	\$ 73,190	\$ 1,500	\$ 361,658
Total liabilities	<u>\$ -0-</u>	<u>35,531</u>	<u>73,190</u>	<u>1,500</u>	<u>361,658</u>
Fund balances:					
Unreserved:					
Designated for subsequent year's expenditures					
Undesignated					
Total fund balances					
Total liabilities and fund equity	<u>\$ -0-</u>	<u>\$ 35,531</u>	<u>\$ 73,190</u>	<u>\$ 1,500</u>	<u>\$ 361,658</u>

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

<u>Indian Ed Formula Grant</u>	<u>LANL Foundation</u>	<u>PNM Foundation</u>	<u>Teacher Incentive Fund</u>	<u>Technology For Education</u>	<u>Incentives For School Imp. Act</u>
	\$ 18,449	\$ 2,710	\$ 14,558	\$ 287,556	\$ 10,101
<u>\$ -0-</u>	<u>\$ 18,449</u>	<u>\$ 2,710</u>	<u>\$ 14,558</u>	<u>\$ 287,556</u>	<u>\$ 10,101</u>
	\$ 18,449				
		\$ 2,710	\$ 14,558	\$ 287,556	\$ 10,101
<u>\$ -0-</u>	<u>18,449</u>	<u>2,710</u>	<u>14,558</u>	<u>287,556</u>	<u>10,101</u>
<u>\$ -0-</u>	<u>\$ 18,449</u>	<u>\$ 2,710</u>	<u>\$ 14,558</u>	<u>\$ 287,556</u>	<u>\$ 10,101</u>

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS (continued)  
 AS OF JUNE 30, 2009**

	<u>Family And Youth Resource</u>	<u>Truancy Incentive</u>	<u>State School Imp. Program</u>	<u>Reading Improvements Initiatives</u>	<u>Beginning Teacher Mentoring Program</u>
<b><u>ASSETS</u></b>					
Cash and investments					
Due from grantor	\$ 29,533				
Total assets	<u>\$ 29,533</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>					
Liabilities:					
Due to other funds	\$ 29,533				
Accounts payable					
Deferred revenue - grants					
Total liabilities	<u>29,533</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Fund balances:					
Unreserved:					
Designated for subsequent year's expenditures					
Undesignated					
Total fund balances					
Total liabilities and fund equity	<u>\$ 29,533</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

<u>Breakfast For Elementary Students</u>	<u>Extended School Day Program</u>	<u>Schools On the Rise</u>	<u>Rural Ed.-Summer Enrichment Program</u>	<u>Kindergarten Plus Three</u>	<u>Library SB301GO Bonds</u>
	\$ 9,935	\$ 5,621	\$ 20,342	\$ 47,544	\$ 6,182
<u>\$ -0-</u>	<u>\$ 9,935</u>	<u>\$ 5,621</u>	<u>\$ 20,342</u>	<u>\$ 47,544</u>	<u>\$ 6,182</u>
	\$ 9,935	\$ 5,621	\$ 20,342	\$ 47,544	\$ 6,182
<u>\$ -0-</u>	<u>9,935</u>	<u>\$ 5,621</u>	<u>20,342</u>	<u>47,544</u>	<u>6,182</u>
<u>\$ -0-</u>	<u>\$ 9,935</u>	<u>\$ 5,621</u>	<u>\$ 20,342</u>	<u>\$ 47,544</u>	<u>\$ 6,182</u>



**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS (continued)  
 AS OF JUNE 30, 2009**

	<u>After School Learning Programs</u>	<u>NM Standards Based Student Progress Tracking</u>	<u>Summer Reading, Math &amp; Science Institute</u>	<u>G.O. Library Books</u>	<u>NM Highway Dept</u>
<b><u>ASSETS</u></b>					
Cash and investments				\$ 12,713	
Due from grantor	\$ 1,293	\$ 500	\$ 88,733		\$ 3,348
Total assets	<u>\$ 1,293</u>	<u>\$ 500</u>	<u>\$ 88,733</u>	<u>\$ 12,713</u>	<u>\$ 3,348</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>					
Liabilities:					
Due to other funds	\$ 1,293	\$ 500	\$ 88,733		\$ 3,348
Accounts payable					
Deferred revenue - grants				\$ 12,713	
Total liabilities	<u>1,293</u>	<u>500</u>	<u>88,733</u>	<u>12,713</u>	<u>3,348</u>
Fund balances:					
Unreserved:					
Designated for subsequent year's expenditures					
Undesignated					
Total fund balances					
Total liabilities and fund equity	<u>\$ 1,293</u>	<u>\$ 500</u>	<u>\$ 88,733</u>	<u>\$ 12,713</u>	<u>\$ 3,348</u>

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

<u>Resources for School Health</u>	<u>Center For Teaching Excellence</u>	<u>AP NM Incentive Funding</u>	<u>Office of Cultural Affairs</u>	<u>Private Direct Grants</u>	<u>McCune Charitable Foundation</u>
		\$ 805		\$ 77,398	\$ 11,896
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 805</u>	<u>\$ -0-</u>	<u>\$ 77,398</u>	<u>\$ 11,896</u>
		\$ 805		\$ 77,398	\$ 11,896
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>805</u>	<u>\$ -0-</u>	<u>77,398</u>	<u>11,896</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 805</u>	<u>\$ -0-</u>	<u>\$ 77,398</u>	<u>\$ 11,896</u>

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS (continued)**  
**AS OF JUNE 30, 2009**

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	<u>School Based Health Center</u>	<u>Total</u>
<b><u>ASSETS</u></b>		
Cash and investments	\$ 1,734	\$ 1,505,077
Due from grantor		<u>1,048,507</u>
Total assets	<u>\$ 1,734</u>	<u>\$ 2,553,584</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
Liabilities:		
Due to other funds		\$ 1,016,824
Accounts payable		35,168
Deferred revenue – grants	<u>\$ 1,734</u>	<u>988,269</u>
Total liabilities	<u>1,734</u>	<u>2,040,261</u>
Fund balances:		
Unreserved:		
Designated for subsequent year's expenditures		
Undesignated		<u>513,323</u>
Total fund balances		<u>513,323</u>
Total liabilities and fund equity	<u>\$ 1,734</u>	<u>\$ 2,553,584</u>

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

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

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	<u>Athletics</u>	<u>Non- Instructional</u>	<u>IDEA - B Entitlement</u>	<u>Discretionary IDEA-B</u>
<b>REVENUES:</b>				
State sources				
Federal sources			\$ 844,705	\$ 5,263
Charges for services	\$ 55,233	\$ 6,055		
Other local revenue		23,872		
Interest				
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	55,233	29,927	844,705	5,263
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES:</b>				
Current:				
Instruction	42,382	173,095	500,496	
Support services-students			103,804	5,263
Support services- instruction			145,990	
Support services-general administration			18,857	
Support services -school administration				
Central services				
Operation and maintenance of plant			5,461	
Student transportation			70,097	
Food services operations				
Facilities acquisition and construction				
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	42,382	173,095	844,705	5,263
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	12,851	(143,168)		
Other financing sources (uses):				
Operating transfers in (out)				
	<hr/>	<hr/>	<hr/>	<hr/>
Net changes in fund balances	12,851	(143,168)		
Fund balances, beginning of year	127,719	515,921		
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 140,570</u>	<u>\$ 372,753</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

<u>Preschool IDEA-B</u>	<u>Education of Homeless</u>	<u>Enhancing Ed Thru Tech</u>	<u>Title III Incentive</u>	<u>English Language Acquisition</u>	<u>Teacher/ Principal Training and Recruitment</u>
\$ 19,496	\$ 299			\$ 98,937	\$ 590,233
<u>19,496</u>	<u>299</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>98,937</u>	<u>590,233</u>
19,496	299			87,292 10,000 1,645	552,083 24,736 13,414
<u>19,496</u>	<u>299</u>	<u>-0-</u>	<u>-0-</u>	<u>98,937</u>	<u>590,233</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	Safe and Drug Free Schools	Rural & Low Income Schools	Title I School Improvement	Immigrant Funding	Reading First
<b>REVENUES:</b>					
State sources					
Federal sources	\$ 19,572	\$ 128,085	\$ 129,232		\$ 612,102
Charges for services					
Other local revenue					
Interest					
Total revenues	19,572	128,085	129,232	\$ -0-	612,102
<b>EXPENDITURES:</b>					
Current:					
Instruction	19,122	125,140	129,232		522,427
Support services-students					89,675
Support services- instruction					
Support services-general administration		2,945			
Support services	450				
-school administration					
Central services					
Operation and maintenance of plant					
Student transportation					
Food services operations					
Facilities acquisition and construction					
Total expenditures	19,572	128,085	129,232	-0-	612,102
Excess (deficiency) of revenues over expenditures					
Other financing sources (uses):					
Operating transfers in (out)					
Net changes in fund balances					
Fund balances, beginning of year					
Fund balances, end of year	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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

<u>Carl D. Perkins Special Project</u>	<u>Carl D. Perkins Secondary</u>	<u>ARRA Title I- IASA Federal Stimulus</u>	<u>ARRA IDEA-B Federal Stimulus</u>	<u>ARRA IDEA-B Preschool Federal Stimulus</u>	<u>Alcohol Abuse Education</u>
\$ 71,672	\$ 27,064	\$ 8,272	\$ 282,483	\$ 19,047	\$ 309,205
<u>71,672</u>	<u>27,064</u>	<u>8,272</u>	<u>282,483</u>	<u>19,047</u>	<u>309,205</u>
70,136	27,064	8,082	236,426	18,609	292,696
1,536		190	6,497	438	16,509
			39,560		
<u>71,672</u>	<u>27,064</u>	<u>8,272</u>	<u>282,483</u>	<u>19,047</u>	<u>309,205</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Johnson O'Malley</u>	<u>Impact Aid Special Education</u>	<u>Impact Aid Indian Education</u>	<u>GRADS Child Care CYFD</u>	<u>Title XIX Medicaid</u>
<b>REVENUES:</b>					
State sources					
Federal sources	\$ 1,924	\$ 19,410	\$ 18,049		\$ 243,167
Charges for services					
Other local revenue					
Interest					
Total revenues	1,924	19,410	18,409	\$ -0-	243,167
<b>EXPENDITURES:</b>					
Current:					
Instruction	1,924	19,410	18,049		79,954
Support services-students					92,664
Support services- instruction					
Support services-general administration					
Support services					
-school administration					
Central services					70,549
Operation and maintenance of plant					
Student transportation					
Food services operations					
Facilities acquisition and construction					
Total expenditures	1,924	19,410	18,049	-0-	243,167
Excess (deficiency) of revenues over expenditures					
Other financing sources (uses):					
Operating transfers in (out)					
Net changes in fund balances					
Fund balances, beginning of year					
Fund balances, end of year	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

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

<u>Indian Ed Formula Grant</u>	<u>LANL Foundation</u>	<u>PNM Foundation</u>	<u>Teacher Incentive Fund</u>	<u>Technology For Education</u>	<u>Incentives For School Imp. Act</u>
\$ 42,429			\$ 1,465,752	\$ 33,845	\$ 45,942
	\$ 377,510				
<u>42,429</u>	<u>377,510</u>	<u>\$ -0-</u>	<u>1,465,752</u>	<u>33,845</u>	<u>45,942</u>
13,857	161,129		1,372,595	33,845	45,942
28,572	75,017		7,499		
			4,658		
	94,955				
	46,409				
<u>42,429</u>	<u>377,510</u>	<u>-0-</u>	<u>1,465,752</u>	<u>33,845</u>	<u>45,942</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Family and Youth Resource</u>	<u>Truancy Incentive</u>	<u>State School Imp. Program</u>	<u>Reading Improvements Incentives</u>	<u>Beginning Teacher Mentoring Program</u>
<b>REVENUES:</b>					
State sources	\$ 90,000	\$ 30,000			\$ 2,188
Federal sources					
Charges for services					
Other local revenue					
Interest					
Total revenues	<u>90,000</u>	<u>30,000</u>		<u>\$ -0-</u>	<u>2,188</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction					2,188
Support services-students	90,000	30,000			
Support services- instruction					
Support services-general administration					
Support services					
-school administration					
Central services					
Operation and maintenance of plant					
Student transportation					
Food services operations					
Facilities acquisition and construction					
Total expenditures	<u>90,000</u>	<u>30,000</u>	<u>-0-</u>	<u>-0-</u>	<u>2,188</u>
Excess (deficiency) of revenues over expenditures					
Other financing sources (uses):					
Operating transfers in (out)					
Net changes in fund balances					
Fund balances, beginning of year					
Fund balances, end of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

<b>Breakfast For Elementary Students</b>	<b>Extended School Day Program</b>	<b>Schools On the Rise</b>	<b>Rural Ed.- Summer Enrichment Program</b>	<b>Kindergarten Plus Three</b>	<b>Library SB301 GO Bond</b>
\$ 102,555	\$ 50,000	\$ 50,000	\$ 7,008	\$ 62,037	\$ 6,182
<u>102,555</u>	<u>50,000</u>	<u>50,000</u>	<u>7,008</u>	<u>62,037</u>	<u>6,182</u>
	50,000	50,000		62,037	6,182
			7,008		
102,555					
<u>102,555</u>	<u>50,000</u>	<u>50,000</u>	<u>7,008</u>	<u>62,037</u>	<u>6,182</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	After School Learning Programs	NM Standards Based Student Progress Tracking	Summer Reading Math & Science Institute	GO Library Bonds	NM Highway Dept.
<b>REVENUES:</b>					
State sources	\$ 18,500	\$ 5,000	\$ 217,000		\$ 3,348
Federal sources					
Charges for services					
Other local revenue					
Interest					
Total revenues	<u>18,500</u>	<u>5,000</u>	<u>217,000</u>	<u>\$ -0-</u>	<u>3,348</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction	18,500	5,000			
Support services-students					
Support services- instruction			206,667		
Support services-general administration			10,333		
Support services -school administration					
Central services					
Operation and maintenance of plant					
Student transportation					
Food services operations					
Facilities acquisition and construction					3,348
Total expenditures	<u>18,500</u>	<u>5,000</u>	<u>217,000</u>	<u>-0-</u>	<u>3,348</u>
Excess (deficiency) of revenues over expenditures					
Other financing sources (uses):					
Operating transfers in (out)					
Net changes in fund balances					
Fund balances, beginning of year					
Fund balances, end of year	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

<u>Resources for School Health</u>	<u>Center For Teaching Excellence</u>	<u>AP NM Incentive Funding</u>	<u>Office of Cultural Affairs</u>	<u>Private Direct Grants</u>	<u>McCune Charitable Foundation</u>
\$ 6,435			\$ 25,000		
				\$ 40,913	
<u>6,435</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>25,000</u>	<u>40,913</u>	<u>\$ -0-</u>
6,435			25,000	40,913	
<u>6,435</u>	<u>-0-</u>	<u>-0-</u>	<u>25,000</u>	<u>40,913</u>	<u>-0-</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

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	<u>School Based Health Center</u>	<u>Total</u>
<b>REVENUES:</b>		
State sources	\$ 220,004	\$ 975,044
Federal sources		4,956,398
Charges for services		61,288
Other local revenue		442,295
Interest		-0-
	<u>220,004</u>	<u>6,435,025</u>
<b>EXPENDITURES:</b>		
Current:		
Instruction		4,531,724
Support services-students	220,004	940,541
Support services- instruction		487,164
Support services-general administration		80,313
Support services -school administration		92,666
Central services		205,064
Operation and maintenance of plant		51,870
Student transportation		70,097
Food services operations		102,555
Facilities acquisition and construction		3,348
	<u>220,004</u>	<u>6,565,342</u>
Total expenditures		
Excess (deficiency) of revenues over expenditures		(130,317)
Other financing sources (uses):		
Operating transfers in (out)		
Net changes in fund balances		(130,317)
Fund balances, beginning of year		<u>643,640</u>
Fund balances, end of year	<u>\$ -0-</u>	<u>\$ 513,323</u>

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

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**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - ATHLETICS  
 FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources				
Charges for services	\$ 60,000	\$ 60,000	\$ 51,650	\$ (8,350)
Other local revenue				
Interest	<u>4,000</u>	<u>4,000</u>	<u>3,583</u>	<u>(417)</u>
Total revenues	<u>64,000</u>	<u>64,000</u>	<u>55,233</u>	<u>(8,767)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	147,713	147,713	42,382	105,331
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Total expenditures	<u>147,713</u>	<u>147,713</u>	<u>42,382</u>	<u>105,331</u>
Excess (deficiency) of revenues over expenditures	(83,713)	(83,713)	<u>\$ 12,851</u>	<u>\$ 96,564</u>
Prior year cash balance required to balance budget	<u>\$ 83,713</u>	<u>\$ 83,713</u>		
Net change in fund balances (Non-GAAP Budgetary Basis)				\$ 12,851
Net adjustments to revenue or expenditures				<u>-0-</u>
Net changes in fund balances (GAAP)				<u>\$ 12,851</u>

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



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - NON - INSTRUCTIONAL SUP.**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources				
Charges for services	\$ 50,000	\$ 50,000	\$ 6,354	\$ (43,646)
Other local revenue	-0-	-0-	23,573	23,573
Interest				
	<u>50,000</u>	<u>50,000</u>	<u>29,927</u>	<u>(20,073)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	565,213	565,213	173,095	392,118
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
	<u>565,213</u>	<u>565,213</u>	<u>173,095</u>	<u>392,118</u>
Excess (deficiency) of revenues over expenditures	(515,213)	(515,213)	<u>\$ (143,168)</u>	<u>\$ 372,045</u>
Prior year cash balance required to balance budget	<u>\$ 515,213</u>	<u>\$ 515,213</u>		
Net change in fund balances (Non-GAAP Budgetary Basis)				\$ (143,168)
Adjustments- revenue				-0-
Adjustments- expenditures				-0-
Changes in fund balances (GAAP)				<u>\$ (143,168)</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - ENTITLEMENT IDEA-B**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources				
Federal sources	\$ 1,063,766	\$ 850,010	\$ 1,460,714	\$ 610,704
Charges for services				
Other local revenue				
Interest				
	<u>1,063,766</u>	<u>850,010</u>	<u>1,460,714</u>	<u>610,704</u>
Total revenues	<u>1,063,766</u>	<u>850,010</u>	<u>1,460,714</u>	<u>610,704</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	592,438	537,885	505,801	32,084
Support services-students	78,034	108,034	103,804	4,230
Support services-instruction	393,294	153,294	145,990	7,304
Support services-general administration	-0-	22,797	18,857	3,940
Support services				
-school administration				
Central service				
Operation and maintenance of plant	-0-	8,000	5,461	2,539
Student transportation	-0-	20,000	70,097	(50,097)
Food service operations				
	<u>1,063,766</u>	<u>850,010</u>	<u>850,010</u>	<u>-0-</u>
Total expenditures	<u>1,063,766</u>	<u>850,010</u>	<u>850,010</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 610,704</u>	<u>\$ 610,704</u>
Changes in fund balances (Non- GAAP Budgetary Basis)				\$ 610,704
Adjustments- revenue:				
Change in due from grantor between years				(534,080)
Change in deferred revenue between years				(81,929)
Adjustments-expenditures-changes in accounts payable between years				<u>5,305</u>
Change in fund balances (GAAP):				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - DISCRETIONARY IDEA - B  
 FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources				
Federal sources	\$ -0-	\$ 12,083	\$ -0-	\$ (12,083)
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>-0-</u>	<u>12,083</u>	<u>-0-</u>	<u>(12,083)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students	-0-	12,083	5,263	6,820
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Total expenditures	<u>-0-</u>	<u>12,083</u>	<u>5,263</u>	<u>6,820</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (5,263)</u>	<u>\$ (5,263)</u>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (5,263)
Adjustments- revenue- Change in due from grants between years				5,263
Adjustments-expenditures- none				<u>-0-</u>
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - IDEA-B PRESCHOOL  
 FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources	\$ 24,305	\$ 19,496	\$ 23,580	\$ 4,084
Charges for services				
Other local revenue				
Interest				
	<u>24,305</u>	<u>19,496</u>	<u>23,580</u>	<u>4,084</u>
Total revenues	<u>24,305</u>	<u>19,496</u>	<u>23,580</u>	<u>4,084</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	24,305	19,496	19,496	-0-
Support services				
Support services-students				
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
	<u>24,305</u>	<u>19,496</u>	<u>19,496</u>	<u>-0-</u>
Total expenditures	<u>24,305</u>	<u>19,496</u>	<u>19,496</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 4,084</u>	<u>\$ 4,084</u>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ 4,084
Adjustments-revenue- change in deferred revenue between years				(4,084)
Adjustments-expenditures-none				<u>-0-</u>
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - EDUCATION OF HOMELESS FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources				
Federal sources	\$ -0-	\$ 6,000	\$ -0-	\$ (6,000)
Charges for services				
Other local revenue				
Interest				
Total revenues	-0-	6,000	-0-	(6,000)
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	6,000	299	5,701
Support services				
Support services-students				
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
Total expenditures	-0-	6,000	299	5,701
Excess (deficiency) of revenues over expenditures	\$ -0-	\$ -0-	\$ (299)	\$ (299)
Change in fund balances (Non-GAAP Budgetary Basis)			\$	(299)
Adjustments-revenue: change in due from grantors between years				299
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)			\$	-0-

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – ENHANCING EDUCATION THROUGH TECHNOLOGY**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources	\$ -0-	\$ -0-	\$ 13,593	\$ 13,593
Charges for services				
Other local revenue				
Interest				
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total revenues	<u>                  -0-</u>	<u>                  -0-</u>	<u>                  13,593</u>	<u>                  13,593</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total expenditures	<u>                  -0-</u>	<u>                  -0-</u>	<u>                  -0-</u>	<u>                  -0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$                  -0-</u>	<u>\$                  -0-</u>	<u>\$                  13,593</u>	<u>\$                  13,593</u>
Change in fund balances (Non- GAAP Budgetary Basis)				\$                  13,593
Adjustments- revenue- change in due from grantor between years				(13,593)
Adjustments-expenditures- none				<u>                  -0-</u>
Change in fund balances (GAAP)				<u>\$                  -0-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - TITLE III INCENTIVE FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources				
Federal sources	\$ -0-	\$ -0-	\$ 3,333	\$ 3,333
Charges for services				
Other local revenue				
Interest				
<b>Total revenues</b>	<b>-0-</b>	<b>-0-</b>	<b>3,333</b>	<b>3,333</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Support services-students				
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
<b>Total expenditures</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 3,333</u>	<u>\$ 3,333</u>
Changes in fund balances (Non-GAAP Budgetary Basis)				\$ 3,333
Adjustments-revenue- change in due from grants between years				(3,333)
Adjustments- expenditures-none				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - ENGLISH LANGUAGE ACQUISITION  
 FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ 82,251	\$ 181,268	\$ 66,409	\$ (114,859)
Federal sources				
Charges for services				
Other local revenue				
Interest				
<b>Total revenues</b>	<u>82,251</u>	<u>181,268</u>	<u>66,409</u>	<u>(114,859)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	70,606	157,189	87,612	69,577
Support services	10,000	18,434	10,000	8,434
Support services-students				
Support services- instruction				
Support services-general administration	1,645	5,645	1,645	4,000
Support services -school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
<b>Total expenditures</b>	<u>82,251</u>	<u>181,268</u>	<u>99,257</u>	<u>82,011</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (32,848)</u>	<u>\$ (32,848)</u>
Change in fund balances (Non- GAAP Budgetary Basis)				\$ (32,848)
Adjustments-revenue: Change in due from grantors between years				32,528
Adjustments-expenditures: Change in accounts payable between years				320
Change in fund balances (GAAP)				<u>\$ -0-</u>

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



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - TEACHER/PRINCIPAL TRAINING AND RECRUITMENT FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources				
Federal sources	\$ 903,465	\$ 1,199,173	\$ 911,041	\$ (288,132)
Charges for services				
Other local revenue				
Interest				
<b>Total revenues</b>	<u>903,465</u>	<u>1,199,173</u>	<u>911,041</u>	<u>(288,132)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	885,245	1,075,123	543,451	531,672
Support services				
Support services-students				
Support services- instruction	-0-	99,238	24,736	74,502
Support services-general administration	18,220	24,812	13,414	11,398
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
<b>Total expenditures</b>	<u>903,465</u>	<u>1,199,173</u>	<u>581,601</u>	<u>617,572</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 329,440</u>	<u>\$ 329,440</u>
Change in fund balances (Non- GAAP Budgetary Basis)				\$ 329,440
Adjustments-revenue: Change in due from grantors between years				(320,808)
Adjustments-expenditures: Change in accounts payable between years				(8,632)
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - TITLE IV – SAFE AND DRUG FREE SCHOOLS AND COMMUNITY  
FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources				
Federal sources	\$ 35,271	\$ 19,832	\$ 31,825	\$ 11,993
Charges for services				
Other local revenue				
Interest				
	<u>35,271</u>	<u>19,832</u>	<u>31,825</u>	<u>11,993</u>
Total revenues	<u>35,271</u>	<u>19,832</u>	<u>31,825</u>	<u>11,993</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	34,434	18,995	19,122	(127)
Support services-students				
Support services-instruction				
Support services-general administration	837	837	450	387
Support services -school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
	<u>35,271</u>	<u>19,832</u>	<u>19,572</u>	<u>260</u>
Total expenditures	<u>35,271</u>	<u>19,832</u>	<u>19,572</u>	<u>260</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 12,253</u>	<u>\$ 12,253</u>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ 12,253
Adjustments-revenue: Change in due from grantors between years				(12,253)
Adjustments-expenditures: None.				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - RURAL & LOW INCOME SCHOOLS FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources				
Federal sources	\$ 292,048	\$ 292,048	\$ 113,348	\$ (178,700)
Charges for services				
Other local revenue				
Interest				
<b>Total revenues</b>	<u>292,048</u>	<u>292,048</u>	<u>113,348</u>	<u>(178,700)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	285,120	285,120	125,140	159,980
Support services				
Support services-students				
Support services- instruction				
Support services-general administration	6,928	6,928	2,945	3,983
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
<b>Total expenditures</b>	<u>292,048</u>	<u>292,048</u>	<u>128,085</u>	<u>163,963</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (14,737)</u>	<u>\$ (14,737)</u>
Change in fund balances (Non- GAAP Budgetary Basis)				\$ (14,737)
Adjustments- revenue: Change in due from grantors between years				14,737
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - TITLE I SCHOOL IMPROVEMENTS FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources				
Federal sources	\$ -0-	\$ 300,000	\$ 107,047	\$ (192,953)
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>-0-</u>	<u>300,000</u>	<u>107,047</u>	<u>(192,953)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	300,000	129,232	170,768
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Total expenditures	<u>-0-</u>	<u>300,000</u>	<u>129,232</u>	<u>170,768</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (22,185)</u>	<u>\$ (22,185)</u>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (22,185)
Adjustments-revenue: Change in due from grantors between years				22,185
Adjustments-expenditures: None.				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - READING FIRST**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources				
Federal sources	\$ 612,673	\$ 612,673	\$ 572,125	\$ (40,548)
Charges for services				
Other local revenue				
Interest				
<b>Total revenues</b>	<u>612,673</u>	<u>612,673</u>	<u>572,125</u>	<u>(40,548)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	612,673	522,998	522,998	-0-
Support services-students				
Support services-instruction	-0-	89,675	89,675	-0-
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
<b>Total expenditures</b>	<u>612,673</u>	<u>612,673</u>	<u>612,673</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (40,548)</u>	<u>\$ (40,548)</u>
Change in fund balances (Non- GAAP Budgetary Basis)				\$ (40,548)
Adjustments-revenue: Change in due from grantors between years				39,977
Adjustments-expenditures: Change in accounts payable between years				571
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - CARL D. PERKINS SPECIAL PROJECT FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources	\$ -0-	\$ 71,672	\$ 65,084	\$ (6,588)
Charges for services				
Other local revenue				
Interest				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	<u>-0-</u>	<u>71,672</u>	<u>65,084</u>	<u>(6,588)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	70,136	70,136	-0-
Support services-students				
Support services-instruction				
Support services-general administration	-0-	1,536	1,536	-0-
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>-0-</u>	<u>71,672</u>	<u>71,672</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (6,588)</u>	<u>\$ (6,588)</u>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (6,588)
Adjustments-revenue: Change in due from grantors between years				6,588
Adjustments-expenditures: None.				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - CARL D. PERKINS SECONDARY FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ -0-	\$ 38,831	\$ 45,014	\$ 6,183
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>-0-</u>	<u>38,831</u>	<u>45,014</u>	<u>6,183</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	38,831	27,295	11,536
Support services				
Support services-students				
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
Total expenditures	<u>-0-</u>	<u>38,831</u>	<u>27,295</u>	<u>11,536</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 17,719</u>	<u>\$ 17,719</u>
Change in fund balances (Non- GAAP Budgetary Basis)				\$ 17,719
Adjustments-revenue: Change in due from grantors between years				(17,950)
Adjustments-expenditures: Change in accounts payable between years				231
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - ARRA TITLE I - IASA FEDERAL STIMULUS FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources	\$ -0-	\$ 505,761	\$ -0-	\$ (505,761)
Federal sources				
Charges for services				
Other local revenue				
Interest				
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-0-	505,761	-0-	(505,761)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Support services-students	0-	494,557	8,082	486,475
Support services- instruction				
Support services-general administration	-0-	11,204	190	11,014
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-0-	505,761	8,272	497,489
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	\$ -0-	\$ -0-	\$ (8,272)	\$ (8,272)
	<hr/>	<hr/>	<hr/>	<hr/>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (8,272)
Adjustments-revenue: Change in due from grantors between years				8,272
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - ARRA ENTITLEMENT IDEA B-FEDERAL STIMULUS FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ -0-	\$ 706,767	\$ -0-	\$ (706,767)
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>-0-</u>	<u>706,767</u>	<u>-0-</u>	<u>(706,767)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	649,767	236,426	413,341
Support services				
Support services-students				
Support services- instruction				
Support services-general administration	-0-	15,891	6,497	9,394
Support services				
-school administration				
Central services	-0-	41,109	39,560	1,549
Operation and maintenance of plant				
Student transportation				
Food services operations				
Community services operations				
Total expenditures	<u>-0-</u>	<u>706,767</u>	<u>282,483</u>	<u>424,284</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (282,483)</u>	<u>\$ (282,483)</u>
Change in fund balances ( Non- GAAP Budgetary Basis)				\$ 282,483
Adjustments-revenue: Change in due from grantors between years				(282,483)
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - ARRA PRESCHOOL IDEA B – FEDERAL STIMULUS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources	\$ -0-	\$ 26,463	\$ -0-	\$ (26,463)
Charges for services				
Other local revenue				
Interest				
	<u>-0-</u>	<u>26,463</u>	<u>-0-</u>	<u>(26,463)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	25,868	18,609	7,259
Support services-students				
Support services-instruction				
Support services-general administration	-0-	595	438	157
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
	<u>-0-</u>	<u>26,463</u>	<u>19,047</u>	<u>7,416</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(19,047)</u>	<u>(19,047)</u>
Change in fund balances (Non- GAAP Budgetary Basis)				\$ (19,047)
Adjustments-revenue: Change in due from grantors between years				19,047
Adjustments-expenditures: None.				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - ALCOHOL ABUSE REDUCTION**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources				
Charges for services				
Other local revenue	\$ -0-	\$ 308,696	\$ 286,154	\$ (22,542)
Interest				
 Total revenues	<u>-0-</u>	<u>308,696</u>	<u>286,154</u>	<u>(22,542)</u>
 <b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Support services-students	-0-	292,187	269,645	22,542
Support services- instruction				
Support services-general administration	-0-	16,509	16,509	-0-
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
 Total expenditures	<u>-0-</u>	<u>308,696</u>	<u>286,154</u>	<u>22,542</u>
 Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
 Change in fund balances (Non-GAAP Budgetary Basis)				\$ -0-
Adjustments-revenue: Changes in due from grantors between years				23,051
Adjustments-expenditures: Change in accounts payable between years				(23,051)
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – JOHNSON O’MALLEY**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Charges for services				
Other local revenue				
Interest				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	1,924	1,924	1,924	-0-
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Facilities acquisition and construction				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>1,924</u>	<u>1,924</u>	<u>1,924</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,924)</u>	<u>(1,924)</u>	<u>\$ (1,924)</u>	<u>\$ -0-</u>
Beginning cash to balance budget	<u>\$ 1,924</u>	<u>\$ 1,924</u>		
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (1,924)
Adjustments-revenue: Change in deferred revenue between years.				1,924
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - IMPACT AID SPECIAL EDUCATION FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources	\$ 12,600	\$ 12,600	\$ 11,146	\$ (1,454)
Federal sources				
Charges for services				
Other local revenue				
Interest				
	<u>12,600</u>	<u>12,600</u>	<u>11,146</u>	<u>(1,454)</u>
<b>Total revenues</b>	<u>12,600</u>	<u>12,600</u>	<u>11,146</u>	<u>(1,454)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	54,006	54,006	19,410	34,596
Support services				
Support services-students				
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
	<u>54,006</u>	<u>54,006</u>	<u>19,410</u>	<u>34,596</u>
<b>Total expenditures</b>	<u>54,006</u>	<u>54,006</u>	<u>19,410</u>	<u>34,596</u>
Excess (deficiency) of revenues over expenditures	(41,406)	(41,406)	<u>\$ (8,264)</u>	<u>\$ 33,142</u>
Prior year cash required to balance budget	<u>\$ 41,406</u>	<u>\$ 41,406</u>		
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (8,264)
Adjustments-revenue: Change in deferred revenue between years				8,264
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - IMPACT AID INDIAN EDUCATION FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources				
Charges for services				
Other local revenue	\$ -0-	\$ -0-	\$ 31,698	\$ 31,698
Interest				
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>31,698</u>	<u>31,698</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	55,086	55,086	18,049	37,037
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Total expenditures	<u>55,086</u>	<u>55,086</u>	<u>18,049</u>	<u>37,037</u>
Excess (deficiency) of revenues over expenditures	(55,086)	(55,086)	<u>\$ 13,649</u>	<u>\$ 68,735</u>
Prior year cash balance required to balance budget	<u>\$ 55,086</u>	<u>\$ 55,086</u>		
Change in fund balances (Non-GAAP Budgetary Basis)				\$ 13,649
Adjustments-revenue: Change in deferred revenue between years				(13,649)
Adjustments – expenditures: None				<u>-0-</u>
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - CAPITAL PROJECTS FUND - GRADS CHILD CARE CYFD**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Property taxes				
State sources				
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services-instruction	1,500	1,500	-0-	1,500
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Facilities acquisition and construction				
Total expenditures	<u>1,500</u>	<u>1,500</u>	<u>-0-</u>	<u>1,500</u>
Excess (deficiency) of revenues over expenditures	(1,500)	(1,500)	<u>\$ -0-</u>	<u>\$ 1,500</u>
Prior year cash balance required to balance budget	<u>\$ 1,500</u>	<u>\$ 1,500</u>		
Change in fund balances (Non-GAAP Budgetary Basis)			\$	-0-
Adjustments-revenue: None				-0-
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)			<u>\$</u>	<u>-0-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - TITLE XIX – MEDICAID**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources				
Charges for services				
Other local revenue	\$ 150,000	\$ 150,000	\$ 229,769	\$ 79,769
Interest				
 Total revenues	<u>150,000</u>	<u>150,000</u>	<u>229,769</u>	<u>79,769</u>
 <b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	80,000	79,954	46
Support services-students	305,511	225,511	96,550	128,961
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service	130,823	130,823	70,549	60,274
Operation and maintenance of plant				
Student transportation				
Food service operations				
 Total expenditures	<u>436,334</u>	<u>436,334</u>	<u>247,053</u>	<u>189,281</u>
 Excess (deficiency) of revenues over expenditures	(286,334)	(286,334)	<u>\$ (17,284)</u>	<u>\$ 269,050</u>
 Prior year cash required to balance budget	<u>\$ 286,334</u>	<u>\$ 286,334</u>		
 Change in fund balances (Non-GAAP Budgetary Basis)				\$ (17,284)
Adjustments-revenue: Change in deferred revenue between years				13,398
Adjustments-expenditures: Change in accounts payable between years				3,886
Change in fund balances (GAAP)				<u>\$ -0-</u>

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



**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - CAPITAL PROJECTS FUND - INDIAN ED FORMULA GRANT  
FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes				
State sources				
Federal sources	\$ -0-	\$ -0-	\$ 59,248	\$ 59,248
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>59,248</u>	<u>59,248</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	6,500	13,857	(7,357)
Support services-students	7,475	3,497	-0-	3,497
Support services-instruction	37,225	34,703	28,572	6,131
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Facilities acquisition and construction				
Total expenditures	<u>44,700</u>	<u>44,700</u>	<u>42,429</u>	<u>2,271</u>
Excess (deficiency) of revenues over expenditures	(44,700)	(44,700)	<u>\$ 16,819</u>	<u>\$ 61,519</u>
Prior year cash balance required to balance budget	<u>\$ 44,700</u>	<u>\$ 44,700</u>		
Change in fund balances (Non-GAAP Budgetary Basis)				\$ 16,819
Adjustments-revenue: Change in due from grantors between years				(16,819)
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND – LANL FOUNDATION**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources				
Federal sources				
Charges for services				
Other local revenue	\$ 467,660	\$ 558,458	\$ 251,036	\$ (307,422)
Interest				
 Total revenues	<u>467,660</u>	<u>558,458</u>	<u>251,036</u>	<u>(307,422)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	75,250	166,048	168,521	(2,473)
Support services				
Support services-students				
Support services- instruction	93,881	93,881	75,017	18,864
Support services-general administration				
Support services				
-school administration				
Central services	98,529	98,529	94,955	3,574
Operation and maintenance of plant	200,000	200,000	46,409	153,591
Student transportation				
Food services operations				
 Total expenditures	<u>467,660</u>	<u>558,458</u>	<u>384,902</u>	<u>173,556</u>
 Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (133,866)</u>	<u>\$ (133,866)</u>
 Change in fund balances (Non-GAAP Budgetary Basis)				\$ (133,866)
Adjustments-revenue: Change in deferred revenue between years				108,025
Change in due from grantors between years				18,449
Adjustments-expenditures: Change in accounts payable between years				7,392
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – TEACHER INCENTIVE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources				
Federal sources			\$ 1,480,310	\$ 1,480,310
Charges for services				
Other local revenue	\$ -0-	\$ 1,859,266	-0-	\$ (1,859,266)
Interest				
<b>Total revenues</b>	<b>-0-</b>	<b>1,859,266</b>	<b>1,480,310</b>	<b>(378,956)</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	1,674,434	1,372,595	301,839
Support services-students				
Support services-instruction				
Support services-general administration	-0-	59,243	7,499	51,744
Support services				
-school administration	-0-	125,589	85,657	39,931
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
<b>Total expenditures</b>	<b>-0-</b>	<b>1,859,266</b>	<b>1,465,752</b>	<b>393,514</b>
Excess (deficiency) of revenues over expenditures	\$ -0-	\$ -0-	\$ 14,558	\$ 14,558
Change in fund balances (Non-GAAP Budgetary Basis)				\$ 14,558
Adjustments-revenue: Change in deferred revenue between years				(14,558)
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				\$ -0-

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - TECHNOLOGY FOR EDUCATION**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ -0-	\$ 182,068	\$ 79,822	\$ (102,246)
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>-0-</u>	<u>182,068</u>	<u>79,822</u>	<u>(102,246)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	182,068	33,845	148,223
Support services				
Support services-students				
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
Total expenditures	<u>-0-</u>	<u>182,068</u>	<u>33,845</u>	<u>148,223</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 45,977</u>	<u>\$ 45,977</u>
Change in fund balances (Non- GAAP Budgetary Basis)				\$ 45,977
Adjustments-revenue: Change in deferred revenue between years				(45,977)
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - INCENTIVES FOR SCHOOL IMPROVEMENTS FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ -0-	\$ 58,082	\$ -0-	\$ (58,082)
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>-0-</u>	<u>58,082</u>	<u>-0-</u>	<u>(58,082)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	58,082	47,981	10,101
Support services				
Support services-students				
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
Total expenditures	<u>-0-</u>	<u>58,082</u>	<u>47,981</u>	<u>10,101</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (47,981)</u>	<u>\$ (47,981)</u>
Change in fund balances (Non- GAAP Budgetary Basis)				\$ (47,981)
Adjustments-revenue: Changes in deferred revenue between years				45,942
Adjustments-expenditures: Changes in accounts payable				2,039
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - FAMILY & YOUTH RESOURCE**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources				
Federal sources	\$ -0-	\$ 90,000	\$ 125,306	\$ 35,306
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>-0-</u>	<u>90,000</u>	<u>125,306</u>	<u>35,306</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students	-0-	90,000	90,000	-0-
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
Total expenditures	<u>-0-</u>	<u>90,000</u>	<u>90,000</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 35,306</u>	<u>\$ 35,306</u>
Change in fund balances (Non- GAAP Budgetary Basis)				\$ 35,306
Adjustments-revenue: Change in due from grantors between years				(35,306)
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - TRUANCY INITIATIVE**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ -0-	\$ 30,000	\$ 51,000	\$ 21,000
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	-0-	30,000	51,000	21,000
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Support services-students	-0-	30,000	30,000	-0-
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
Capital outlay				
Total expenditures	-0-	30,000	30,000	-0-
Excess (deficiency) of revenues over expenditures	\$ -0-	\$ -0-	\$ 21,000	\$ 21,000
Change in fund balances (Non-GAAP Budgetary Basis)				\$ 21,000
Adjustments-revenue: Change in due from grantors between years				(21,000)
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				\$ -0-

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - BEGINNING TEACHER MENTORING FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources				
Federal sources				
Charges for services				
Other local revenue	\$ -0-	\$ 2,188	\$ -0-	\$ 2,188
Interest				
<b>Total revenues</b>	<b>-0-</b>	<b>2,188</b>	<b>-0-</b>	<b>2,188</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	2,188	2,188	-0-
Support services				
Support services-students				
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services operations				
<b>Total expenditures</b>	<b>-0-</b>	<b>2,188</b>	<b>2,188</b>	<b>-0-</b>
Excess (deficiency) of revenues over expenditures	\$ -0-	\$ -0-	\$ (2,188)	\$ (2,188)
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (2,188)
Adjustments-revenue: Change in deferred revenue between years				2,188
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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



**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND - BREAKFAST FOR ELEMENTARY STUDENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources	\$ -0-	\$ 102,555	\$ 102,555	\$ -0-
Federal sources				
Charges for services				
Other local revenue				
Interest				
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	<u>-0-</u>	<u>102,555</u>	<u>102,555</u>	<u>-0-</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food service operations	-0-	102,555	102,555	-0-
Facilities acquisition and construction				
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	<u>-0-</u>	<u>102,555</u>	<u>102,555</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Change in fund balances (Non- GAAP Budgetary Basis)				\$ -0-
Adjustments-revenue: None				-0-
Adjustments-expenditures: None				-0-
Change in fund balances				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – EXTENDED SCHOOL DAY**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Property taxes				
State sources	\$ -0-	\$ 50,000	\$ 121,866	\$ 71,866
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	-0-	50,000	121,866	71,866
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	50,000	50,000	-0-
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Facilities acquisition and construction				
Total expenditures	-0-	50,000	50,000	-0-
Excess (deficiency) of revenues over expenditures	\$ -0-	\$ -0-	\$ 71,866	\$ 71,866
Change in fund balances (Non-GAAP Budgetary Basis)				\$ 71,866
Adjustment-revenue: Change in due from grantors between years				(71,866)
Adjustments-expenditures: None.				-0-
Change in fund balances (GAAP)				\$ -0-

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND - SCHOOLS ON THE RISE**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ -0-	\$ 50,000	\$ 58,242	\$ 8,242
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>-0-</u>	<u>50,000</u>	<u>58,242</u>	<u>8,242</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	50,000	50,000	-0-
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Facilities acquisition and construction				
Total expenditures	<u>-0-</u>	<u>50,000</u>	<u>50,000</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 8,242</u>	<u>\$ 8,242</u>
Change in fund balances (Non- GAAP Budgetary Basis)				\$ 8,242
Adjustments-revenue: Change in due from grantor between years				(8,242)
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – RURAL ED. BUREAU-SUMMER ENRICHMENT PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources	\$ -0-	\$ -0-	\$ 156,762	\$ 156,762
Federal sources				
Charges for services				
Other local revenue				
Interest				
	<u>-0-</u>	<u>-0-</u>	<u>156,762</u>	<u>156,762</u>
<b>Total revenues</b>				
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	140,167	140,167	-0-
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration	-0-	7,008	7,008	-0-
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Facilities acquisition and construction				
	<u>-0-</u>	<u>147,175</u>	<u>147,175</u>	<u>-0-</u>
<b>Total expenditures</b>				
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>(147,175)</u>	<u>\$ 9,587</u>	<u>\$ 156,762</u>
Prior year cash balance required to balance budget		<u>\$ 147,175</u>		
Change in fund balances (Non- GAAP Budgetary Basis)				\$ 9,587
Adjustments-revenue: Changes in due from grantor between years				(149,754)
Adjustments-expenditures: Change in accounts payable between years				140,167
Change in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – KINDERGARTEN-THREE PLUS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources	\$ -0-	\$ 47,544	\$ -0-	\$ (47,544)
Charges for services				
Other local revenue				
Interest				
Total revenues	-0-	47,544	-0-	(47,544)
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	62,639	62,639	-0-
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Facilities acquisition and construction				
Total expenditures	-0-	62,639	62,639	-0-
Excess (deficiency) of revenues over expenditures	\$ -0-	(15,095)	\$ (62,639)	\$ (47,544)
Beginning cash to balance budget		\$ 15,095		
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (62,639)
Adjustments-revenue: Change in due from grantors between years				47,544
Change in deferred revenue between years				14,492
Adjustments-expenditures: Change in accounts payable between years				602
Change in fund balances (GAAP)				\$ -0-

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – LIBRARY SB301 GO BONDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources	\$ -0-	\$ 6,182	\$ 45,585	\$ 39,403
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	-0-	6,182	45,585	39,403
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Support services-students				
Support services-instruction	-0-	6,182	6,182	-0-
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Total expenditures	-0-	6,182	6,182	-0-
Excess (deficiency) of revenues over expenditures	\$ -0-	\$ -0-	\$ 39,403	\$ 39,403
Change in fund balances (Non-GAAP Budgetary Basis)				\$ 39,403
Adjustments-revenue: Change in due from grantor between years				(39,403)
Adjustments-expenditures: None.				-0-
Change in fund balances (GAAP)				\$ -0-

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – AFTER SCHOOL LEARNING**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes				
State sources	\$ -0-	\$ 18,500	\$ 17,207	\$ (1,293)
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>-0-</u>	<u>18,500</u>	<u>17,207</u>	<u>(1,293)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	18,500	18,500	-0-
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Facilities acquisition and construction				
Total expenditures	<u>-0-</u>	<u>18,500</u>	<u>18,500</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (1,293)</u>	<u>\$ (1,293)</u>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (1,293)
Adjustments-revenue: Change in due from grantor between years.				1,293
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – NM STANDARDS BASED STUDENT PROGRESS TRACKING FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ -0-	\$ 5,000	\$ 4,500	\$ (500)
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>-0-</u>	<u>5,000</u>	<u>4,500</u>	<u>(500)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	5,000	5,000	-0-
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Facilities acquisition and construction				
Total expenditures	<u>-0-</u>	<u>5,000</u>	<u>5,000</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (500)</u>	<u>\$ (500)</u>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (500)
Adjustments- revenue- change in due from grantor between years				500
Adjustments-expenditures-none				<u>-0-</u>
Change in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – SUMMER READING, MATH & SCIENCE INSTITUTES  
 FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ -0-	\$ 220,000	\$ 128,267	\$ (91,733)
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>-0-</u>	<u>220,000</u>	<u>128,267</u>	<u>(91,733)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Support services-students				
Support services-instruction	-0-	209,524	206,667	2,857
Support services-general administration	-0-	10,476	10,333	143
Support services -school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Total expenditures	<u>-0-</u>	<u>220,000</u>	<u>217,000</u>	<u>3,000</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (88,733)</u>	<u>\$ (88,733)</u>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (88,733)
Adjustments-revenue- change in due from grantor between years				88,733
Adjustments-expenditures -none				<u>-0-</u>
Change in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – G.O. LIBRARY BOOKS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources	\$ -0-	\$ -0-	\$ 12,713	\$ 12,713
Federal sources				
Charges for services				
Other local revenue				
Interest				
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>12,713</u>	<u>12,713</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 12,713</u>	<u>\$ 12,713</u>
Change in fund balances (Non- GAAP Budgetary Basis)				\$ 12,713
Adjustments-revenue- change in deferred revenue between years				(12,713)
Adjustments- expenditures- none				<u>-0-</u>
Change in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – NM HIGHWAY DEPARTMENT  
FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ 26,774	\$ 41,774	\$ -0-	\$ (41,774)
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>26,774</u>	<u>41,774</u>	<u>-0-</u>	<u>(41,774)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Capital outlay	<u>26,774</u>	<u>41,774</u>	<u>3,348</u>	<u>38,426</u>
Total expenditures	<u>26,774</u>	<u>41,774</u>	<u>3,348</u>	<u>38,426</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (3,348)</u>	<u>\$ (3,348)</u>
Change in fund balances (Non – GAAP Budgetary Basis)				\$ (3,348)
Adjustments-revenue-change in due from grantor between years				3,348
Adjustments-expenditures-none				<u>-0-</u>
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - SPECIAL REVENUE FUND - RESOURCES FOR SCHOOL HEALTH FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Charges for services				
Other local revenue				
Interest				
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students	6,435	6,435	6,435	-0-
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Facilities acquisition and construction				
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	<u>6,435</u>	<u>6,435</u>	<u>6,435</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	(6,435)	(6,435)	<u>\$ (6,435)</u>	<u>\$ -0-</u>
Beginning cash required to balance budget	<u>\$ 6,435</u>	<u>\$ 6,435</u>		
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (6,435)
Adjustments-revenue: Change in deferred revenue between years				6,435
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS)-SPECIAL REVENUE FUND  
CENTER FOR TEACHING EXCELLENCE  
FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Local sources	\$ -0-	\$ -0-	\$ 1,797	\$ 1,797
State sources				
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>1,797</u>	<u>1,797</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Debt service				
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,797</u>	<u>\$ 1,797</u>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ 1,797
Adjustments-revenue: Change in due from grantor between years				(1,797)
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – AP NEW MEXICO INCENTIVE FUNDING FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Charges for services				
Other local revenue				
Interest				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	805	805	-0-	805
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Facilities acquisition and construction				
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>805</u>	<u>805</u>	<u>-0-</u>	<u>805</u>
Excess (deficiency) of revenues over expenditures	(805)	(805)	<u>\$ -0-</u>	<u>\$ 805</u>
Beginning cash required to balance budget	<u>\$ 805</u>	<u>\$ 805</u>		
Change in fund balances (Non- GAAP Budgetary Basis)				\$ -0-
Adjustments –revenue-none				-0-
Adjustments-expenditures-none				<u>-0-</u>
Change in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - CAPITAL PROJECTS FUND - OFFICE OF CULTURAL AFFAIRS FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ -0-	\$ 25,000	\$ 25,000	\$ -0-
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	-0-	25,000	25,000	-0-
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	25,000	25,000	-0-
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Facilities acquisition and construction				
Total expenditures	-0-	25,000	25,000	-0-
Excess (deficiency) of revenues over expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Change in fund balances (Non-GAAP Budgetary Basis)				\$ -0-
Adjustments-revenue: None				-0-
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				\$ -0-

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – PRIVATE DIRECT GRANTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources				
Charges for services				
Other local revenue	\$ -0-	\$ 40,000	\$ 40,000	\$ -0-
Interest				
	<u>-0-</u>	<u>40,000</u>	<u>40,000</u>	<u>-0-</u>
Total revenues	<u>-0-</u>	<u>40,000</u>	<u>40,000</u>	<u>-0-</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	81,906	121,906	40,913	80,993
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Facilities acquisition and construction				
	<u>81,906</u>	<u>121,906</u>	<u>40,913</u>	<u>80,993</u>
Total expenditures	<u>81,906</u>	<u>121,906</u>	<u>40,913</u>	<u>80,993</u>
Excess (deficiency) of revenues over expenditures	(81,906)	(81,906)	<u>\$ (913)</u>	<u>\$ 80,993</u>
Prior year cash balance required to balance budget	<u>\$ 81,906</u>	<u>\$ 81,906</u>		
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (913)
Adjustments-revenue: Change in deferred revenue between years				913
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND – McCUNE CHARITABLE FOUNDATION**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes				
State sources				
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>EXPENDITURES:</b>				
Current:				
Instruction	11,896	11,896	-0-	11,896
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Facilities acquisition and construction				
Total expenditures	11,896	11,896	-0-	11,896
Excess (deficiency) of revenues over expenditures	(11,896)	(11,896)	\$ -0-	\$ 11,896
Beginning cash required to balance budget	\$ 11,896	\$ 11,896		
Change in fund balance (Non- GAAP Budgetary Basis)				\$ -0-
No adjustment to revenue or expenditures				-0-
Change in fund balances (GAAP)				\$ -0-

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – SPECIAL REVENUE FUND– SCHOOL BASED HEALTH CENTER  
FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ 170,000	\$ 170,000	\$ -0-	\$ (170,000)
Federal sources				
Charges for services				
Other local revenue	-0-		345,004	345,004
Interest				
	<u>170,000</u>	<u>170,000</u>	<u>345,004</u>	<u>175,004</u>
Total revenues				
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services				
Support services-students	170,000	220,004	220,004	-0-
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Capital Outlay				
	<u>170,000</u>	<u>220,004</u>	<u>220,004</u>	<u>-0-</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	-0-	(50,004)	<u>\$ 125,000</u>	<u>\$ 175,004</u>
Prior year cash balance required to balance budget	<u>\$ -0-</u>	<u>\$ 50,004</u>		
Change in fund balances (Non- GAAP Budgetary Basis)				\$ 125,000
Adjustments-revenue: Change in due from grantor between years				(123,266)
Change in deferred revenue between years				(1,734)
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements

## **DEBT SERVICE FUNDS**

DEBT SERVICE FUNDS - are used to account for accumulation of funds to service the debt obligations of the District.

Debt Service - To accumulate monies through District tax levies in order to provide for the payment of interest and principal on general obligation bonds. The funding authority is the State Department of Education. Reported as a major fund.

Deferred Sick Leave: To accumulate funds to reimburse those employees who do not use all of their accumulated sick leave. Funding authority is State of New Mexico Public Education Department.

Educational Technology Equipment Act: To accumulate local tax revenues for the payment of interest and principal on Education Technology Equipment notes (Section 16-15A-1, NMSA 1978).

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING BALANCE SHEET – NONMAJOR DEBT SERVICE FUNDS**  
**AS OF JUNE 30, 2009**

	Deferred Sick Leave	Educational Technology Equipment	Total
<b><u>ASSETS</u></b>			
Cash and investments	\$ 67,910	\$ 394,011	\$ 461,921
Taxes receivable		17,218	17,218
	<u>67,910</u>	<u>411,229</u>	<u>479,139</u>
Total revenues	<u>\$ 67,910</u>	<u>\$ 411,229</u>	<u>\$ 479,139</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>			
Liabilities:			
Due to other funds			
Accounts payable			
Deferred revenue - property taxes		\$ 14,483	\$ 14,483
		<u>14,483</u>	<u>14,483</u>
Total liabilities	<u>\$ -0-</u>	<u>14,483</u>	<u>14,483</u>
Fund Equity:			
Fund balances:			
Unreserved:			
Designated for subsequent year's expenditures			
Undesignated	67,910	396,746	464,656
	<u>67,910</u>	<u>396,746</u>	<u>464,656</u>
Total fund balances	<u>67,910</u>	<u>396,746</u>	<u>464,656</u>
Total liabilities and fund equity	<u>\$ 67,910</u>	<u>\$ 411,229</u>	<u>\$ 479,139</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

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	Deferred Sick Leave	Educational Technology Equipment	Total
<b><u>REVENUES</u></b>			
Local taxes		\$ 406,508	\$ 406,508
State sources			
Federal sources			
Charges for services			
Other local revenue			
Interest		4,597	4,597
Total revenues	<u>\$ -0-</u>	<u>411,105</u>	<u>411,105</u>
<b><u>EXPENDITURES</u></b>			
Current:			
Instruction			
Support services-students			
Support services- instruction			
Support services-general administration		4,040	4,040
Support services			
-school administration			
Central services			
Operation and maintenance of plant			
Student transportation			
Community services operations			
Debt service		718,550	718,550
Total expenditures	<u>-0-</u>	<u>722,590</u>	<u>722,590</u>
Excess (deficiency) of revenues over expenditures	<u>-0-</u>	<u>(311,485)</u>	<u>(311,485)</u>
Other financing sources			
Operating transfers in	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net changes in fund balances	-0-	(311,485)	(311,485)
Fund balances, beginning of year	<u>67,910</u>	<u>708,231</u>	<u>776,141</u>
Fund balances, end of year	<u>\$ 67,910</u>	<u>\$ 396,746</u>	<u>\$ 464,656</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) –DEBT SERVICE FUND- DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Property taxes	\$ 2,485,868	\$ 2,485,868	\$ 2,316,535	\$ (169,333)
State sources				
Federal sources				
Charges for services				
Other local revenue				
Interest	<u>50,000</u>	<u>50,000</u>	<u>44,710</u>	<u>(5,290)</u>
Total revenues	<u>2,535,868</u>	<u>2,535,868</u>	<u>2,361,245</u>	<u>(174,623)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration	24,859	24,859	23,165	1,694
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Debt Service	<u>5,295,500</u>	<u>5,295,500</u>	<u>2,485,869</u>	<u>2,809,631</u>
Total expenditures	<u>5,320,359</u>	<u>5,320,359</u>	<u>2,509,034</u>	<u>2,811,325</u>
Excess (deficiency) of revenues over expenditures	(2,784,491)	(2,784,491)	<u>\$ (147,789)</u>	<u>\$ 2,636,702</u>
Prior year cash balance required to balance budget	<u>\$ 2,784,491</u>	<u>\$ 2,784,491</u>		

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) -DEBT SERVICE FUND- DEFERED SICK LEAVE**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes				
State sources				
Federal sources				
Charges for services				
Other local revenue				
Interest				
<b>Total revenues</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration	67,910	67,910	-0-	67,910
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Debt Service				
<b>Total expenditures</b>	<b>67,910</b>	<b>67,910</b>	<b>-0-</b>	<b>67,910</b>
Excess (deficiency) of revenues over expenditures	(67,910)	(67,910)	<u>\$ -0-</u>	<u>\$ 67,910</u>
Prior year cash balance required to balance budget	<u>\$ 67,910</u>	<u>\$ 67,910</u>		
Change in fund balances (Non-GAAP Budgetary Basis)				\$ -0-
No adjustments to revenues or expenditures				-0-
Changes in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – DEBT SERVICE FUND-ED.TECH DEBT**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes	\$ 718,550	\$ 718,550	\$ 404,049	\$ (314,501)
State sources				
Federal sources				
Charges for services				
Other local revenue				
Interest	<u>5,000</u>	<u>5,000</u>	<u>4,597</u>	<u>(403)</u>
Total revenues	<u>723,550</u>	<u>723,550</u>	<u>408,646</u>	<u>(314,904)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration	7,186	7,186	4,040	3,146
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Debt service	<u>819,589</u>	<u>819,589</u>	<u>718,550</u>	<u>101,039</u>
Total expenditures	<u>826,775</u>	<u>826,775</u>	<u>722,590</u>	<u>104,185</u>
Excess (deficiency) of revenues over expenditures	(103,325)	(103,225)	<u>\$ (313,944)</u>	<u>\$ (210,719)</u>
Prior year cash balance required to balance budget	<u>\$ 103,325</u>	<u>\$ 103,225</u>		
Changes in fund balances (Non GAAP Budgetary Basis)				\$ (313,944)
Adjustments to revenue-change in current property taxes between years				2,459
Adjustments to expenditures-none				<u>-0-</u>
Changes in fund balances (GAAP)				<u>\$ (311,485)</u>

The accompanying notes are an integral part of these financial statements



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## CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS - are used to account for funds which are to be used to fund major capital acquisitions.

Bond Building - To account for the erecting, remodeling, making additions to and furnishing school buildings, and purchasing and improving school grounds. Funding is provided by issuance of general obligation bonds. Reported as a major fund.

Public School Capital Outlay - To account for major additions to school buildings. Funding is provided by the State of New Mexico.

Special Capital Outlay - State - To account for special improvement projects for school grounds. Funding is provided by the State of New Mexico. Authority is Section 22-26-1, NMSA 1978.

Capital Improvements SB-9 - To account for the funding of major improvements to the District's facilities under provisions of the Public School Capital Improvements Act. Funding is derived from property tax revenues and from the State of New Mexico Public School Capital Improvement Fund. Reported as a major fund.

Educational Technology Equipment Act – This fund was created pursuant to the Education Technology Act (Sections 16-15A-1 through 16-15A-16, NMSA 1978) that allows school districts to issue Education Technology Equipment notes pursuant to legislation passed by the New Mexico State Legislature in 1977. Pursuant to the Education Technology Equipment Act, proceeds from the sale of notes will be used for the purpose of acquiring education technology equipment for use in classrooms and library and media centers within the District.

Public School Capital Outlay 20% - To account for 20% of local tax revenues collected to be used for improvements and additions to school owned property.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS**  
**AS OF JUNE 30, 2009**

	<u>Public School Capital Outlay</u>	<u>Special Capital Outlay - State</u>
<b><u>ASSETS</u></b>		
Cash and investments		
Due from grantor		\$ 153,470
Taxes receivable		
Total assets	<u>\$ -0-</u>	<u>\$ 153,470</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
Liabilities:		
Due to other funds		\$ 153,470
Accounts payable		
Deferred revenue - prop. Taxes		
Total liabilities	<u>\$ -0-</u>	<u>153,470</u>
Fund equity:		
Fund balances:		
Unreserved:		
Designated for subsequent year's expenditures		
Undesignated	<u>-0-</u>	<u>-0-</u>
Total fund balances	<u>-0-</u>	<u>-0-</u>
Total liabilities and fund equity	<u>\$ -0-</u>	<u>\$ 153,470</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS-CONTINUED**  
**AS OF JUNE 30, 2009**

	<b>Educational Tech Equip. Act</b>	<b>Public School Capital Outlay 20%</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,294,286		\$ 1,294,286
Due from grantor			153,470
Taxes receivable			
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 1,294,286</u>	<u>\$ -0-</u>	<u>\$ 1,447,756</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>			
Liabilities:			
Due to other funds			\$ 153,470
Accounts payable	\$ 13,858		13,858
Deferred revenue - prop. taxes			
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>13,858</u>	<u>\$ -0-</u>	<u>167,328</u>
Fund equity:			
Fund balances:			
Unreserved:			
Designated for subsequent year's expenditures			
Undesignated	<u>1,280,428</u>	<u>-0-</u>	<u>1,280,428</u>
Total fund balances	<u>1,280,428</u>	<u>-0-</u>	<u>1,280,428</u>
Total liabilities and fund equity	<u>\$ 1,294,286</u>	<u>\$ -0-</u>	<u>\$ 1,447,756</u>

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009**

---

	<u>Public School Capital Outlay</u>	<u>Special Capital Outlay - State</u>
<b>REVENUES</b>		
Local taxes		
State sources	\$ 9,323	\$ 747,075
Federal sources		
Other local revenue		
Interest		
	<hr/>	<hr/>
Total revenues	<u>9,323</u>	<u>747,075</u>
<b>EXPENDITURES</b>		
Capital outlay	<u>9,323</u>	<u>747,075</u>
	<hr/>	<hr/>
Total expenditures	<u>9,323</u>	<u>747,075</u>
Net changes in fund balances	-0-	-0-
Fund balances, beginning of year	<u>-0-</u>	<u>-0-</u>
Fund balances, end of year	<u>\$ -0-</u>	<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS-CONTINUED  
 FOR THE YEAR ENDED JUNE 30, 2009**

---

	<b>Educational Tech Equip. Act</b>	<b>Public School Capital Outlay 20%</b>	<b>Total</b>
<b>REVENUES</b>			
Local taxes			
State sources			\$ 756,398
Federal sources			
Other local revenue			
Interest	\$ 29,941		29,941
Total revenues	<u>29,941</u>	<u>\$ -0-</u>	<u>786,339</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>219,855</u>	<u>7,310</u>	<u>983,563</u>
Total expenditures	<u>219,855</u>	<u>7,310</u>	<u>983,563</u>
Net changes in fund balances	<u>(189,914)</u>	<u>(7,310)</u>	<u>(197,224)</u>
Fund balances, beginning of year	<u>1,470,342</u>	<u>7,310</u>	<u>1,477,652</u>
Fund balances, end of year	<u>\$ 1,280,428</u>	<u>\$ -0-</u>	<u>\$ 1,280,428</u>

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - CAPITAL PROJECTS FUND – BOND BUILDING  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources				
Charges for services				
Other local revenue	\$ -0-	\$ -0-	\$ 368,750	\$ 368,750
Interest	-0-	-0-	77,929	77,929
	<u>-0-</u>	<u>-0-</u>	<u>446,679</u>	<u>446,679</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Capital outlay	<u>3,245,155</u>	<u>3,245,155</u>	<u>20,210</u>	<u>3,224,945</u>
	<u>3,245,155</u>	<u>3,245,155</u>	<u>20,210</u>	<u>3,244,945</u>
Excess (deficiency) of revenues over expenditures	(3,245,155)	(3,245,155)	<u>\$ 426,469</u>	<u>\$ 3,671,624</u>
Prior year cash balance required to balance budget	<u>\$ 3,245,155</u>	<u>\$ 3,245,155</u>		

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - CAPITAL PROJECTS FUND - PUBLIC SCHOOL CAPITAL OUTLAY FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
State sources	\$ -0-	\$ 16,719	\$ 9,323	\$ (7,396)
Federal sources				
Charges for services				
Other local revenue				
Interest				
Total revenues	<u>-0-</u>	<u>16,719</u>	<u>9,323</u>	<u>(7,396)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Capital Outlay	<u>622</u>	<u>17,341</u>	<u>9,323</u>	<u>8,018</u>
Total expenditures	<u>622</u>	<u>17,341</u>	<u>9,323</u>	<u>8,018</u>
Excess (deficiency) of revenues over expenditures	(622)	(622)	<u>\$ -0-</u>	<u>\$ 622</u>
Prior year cash balance required to balance budget	<u>\$ 622</u>	<u>\$ 622</u>		
Changes in fund balances (Non- GAAP Budgetary Basis)				\$ -0-
Adjustments-revenue-none				-0-
Adjustments-expenditures-none				<u>-0-</u>
Changes in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - CAPITAL PROJECTS FUND - SPECIAL CAPITAL OUTLAY**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
State sources				
Federal sources	\$ 535,000	\$ 1,215,000	\$ 1,072,379	\$ (142,621)
Charges for services				
Other local revenue				
Interest				
	<u>535,000</u>	<u>1,215,000</u>	<u>1,072,379</u>	<u>(142,621)</u>
Total revenues				
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Capital Outlay	<u>615,512</u>	<u>1,295,512</u>	<u>756,390</u>	<u>539,122</u>
Total expenditures	<u>615,512</u>	<u>1,295,512</u>	<u>756,390</u>	<u>539,122</u>
Excess (deficiency) of revenues over expenditures	<u>(80,512)</u>	<u>(80,512)</u>	<u>\$ 315,989</u>	<u>\$ 396,501</u>
Beginning cash required to balance budget	<u>\$ 80,512</u>	<u>\$ 80,512</u>		
Change in fund balances (Non- GAAP Budgetary Basis)				\$ 315,989
Adjustments-revenue-change in due from grantor between years				(306,674)
Adjustments-expenditures-change in accounts payable between years				<u>(9,315)</u>
Change in fund balances (GAAP)				<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENTS - SB-9**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Property taxes	\$ 40,000	\$ 40,000	\$ 41,554	\$ 1,554
State sources	-0-	1,031,827	1,167,784	135,957
Federal sources				
Charges for services				
Other local revenue	-0-	-0-	83,944	83,944
Interest	<u>10,000</u>	<u>10,000</u>	<u>11,541</u>	<u>1,541</u>
 Total revenues	 <u>50,000</u>	 <u>1,081,827</u>	 <u>1,304,823</u>	 <u>222,996</u>
 <b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Capital Outlay	<u>1,014,373</u>	<u>2,046,610</u>	<u>2,037,032</u>	<u>9,578</u>
 Total expenditures	 <u>1,014,373</u>	 <u>2,046,610</u>	 <u>2,037,032</u>	 <u>9,578</u>
 Excess (deficiency) of revenues over				
expenditures	(964,783)	(964,783)	<u>\$ (732,209)</u>	<u>232,474</u>
 Prior year cash balance required to balance				
budget	<u>\$ 964,783</u>	<u>\$ 964,783</u>		

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - CAPITAL PROJECTS FUND - ED TECHNOLOGY EQUIPMENT ACT  
 FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Property taxes				
State sources				
Federal sources				
Charges for services				
Other local revenue				
Interest	\$ 50,000	\$ 50,000	\$ 29,941	\$ (20,059)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>29,941</u>	<u>(20,059)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Capital Outlay	<u>1,680,882</u>	<u>1,680,882</u>	<u>306,489</u>	<u>1,374,393</u>
Total expenditures	<u>1,680,882</u>	<u>1,680,882</u>	<u>306,489</u>	<u>1,374,393</u>
Excess (deficiency) of revenues over expenditures	(1,630,882)	(1,630,882)	<u>\$ (276,548)</u>	<u>\$ 1,354,334</u>
Prior year cash balance required to balance budget	<u>\$ 1,630,882</u>	<u>\$ 1,630,882</u>		
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (276,548)
Adjustments-revenue-none.				
Adjustments-expenditures-Change in accounts payable between years				<u>86,634</u>
Change in fund balances (GAAP)				<u>\$ (189,914)</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) - CAPITAL PROJECTS FUND - PUBLIC SCHOOL OUTLAY 20% FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Property taxes				
State sources				
Federal sources				
Charges for services				
Other local revenue				
Interest	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services-instruction				
Support services-general administration				
Support services				
-school administration				
Central service				
Operation and maintenance of plant				
Student transportation				
Food service operations				
Capital Outlay	<u>174,969</u>	<u>174,969</u>	<u>7,310</u>	<u>167,659</u>
Total expenditures	<u>174,969</u>	<u>174,969</u>	<u>7,310</u>	<u>167,659</u>
Excess (deficiency) of revenues over expenditures	(174,969)	(174,969)	<u>\$ (7,310)</u>	<u>\$ 167,659</u>
Prior year cash balance required to balance budget	<u>\$ 174,969</u>	<u>\$ 174,969</u>		
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (7,310)
Adjustments-revenue: None				-0-
Adjustments-expenditures: None				-0-
Change in fund balances (GAAP)				<u>\$ (7,310)</u>

The accompanying notes are an integral part of these financial statements

## **COMPONENT UNITS**

**COMPONENT UNIT**  
**CARINOS CHARTER SCHOOL**

General Fund - To account for all financial receivables except these required to be accounted for elsewhere.

Operational Account- Accounts for the general operations of the Charter School.

Instructional Materials Account- Accounts for the State funds received which are used to purchase instructional materials.

**Special Revenue Funds**

Non-Instructional Support- To account for user fees from various school functions. (State of New Mexico Public Education Dept. PSAB Supplement 3).

Charter School-Planning- To account for state grant from State of New Mexico Public Education Department to be used for planning by Charter Schools.

**Capital Project Funds**

Public School Capital Outlay - To account for state funds to be used for leasing building for Charter School.

Special Capital Outlay-State - To account for special improvement projects for school grounds. Funding is provided by the State of New Mexico. Authority is Section 22-26-1, NMSA 1978.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING BALANCE SHEET – COMPONENT UNIT-CARINOS CHARTER SCHOOL**  
**AS OF JUNE 30, 2009**

	<u>General Fund</u>		<u>Special Revenue Fund</u>		<u>Capital Projects Fund</u>
	<u>Operational</u>	<u>Instructional Materials</u>	<u>Non- Instructional Support</u>	<u>Charter School- Planning</u>	<u>Public School Capital Outlay</u>
<b><u>ASSETS</u></b>					
Cash	\$ 38,793	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Due from other funds	<u>48,570</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 87,363</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>					
Liabilities:					
Accounts payable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Due to other funds	<u>-0-</u>	<u>264</u>	<u>4,806</u>	<u>-0-</u>	<u>43,500</u>
Total liabilities	<u>-0-</u>	<u>264</u>	<u>4,806</u>	<u>-0-</u>	<u>43,500</u>
Fund equity:					
Fund balances (deficit):					
Restricted-Special Revenue Funds	-0-	-0-	(4,806)	-0-	
Restricted- Capital Projects Funds					(43,500)
Unreserved (deficit):					
Designated for subsequent year's expenditures	-0-	-0-	-0-	-0-	
Undesignated (deficit)	<u>87,363</u>	<u>(264)</u>	<u>-0-</u>	<u>-0-</u>	<u>          </u>
Total fund balances	<u>87,363</u>	<u>(264)</u>	<u>(4,806)</u>	<u>-0-</u>	<u>(43,500)</u>
Total liabilities and fund equity	<u>\$ 87,363</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING BALANCE SHEET – COMPONENT UNIT-CARINOS CHARTER SCHOOL**  
**(CONTINUED) AS OF JUNE 30, 2009**

	<u>Capital Projects Fund</u>	
	<u>Special Capital Outlay-</u>	
	<u>State</u>	<u>Total</u>
<b><u>ASSETS</u></b>		
Cash		\$ 38,793
Due from other funds		48,570
		48,570
Total assets	\$ -0-	\$ 87,363
<b><u>LIABILITIES AND FUND EQUITY</u></b>		
Liabilities:		
Accounts payable	\$ -0-	\$ -0-
Due to other funds	-0-	48,570
		48,570
Total liabilities	-0-	48,570
Fund equity:		
Fund balances:		
Restricted-Special Revenue Funds		(4,806)
Restricted- Capital Projects Funds		(43,500)
Unreserved (deficit):		
Designated for subsequent year's expenditures		-0-
Undesignated (deficit)		87,099
		87,099
Total fund balances (deficit)		38,793
		38,793
Total liabilities and fund equity	\$ -0-	\$ 87,363
		87,363



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – COMPONENT UNIT-CARINOS CHARTER SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>General</u>		<u>Special Revenue Fund</u>		<u>Capital Projects Fund</u>
	<u>Operational</u>	<u>Instructional Materials</u>	<u>Non- Instructional Support</u>	<u>Charter School- Planning</u>	<u>Public School Capital Outlay</u>
<b>REVENUES</b>					
State sources	\$ 1,273,156	\$ 6,422		\$ 10,000	\$ 10,500
Federal sources					
Other local revenue	53,610		\$ 25,687		
Total revenues	<u>1,326,766</u>	<u>6,422</u>	<u>25,687</u>	<u>10,000</u>	<u>10,500</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	740,859		21,978	10,000	
Support services-students	92,433				
Support services- instruction	14,569	6,686			
Support services- general administration	862				
Support services- school administration	111,090				
Central services	145,095				
Operation and maintenance of plant	99,367				
Student transportation	3,975				
Food services operations	27,527				
Facilities acquisition and construction	-0-				54,000
Total expenditures	<u>1,235,777</u>	<u>6,686</u>	<u>21,978</u>	<u>10,000</u>	<u>54,000</u>
Net changes in fund balances	<u>90,989</u>	<u>(264)</u>	<u>3,709</u>	<u>-0-</u>	<u>(43,500)</u>
Fund balances, beginning of year	<u>(3,626)</u>	<u>-0-</u>	<u>(8,515)</u>	<u>-0-</u>	<u>-0-</u>
Fund balances, end of year	<u>\$ 87,363</u>	<u>\$ (264)</u>	<u>\$ (4,806)</u>	<u>\$ -0-</u>	<u>\$ (43,500)</u>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – COMPONENT UNIT-CARINOS CHARTER SCHOOL (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2009**

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	<u>Capital Projects Fund</u>	
	<u>Special Capital Outlay-State</u>	<u>Total</u>
<b>REVENUES</b>		
State sources	\$ 61,500	\$ 1,361,578
Federal sources		
Other local revenue		<u>79,297</u>
Total revenues	<u>61,500</u>	<u>1,440,875</u>
<b>EXPENDITURES</b>		
Current:		
Instruction		772,837
Support services-students		92,433
Support services- instruction		21,255
Support services- general administration		862
Support services- school administration		111,090
Central services		145,095
Operation and maintenance of plant		99,367
Student transportation		3,975
Food services operations		27,527
Facilities acquisition and construction	<u>61,500</u>	<u>115,500</u>
Total expenditures	<u>61,500</u>	<u>1,389,941</u>
Net changes in fund balances	<u>-0-</u>	<u>50,934</u>
Fund balances, beginning of year	<u>-0-</u>	<u>(12,141)</u>
Fund balances, end of year	<u>\$ -0-</u>	<u>\$ 38,793</u>

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – COMPONENT UNIT- CARINOS CHARTER SCHOOL-GENERAL FUND-OPERATIONAL ACCOUNT FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes				
State sources	\$ 1,078,748	\$ 1,272,300	\$ 1,273,156	\$ 856
Federal sources				
Charges for services				
Other local revenue	-0-	-0-	18,993	18,993
Investment				
Total revenues	<u>1,078,748</u>	<u>1,272,300</u>	<u>1,292,149</u>	<u>19,849</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	627,831	791,031	740,859	50,172
Support services-students	84,177	86,929	92,433	(5,504)
Support services- instruction	17,433	17,433	14,569	2,864
Support services-general administration	38,314	38,314	862	37,452
Support services				
-school administration	95,140	93,140	111,090	(17,950)
Central services	118,079	118,079	145,095	(27,016)
Operation and maintenance of plant	85,801	115,401	99,367	16,034
Student transportation	4,301	4,301	3,975	326
Food service operations	14,050	14,050	27,527	(13,477)
Facilities acquisition and construction	-0-	-0-	-0-	-0-
Total expenditures	<u>1,085,126</u>	<u>1,278,678</u>	<u>1,235,777</u>	<u>42,901</u>
Excess (deficiency) of revenues over expenditures	(6,378)	(6,378)	<u>\$ 56,372</u>	<u>\$ 62,750</u>
Prior year cash balance required to balance budget	<u>\$ 6,378</u>	<u>\$ 6,378</u>		
Net change in fund balances (Non –GAAP Budgetary Basis)				\$ 56,372
Adjustments to revenue- Change in local revenue				34,617
Adjustments to expenditures-none				<u>-0-</u>
Net change in fund balances- GAAP				<u>\$ 90,989</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – COMPONENT UNIT- CARINOS CHARTER SCHOOL- GENERAL FUND-INSTRUCTIONAL MATERIALS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Property taxes				
State sources	\$ 6,829	\$ 6,829	\$ 6,422	\$ (407)
Federal sources				
Charges for services				
Other local revenue				
Investment				
Total revenues	6,829	6,829	6,422	(407)
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	-0-	-0-	-0-
Support services-students	6,829	6,829	6,686	143
Support services- instruction	-0-	-0-	-0-	-0-
Support services-general administration	-0-	-0-	-0-	-0-
Support services				
-school administration	-0-	-0-	-0-	-0-
Central services	-0-	-0-	-0-	-0-
Operation and maintenance of plant	-0-	-0-	-0-	-0-
Student transportation				
Facilities acquisition and construction	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-
Total expenditures	6,829	6,829	6,686	143
Excess (deficiency) of revenues over expenditures	\$ -0-	\$ -0-	\$ (264)	\$ (264)
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (264)
Adjustments: Revenue- None.				-0-
Adjustments: Expenditures-None.				-0-
Change in fund balances (GAAP)				\$ (264)

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – COMPONENT UNIT- CARINOS CHARTER SCHOOL- SPECIAL REVENUE FUND-NON-INSTRUCTIONAL SUPPORT FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes				
State sources				
Federal sources				
Charges for services				
Other local revenue	\$ -0-	\$ 23,000	\$ 25,687	\$ 2,687
Investment				
Total revenues	<u>-0-</u>	<u>23,000</u>	<u>25,687</u>	<u>2,687</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	23,000	23,000	21,978	1,022
Support services-students	-0-	-0-	-0-	-0-
Support services- instruction	-0-	-0-	-0-	-0-
Support services-general administration	-0-	-0-	-0-	-0-
Support services				
-school administration	-0-	-0-	-0-	-0-
Central services	-0-	-0-	-0-	-0-
Operation and maintenance of plant	-0-	-0-	-0-	-0-
Student transportation				
Facilities acquisition and construction	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-
Total expenditures	<u>23,000</u>	<u>23,000</u>	<u>21,978</u>	<u>1,022</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 3,709</u>	<u>\$ 3,709</u>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ 3,709
Adjustments: Revenue- None.				-0-
Adjustments: Expenditures-None.				-0-
Change in fund balances (GAAP)				<u>\$ 3,709</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – COMPONENT UNIT- CARINOS CHARTER SCHOOL- SPECIAL REVENUE FUND-CHARTER SCHOOL-PLANNING FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes				
State sources	\$ -0-	\$ -0-	\$ 10,000	\$ 10,000
Federal sources				
Charges for services				
Other local revenue				
Investment				
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>10,000</u>	<u>10,000</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	-0-	10,000	(10,000)
Support services-students	-0-	-0-	-0-	-0-
Support services- instruction	-0-	-0-	-0-	-0-
Support services-general administration	-0-	-0-	-0-	-0-
Support services				
-school administration	-0-	-0-	-0-	-0-
Central services	-0-	-0-	-0-	-0-
Operation and maintenance of plant	-0-	-0-	-0-	-0-
Student transportation				
Facilities acquisition and construction	-0-	-0-	-0-	-0-
Other	-0-	-0-	-0-	-0-
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>10,000</u>	<u>(10,000)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ -0-
Adjustments: Revenue- None.				-0-
Adjustments: Expenditures-None.				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – COMPONENT UNIT-CARINOS CHARTER SCHOOL- CAPITAL PROJECTS FUND-PUBLIC SCHOOL CAPITAL OUTLAY FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes				
State sources	\$ -0-	\$ -0-	\$ 10,500	\$ 10,500
Federal sources				
Charges for services				
Other local revenue				
Investment				
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>10,500</u>	<u>10,500</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	-0-	-0-	-0-
Support services-students	-0-	-0-	-0-	-0-
Support services- instruction	-0-	-0-	-0-	-0-
Support services-general administration	-0-	-0-	-0-	-0-
Support services				
-school administration	-0-	-0-	-0-	-0-
Central services	-0-	-0-	-0-	-0-
Operation and maintenance of plant	-0-	-0-	-0-	-0-
Student transportation				
Facilities acquisition and construction	<u>-0-</u>	<u>-0-</u>	<u>54,000</u>	<u>(54,000)</u>
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>54,000</u>	<u>(54,000)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (43,500)</u>	<u>\$ (43,500)</u>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ (43,500)
Adjustments: Revenue- None.				-0-
Adjustments: Expenditures-None.				-0-
Change in fund balances (GAAP)				<u>\$ (43,500)</u>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – COMPONENT UNIT-CARINOS CHARTER SCHOOL- CAPITAL PROJECTS FUND-SPECIAL CAPITAL OUTLAY-STATE FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes				
State sources	\$ 100,000	\$ 100,000	\$ 61,500	\$ (38,500)
Federal sources				
Charges for services				
Other local revenue				
Investment				
Total revenues	100,000	100,000	61,500	(38,500)
<b>EXPENDITURES:</b>				
Current:				
Instruction	-0-	-0-	-0-	-0-
Support services-students	-0-	-0-	-0-	-0-
Support services- instruction	-0-	-0-	-0-	-0-
Support services-general administration	-0-	-0-	-0-	-0-
Support services				
-school administration	-0-	-0-	-0-	-0-
Central services	-0-	-0-	-0-	-0-
Operation and maintenance of plant	-0-	-0-	-0-	-0-
Student transportation				
Facilities acquisition and construction	100,000	100,000	61,500	38,500
Total expenditures	100,000	100,000	61,500	38,500
Excess (deficiency) of revenues over expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Change in fund balances (Non-GAAP Budgetary Basis)				\$ -0-
Adjustments: Revenue- None.				-0-
Adjustments: Expenditures-None.				-0-
Change in fund balances (GAAP)				\$ -0-

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



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**COMPONENT UNIT**  
**ESPANOLA MILITARY ACADEMY**

General Fund - To account for all financial resources, except those required to be accounted for elsewhere.

Operational Account: Accounts for the general operations of the Charter School.

Instructional Materials Account: Accounts for the State funds received which are used to purchase instructional materials.

**Special Revenue Funds**

Beginning Teacher Mentoring- To account for funds for a program to mentor new teachers from NM Public Education Department.

G.O. Library Bonds- To account for funds for proceeds of G.O. bonds to be used for libraries (Laws of 2006).

**Capital Project Fund**

Public School Capital Outlay - To account for state funds to be used for leasing building for Charter School.

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING BALANCE SHEET – COMPONENT UNIT-ESPANOLA MILITARY ACADEMY  
AS OF JUNE 30, 2009**

	<u>General Fund</u>		<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>
	<u>Operational</u>	<u>Institutional Materials</u>	<u>Beginning Teacher Mentoring</u>	<u>G.O. Library Bonds</u>	<u>Public School Capital Outlay</u>
<b><u>ASSETS</u></b>					
Cash	\$ 41,437	\$ 7,426	\$ 3,080	\$ 1,003	\$ 46,298
Due from grantor					
Total assets	<u>\$ 41,437</u>	<u>\$ 7,426</u>	<u>\$ 3,080</u>	<u>\$ 1,003</u>	<u>\$ 46,298</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>					
Liabilities:					
Accounts payable	\$ -0-	\$ -0-	\$ -0-		\$ -0-
Deferred revenue			3,080	1,003	
Total liabilities	<u>-0-</u>	<u>-0-</u>	<u>3,080</u>	<u>1,003</u>	<u>-0-</u>
Fund equity:					
Fund balances:					
Restricted-Special Revenue Funds	-0-	-0-	-0-		-0-
Restricted- Capital Projects Funds					46,298
Unreserved:					
Designated for subsequent year's expenditures			-0-		-0-
Undesignated	41,437	7,426	-0-		-0-
Total fund balances	<u>41,437</u>	<u>7,426</u>	<u>-0-</u>		<u>46,298</u>
Total liabilities and fund equity	<u>\$ 41,437</u>	<u>\$ 7,426</u>	<u>\$ 3,080</u>	<u>\$ 1,003</u>	<u>\$ 46,298</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING BALANCE SHEET – COMPONENT UNIT-ESPANOLA MILITARY ACADEMY**  
**(CONTINUED) AS OF JUNE 30, 2009**

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	<u>Total</u>
<b><u>ASSETS</u></b>	
Cash	\$ 99,244
Due from grantor	
Total assets	<u>\$ 99,244</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>	
Liabilities:	
Accounts payable	\$ -0-
Deferred revenue	<u>4,083</u>
Total liabilities	<u>4,083</u>
Fund equity:	
Fund balances:	
Restricted-Special Revenue Funds	-0-
Restricted- Capital Projects Funds	46,298
Unreserved:	
Designated for subsequent year's expenditures	-0-
Undesignated	<u>48,863</u>
Total fund balances	<u>95,161</u>
Total liabilities and fund equity	<u>\$ 99,244</u>

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – COMPONENT UNIT-ESPANOLA MILITARY ACADEMY  
 FOR THE YEAR ENDED JUNE 30, 2009**

	<u>General Fund</u>		<u>Special Revenue Fund</u>		<u>Capital Projects Fund</u>
	<u>Operational</u>	<u>Instructional Materials</u>	<u>Beginning Teacher Mentoring</u>	<u>G.O. Library Bonds</u>	<u>Public School Capital Outlay</u>
<b>REVENUES</b>					
State sources	\$ 1,549,872	\$ 15,134			\$ 112,177
Federal sources					
Other local revenue	<u>35,357</u>	<u>75</u>			
Total revenues	<u>1,585,229</u>	<u>15,209</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>112,177</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	496,167				
Support services-students	96,927				
Support services- instruction	329,572	10,889			
Support services- general administration	57,152				
Support services- school administration	112,088				
Central services	302,700				
Operation and maintenance of plant	187,494				
Food services operation	9,755				
Facilities acquisition and construction					<u>112,177</u>
Total expenditures	<u>1,591,855</u>	<u>10,889</u>	<u>-0-</u>	<u>-0-</u>	<u>112,177</u>
Net changes in fund balances	<u>(6,626)</u>	<u>4,320</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Other financing use:					
Transfer to District	(159,600)	-0-	-0-	-0-	-0-
Fund balances, beginning of year	<u>207,663</u>	<u>3,106</u>	<u>-0-</u>	<u>-0-</u>	<u>46,298</u>
Fund balances, end of year	<u>\$ 41,437</u>	<u>\$ 7,426</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 46,298</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – COMPONENT UNIT-ESPANOLA MILITARY ACADEMY (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2009**

---

	<u>Total</u>
<b>REVENUES</b>	
State sources	\$ 1,677,183
Federal sources	
Other local revenue	<u>35,432</u>
Total revenues	<u>1,712,615</u>
<b>EXPENDITURES</b>	
Current:	
Instruction	496,167
Support services-students	96,927
Support services- instruction	340,461
Support services- general administration	57,152
Support services- school administration	112,088
Central services	302,700
Operation and maintenance of plant	187,494
Food services operation	9,755
Facilities acquisition and construction	<u>112,177</u>
Total expenditures	<u>1,714,921</u>
Net changes in fund balances	<u>(2,306)</u>
Other financing use:	
Transfer to District	(159,600)
Fund balances, beginning of year	<u>257,067</u>
Fund balances, end of year	<u>\$ 95,161</u>

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – COMPONENT UNIT- ESPANOLA MILITARY ACADEMY-GENERAL FUND-OPERATIONAL ACCOUNT FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes				
State sources	\$ 1,679,066	\$ 1,549,872	\$ 1,549,872	\$ -0-
Federal sources				
Charges for services				
Other local revenue	-0-	-0-	35,357	35,357
Investment				
Total revenues	<u>1,679,066</u>	<u>1,549,872</u>	<u>1,585,229</u>	<u>35,357</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	514,957	504,020	496,167	7,853
Support services- students	145,303	109,170	96,927	12,243
Support services- instruction	348,467	332,070	329,572	2,498
Support services-general administration	17,500	67,597	57,152	10,445
Support services -school administration	125,512	118,717	112,088	6,629
Central services	178,144	305,933	302,700	3,233
Operation and maintenance	469,183	232,365	187,494	44,871
Food service operations	15,000	15,000	9,755	5,245
Total expenditures	<u>1,814,066</u>	<u>1,684,872</u>	<u>1,591,855</u>	<u>93,017</u>
Excess (deficiency) of revenues over expenditures	(135,000)	(135,000)	<u>\$ (6,626)</u>	<u>\$ 128,374</u>
Beginning cash balance required to balance budget	<u>\$ 135,000</u>	<u>\$ 135,000</u>		
Net change in fund balances (Non-GAAP Budgetary Basis)				\$ (6,626)
Adjustments in revenue-none				-0-
Adjustments to expenditures-none				-0-
Net change in fund balances				<u>\$ (6,626)</u>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – COMPONENT UNIT-  
ESPANOLA MILITARY ACADEMY-GENERAL FUND- INSTRUCTIONAL MATERIALS  
ACCOUNT FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Property taxes				
State sources	\$ 15,134	\$ 15,134	\$ 15,134	\$ -0-
Federal sources				
Charges for services				
Other local revenue	-0-	-0-	75	75
Investment				
	<u>15,134</u>	<u>15,134</u>	<u>15,209</u>	<u>75</u>
Total revenues				
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students	15,134	15,134	10,889	4,245
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services				
Facilities acquisition and construction				
	<u>15,134</u>	<u>15,134</u>	<u>10,889</u>	<u>4,245</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 4,320</u>	<u>\$ 4,320</u>
Change in fund balances (Non-GAAP Budgetary Basis)				4,320
Adjustments: Revenue- None.				-0-
Adjustments: Expenditures- None.				-0-
Change in fund balances (GAAP)				<u>\$ 4,320</u>

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



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – COMPONENT UNIT-ESPANOLA MILITARY ACADEMY-SPECIAL REVENUE FUND- BEGINNING TEACHER MENTORING FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes				
State sources	\$ -0-	\$ -0-	\$ 1,003	\$ 1,003
Federal sources				
Charges for services				
Other local revenue				
Investment				
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>1,003</u>	<u>1,003</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services				
Facilities acquisition and construction				
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 1,003</u>	<u>\$ 1,003</u>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ 1,003
Adjustments: Revenue- Change in deferred revenue between years.				(1,003)
Adjustments: Expenditures- None.				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – COMPONENT UNIT- ESPANOLA MILITARY ACADEMY-SPECIAL REVENUE FUND-G.O. LIBRARY BONDS FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property taxes				
State sources	\$ -0-	\$ -0-	\$ 3,080	\$ 3,080
Federal sources				
Charges for services				
Other local revenue				
Investment				
Total revenues	<u>-0-</u>	<u>-0-</u>	<u>3,080</u>	<u>3,080</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services				
Facilities acquisition and construction				
Total expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 3,080</u>	<u>\$ 3,080</u>
Change in fund balances ( Non-GAAP Budgetary Basis)				\$ 3,080
Adjustment: Revenue- Change in deferred revenue between years.				(3,080)
Adjustment: Expenditures- None.				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL (NON-GAAP BUDGETARY BASIS) – COMPONENT UNIT-ESPANOLA MILITARY ACADEMY-CAPITAL PROJECTS FUND- PUBLIC SCHOOL CAPITAL OUTLAY FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Property taxes				
State sources	\$ -0-	\$ 89,496	\$ 112,177	\$ 22,681
Federal sources				
Charges for services				
Other local revenue				
Investment				
Total revenues	<u>-0-</u>	<u>89,496</u>	<u>112,177</u>	<u>22,681</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction				
Support services-students				
Support services- instruction				
Support services-general administration				
Support services				
-school administration				
Central services				
Operation and maintenance of plant				
Student transportation				
Food services				
Facilities acquisition and construction	-0-	89,496	112,177	(22,681)
Total expenditures	<u>-0-</u>	<u>89,496</u>	<u>112,177</u>	<u>(22,681)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Change in fund balances (Non-GAAP Budgetary Basis)				\$ -0-
Adjustments: Revenue- Change in due from grantor between years.				
Adjustments: Expenditures- None.				-0-
Change in fund balances (GAAP)				<u>\$ -0-</u>

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

**ADDITIONAL INFORMATION -**  
**SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF CASH RECONCILIATIONS- DISTRICT**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Operational Account 11000</u>	<u>Transportation Account 13000</u>	<u>Instructional Materials 14000</u>	<u>Cafeteria Account 21000</u>	<u>Athletics Account 22000</u>
Audited net cash and Investments, 6/30/08 held by District for	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 127,719
Adjustment for prior year Loans from/to other funds	2,611,490		256,109	(21,664)	
Current year revenue	33,140,995	1,839,420	424,925	2,032,107	55,233
Loans from other funds				9,655	
Cash transfers in	14,387				
Prior-year warrants voided					
Current year expenditures	(33,268,081)	(1,839,420)	(388,762)	(2,020,098)	(42,382)
Loans made to other funds	(1,796,516)				
Cash transfers out					
Total cash and investments 6/30/09 held by District for	<u>702,275</u>	<u>\$ -0-</u>	<u>\$ 292,272</u>	<u>\$ -0-</u>	<u>\$ 140,570</u>
Less-estimated loss on investments	<u>(15,000)</u>				
Total cash and investments	<u>\$ 687,275</u>				

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF CASH RECONCILIATIONS -DISTRICT (continued)  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Non-Instruct. Fund 23000</u>	<u>Federal Flowthrough Fund 24000</u>	<u>Federal Direct Fund 25000</u>	<u>Local Grants Fund 26000</u>	<u>State Flowthrough Fund 27000</u>	<u>State Direct Fund 28000</u>
Audited net cash and Investments, 6/30/08 held by District for	\$ 515,921	\$ 10,907	\$ 485,702	\$ 118,127	\$ 406,067	\$ 7,240
Adjustment for prior year Loans from/to other funds		(1,993,945)	(16,820)		(266,913)	(1,797)
Current year revenue	29,927	5,539,051	618,016	1,731,346	903,825	26,798
Loans from other funds		1,401,911		18,449	209,683	3,348
Cash transfers in		17,748				
Prior Year Warrants Voided						
Current year expenditures	(173,095)	(4,875,268)	(615,019)	(1,850,654)	(863,065)	(34,784)
Loans made to other funds						
Cash transfers out					(79,227)	
Total cash and investments 6/30/09 held by District by	<u>\$ 372,753</u>	<u>\$ 100,404</u>	<u>\$ 471,879</u>	<u>\$ 17,268</u>	<u>\$ 310,370</u>	<u>\$ 805</u>

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF CASH RECONCILIATIONS –DISTRICT (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Local/State Fund 29000</u>	<u>Bond Building 31100</u>	<u>Pub. School Cap. Outlay 31200</u>
Audited net cash and Investments, 6/30/08 held by District for	\$ 90,207	\$ 3,049,985	\$ -0-
Adjustment for prior year Loans from/to other funds	(123,266)		(47,093)
Current year revenue	385,004	446,679	9,324
Loans from other funds			
Cash transfers in			47,092
Prior year warrants voided			
Current year expenditures	(260,917)	(20,210)	(9,323)
Loans made to other funds			
Cash transfers out			
Total cash and investments 6/30/09 held by District for	<u>\$ 91,028</u>	<u>\$ 3,476,454</u>	<u>\$ -0-</u>

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF CASH RECONCILIATIONS –DISTRICT (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Spec. Cap. Outlay - State 31400</u>	<u>Cap. Improv. SB-9 31700</u>
Audited net cash and Investments, 6/30/08 held by District for	\$ -0-	\$ 791,577
Adjustment for prior years Loans from/to other funds	(469,459)	
Current year revenue	1,072,379	1,304,824
Loans from other funds	153,470	
Cash transfers in		
Prior year warrants voided		
Current year expenditures	(756,390)	(2,037,031)
Loans made to other funds		
Cash transfers out	_____	_____
Total cash and investments 6/30/09 held by District for	<u>\$ -0-</u>	<u>\$ 59,370</u>



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF CASH RECONCILIATIONS-DISTRICT (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Ed Tech Equip Act 31900	PSCOC 20% Fund 32100	Debt Service Fund 41000	Deferred Sick Leave 42000	Ed Tech Debt Service Fund 43000	Grand Total All Funds
Audited net cash and Investments, 6/30/08 held by District for	\$ 1,570,835	\$ 7,310	\$ 2,754,266	\$ 67,910	\$ 707,956	\$ 10,711,729
Adjustment for prior year Loans from/to other funds			73,358			-0-
Current year revenue	29,940	-0-	2,361,245		408,645	52,359,683
Loans from other funds						1,796,516
Cash transfers in						79,227
Prior year warrants voided						-0-
Current year expenditures	(306,489)	(7,310)	(2,509,035)		(722,590)	(52,599,923)
Loans made to other funds						(1,796,516)
Cash transfers out						(79,227)
Total cash and investments 6/30/09 held by District for	<u>\$ 1,294,286</u>	<u>\$ -0-</u>	<u>\$ 2,679,834</u>	<u>\$ 67,910</u>	<u>\$ 394,011</u>	10,471,489
Less-estimated loss on investment						(15,000)
Total cash and investments-District						<u>\$ 10,456,489</u>

District Accounts	Account Name	Type of Account	Bank Balance, June 30, 2009	Reconciled Balance, June 30, 2009
Valley National Bank, Espanola, NM	General Operating	Checking	\$ 2,733,333	\$ 1,995,661
Valley National Bank, Espanola, NM	Investment	Investment	8,425,000	8,425,000
Bank of America, Espanola, NM	Federal Projects Payroll	Checking	2,029,159	2,360
State of New Mexico Office of the State Treasurer	Local Government Investment Pool	Investment	587,544	587,544
Totals			<u>\$ 13,775,036</u>	11,010,565
	Less estimated loss on Local Government Investment Pool			(15,000)
	Less- Cash held for Carinos Charter School			(857)
	Less- Cash held for Agency funds			(538,219)
	Total cash and investments- District			<u>\$ 10,456,489</u>

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**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF CASH RECONCILIATIONS-COMPONENT UNIT-CARINOS CHARTER  
SCHOOL FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Operational Account</u>	<u>Instructional Materials Account</u>	<u>Non- Instructional Support</u>	<u>Public School Capital Outlay</u>	<u>Charter School- Planning</u>
Audited net cash and Investments, (outstanding checks) 6/30/08 held by School for	\$ (3,626)	\$ -0-	\$ (8,515)	\$ -0-	\$ -0-
Current year revenue	1,326,766	6,422	25,687	10,500	10,000
Loans from other funds		264	4,806	43,500	
Loans to other funds	(48,570)				
Current year expenditures	<u>(1,235,777)</u>	<u>(6,686)</u>	<u>(21,978)</u>	<u>(54,000)</u>	<u>(10,000)</u>
Total cash and investments 6/30/09 held by School for	<u>\$ 38,793</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF CASH RECONCILIATIONS-COMPONENT UNIT-CARINOS CHARTER SCHOOL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2009**

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	<u>Total</u>
Audited net cash and Investments (outstanding checks), 6/30/08 held by School for	\$ (12,141)
Current year revenue	1,379,375
Loans from other funds	48,570
Loans to other funds	(48,570)
Current year expenditures	<u>(1,328,441)</u>
Total cash and investments 6/30/09 held by School for	<u>\$ 38,793</u>

<u>Component Unit</u>	<u>Account Name</u>	<u>Type of Account</u>	<u>Bank Balance, June 30, 2009</u>	<u>Reconciled Balance, June 30, 2009</u>
Component unit- Carinos Charter School				
Valley National Bank, Espanola, NM	Operating	Checking	\$ 44,324	\$ 37,936
		Total	<u>\$ 44,324</u>	\$ 37,936
	Add: Cash in District Account			857
	Total-cash- Carinos Charter School			<u>\$ 38,793</u>

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF CASH RECONCILIATIONS-COMPONENT UNIT-ESPANOLA MILITARY**  
**ACADEMY FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Operational Account</u>	<u>Instructional Materials Account</u>	<u>Beginning Teacher Mentoring</u>	<u>G.O. Library Bonds</u>	<u>Legislative Appropriations -Operational</u>
Audited net cash and Investments, 6/30/08 held by School for	\$ 207,663	\$ 3,106	\$ -0-	\$ -0-	\$ -0-
Current year revenue	1,585,229	15,209	3,080	1,003	
Transfer to District	(159,600)				
Current year expenditures	<u>(1,591,855)</u>	<u>(10,889)</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total cash and investments 6/30/09 held by School for	<u>\$ 41,437</u>	<u>\$ 7,426</u>	<u>\$ 3,080</u>	<u>\$ 1,003</u>	<u>\$ -0-</u>

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF CASH RECONCILIATIONS-COMPONENT UNIT-ESPANOLA MILITARY  
ACADEMY (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Public School Capital Outlay</u>	<u>Special Capital Outlay</u>	<u>Total</u>
Audited net cash and Investments, 6/30/08 held by School for	\$ 46,298	\$ -0-	\$ 257,067
Current year revenue	112,177		1,716,698
Transfer to District			(159,600)
Current year expenditures	<u>(112,177)</u>		<u>(1,714,921)</u>
Total cash and investments 6/30/09 held by School for	<u>\$ 46,298</u>	<u>\$ -0-</u>	<u>\$ 99,244</u>

<u>Component Unit</u>	<u>Account Name</u>	<u>Type of Account</u>	<u>Bank Balance, June 30, 2009</u>	<u>Reconciled Balance, June 30, 2009</u>
Component unit- Military Academy				
Century Bank, Espanola, NM	Operating	Checking	\$ 202,736	\$ 99,216
Century Bank, Espanola, NM	Federal Charter	Checking	28	28
Century Bank, Espanola, NM	Activity	Checking	<u>481</u>	<u>481</u>
		Total	\$ 203,245	\$ 99,725
	Less: Agency fund cash			(481)
	Total-cash-Espanola Military Academy			<u>99,244</u>

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF PLEDGED COLLATERAL**  
**JUNE 30, 2009**

New Mexico statutes provide that deposits of public monies in financial institutions must be secured by pledged collateral in an aggregate value equal to one-half of the amount of the public monies deposited after deducting the amount of Federal Deposit Insurance Corporation insurance coverage for each financial institution.

Securities which are obligations of the State of New Mexico, its agencies, institutions, counties, or municipalities or other subdivisions are accepted as security at par value; all other securities are accepted as security at market value.

The following is a description of cash on deposit by financial institutions and the related pledged collateral at June 30, 2009:

Valley National Bank, Espanola, New Mexico:

Total bank deposits, including Carinos Charter School	\$ 11,202,669
Amount insured by FDIC	(250,000)
Uninsured public funds	<u>\$ 10,952,669</u>
50% Collateral requirement	<u>\$ 5,476,335</u>

Amount collateralized with the following securities held by The Independent Banker's Bank, Dallas, TX:

NOTE:	CUSIP#	MATURITY DATE	PAR	MARKET	PLEDGED VALUE
GALLUP ETC SD NO	364010LS5	8/1/11	\$ 175,000	\$ 175,658	175,000
SAN JUAN COUNTY NM REV	79835HCB1	3/15/16	250,000	261,875	250,000
LAS CRUCES NM GAS TAX REV	51748PAP9	6/1/16	250,000	255,880	250,000
FHLMC POOL #P50483	31288LRC7	5/1/35	1,804,873	1,813,785	1,813,785
TORRANCE COUNTY NM	891398AX7	8/1/13	300,000	300,459	300,000
RIO ARRIBA COUNTY NM GROSS	766899AN8	5/1/16	500,000	500,560	500,000
FNMA POOL #665403	31391FGL6	9/1/17	747,057	783,569	783,569
FNMA POOL#257135	3137INS42	7/1/38	1,992,234	2,025,226	2,025,226
FNMA POOL#256806	3137INGRO	7/1/37	2,276,569	2,329,237	2,329,357
FNMA POOL #257238	3137INV77	6/1/28	437,179	444,298	444,298
ROCKET TEX SPL UTIL DBT WTR	773138FV5	7/10/26	515,000	434,150	-0-
FNMA CALLABLE	3136FABFI	2/23/24	575,000	546,967	546,967
BELEN NM GRT	077571CKI	6/1/19	265,000	269,600	265,000
FEDERAL FARM CREDIT BANK	31331YFT2	12/3/27	1,500,000	1,504,068	1,504,068
FHLMC GOLD #N32210	31281CN38	8/1/38	756,362	781,606	781,606
FNMA POOL #254908	31371LOM8	9/1/23	654,025	674,464	674,464
FNMA POOL #785823	31405DAY3	7/1/19	787,866	807,957	807,957
Total pledged					<u>13,451,297</u>

Amount over (under) requirement at June 30, 2009. \$ 7,974,962

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF PLEDGED COLLATERAL-CONTINUED**  
**JUNE 30, 2009**

New Mexico statutes provide that deposits of public monies in financial institutions must be secured by pledged collateral in an aggregate value equal to one-half of the amount of the public monies deposited after deducting the amount of Federal Deposit Insurance Corporation insurance coverage for each financial institution.

Securities which are obligations of the State of New Mexico, its agencies, institutions, counties, or municipalities or other subdivisions are accepted as security at par value; all other securities are accepted as security at market value.

The following is a description of cash on deposit by financial institutions and the related pledged collateral at June 30, 2009:

Bank of America, Espanola, New Mexico:

Total bank deposits	\$ 2,029,159
Amount insured by FDIC	<u>(250,000)</u>
Uninsured public funds	<u>\$ 1,779,159</u>
50% Collateral requirement	<u>\$ 889,580</u>

Amount collateralized with the following securities held by The Bank of New York, New York, NY

NOTE:	CUSIP#	MATURITY DATE	PAR	MARKET	PLEDGED VALUE
FNMA 555424	31385XAZ0	5/1/33	\$ 1,373,701	1,431,503	1,431,503
Total pledged					<u>1,431,503</u>
Amount over (under) requirement at June 30, 2009.					<u>\$ 541,923</u>

Century Bank, Espanola, NM:

Total bank deposits	\$ 203,245
Amount insured by FDIC	<u>(203,245)</u>
Uninsured public funds	<u>\$ -0-</u>

No pledged collateral was needed at June 30, 2009.



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES-DISTRICT-**  
**ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
<b><u>ASSETS</u></b>				
Cash	\$ 544,797	\$ 808,625	\$ (815,203)	\$ 538,219
Total assets	<u>\$ 544,797</u>	<u>\$ 808,625</u>	<u>\$ (815,203)</u>	<u>\$ 538,219</u>
<b><u>LIABILITIES</u></b>				
Deposits held for others	\$ 544,797	\$ 808,625	\$ (815,203)	\$ 538,219
Total liabilities	<u>\$ 544,797</u>	<u>\$ 808,625</u>	<u>\$ (815,203)</u>	<u>\$ 538,219</u>

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS- DISTRICT-  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Balance July 1, 2008</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2009</b>
<b>STUDENT ACTIVITY FUNDS:</b>				
Abiquiu Elementary	\$ 8,440	\$ 3,123	\$ (2,449)	\$ 9,114
Alcalde Elementary	12,180	14,017	(11,883)	14,314
Chimayo Elementary	2,609	16,698	(12,658)	6,649
Dixon Elementary	628	4,044	(3,497)	1,175
Espanola Elementary	28,124	35,371	(31,864)	31,631
Fairview Elementary	31,079	55,933	(50,248)	36,764
Hernandez Elementary	17,859	11,593	(27,290)	2,162
Los Ninos Elementary	14,590	19,634	(19,304)	14,920
Mountain View Elementary	5,054	4,972	(7,100)	2,926
San Juan Elementary	9,603	107,935	(110,125)	7,413
Sombrillo Elementary	217	15,356	(5,572)	10,001
Velarde Elementary	4,148	4,644	(7,624)	1,168
Espanola Middle School	20,756	28,673	(13,522)	35,907
Espanola Valley High School	215,386	201,184	(199,182)	217,388
	<hr/>	<hr/>	<hr/>	<hr/>
Total Student Activity Funds	370,673	523,177	(502,318)	391,532
Clearing Agency Fund	174,124	285,448	(312,885)	146,687
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 544,797	\$ 808,625	\$ (815,203)	\$ 538,219

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES-COMPONENT UNIT-  
 AGENCY FUND-SCHOOL ACTIVITY FUND-ESPANOLA MILITARY ACADEMY  
 FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
<b><u>ASSETS</u></b>				
Cash	\$ 15,264	\$ 25,045	\$ (39,828)	\$ 481
Total assets	<u>\$ 15,263</u>	<u>\$ 25,045</u>	<u>\$ (39,828)</u>	<u>\$ 481</u>
<b><u>LIABILITIES</u></b>				
Deposits held for others	\$ 15,263	\$ 25,045	\$ (39,828)	\$ 481
Total liabilities	<u>\$ 15,263</u>	<u>\$ 25,045</u>	<u>\$ (39,828)</u>	<u>\$ 481</u>

**SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Pass-Through Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Espanola Public School District:			
<u>U.S. Department of Education</u>			
Passed through State of New Mexico Public Education			
Department (PED):			
CHAPTER I IASA	24101	84.010	\$ 2,023,493
IDEA-B Entitlement	24106	84.027A	844,705
IDEA-B Preschool	24109	84.173	19,496
DISCRETIONARY IDEA B	24107	84.027	5,263
EDUCATION OF HOMELESS	24113	84.196	299
TITLE III NO CHILD LEFT BEHIND	24153	84.365A	98,937
TITLE II	24154	84.367A	590,233
TITLE IV-A	24157	84.186A	19,572
RURAL LOW INCOME	24160	84.358B	128,085
SCHOOL IMPROVEMENT GRANT	24162	84.010	129,232
READ FIRST	24167	84.357A	612,102
CARL D. PERKINS SPECIAL PROJECT	24174	84.048	71,672
CARL D. PERKINS SECONDARY	24176	84.048	27,064
ARRA TITLE I IASA-FEDERAL STIMULUS	24201	84.010	8,272
ARRA ENTITLEMENT IDEA B FEDERAL STIMULUS	24206	84.027A	282,483
ARRA PRESCHOOL IDEA B FEDERAL STIMULUS	24209	84.173	19,047
 TOTAL PASS-THROUGH PED			<u>4,879,955</u>
Passed through State of New Mexico Northern New Mexico			
Network for Rural Education:			
TEACHER INCENTIVE FUND	26182	84.374	<u>1,465,752</u>
 TOTAL INDIRECT			<u>6,345,707</u>
DIRECT GRANTS:			
TITLE VIII-IMPACT AID, OPERATIONAL	11000	84.041	126,796
TITLE VIII-IMPACT AID, SPECIAL ED.	25145	84.041	19,410
TITLE VIII-IMPACT AID INDIAN ED.	25147	84.041	18,049
TITLE VII-INDIAN ED.	25184	84.060A	42,429
ALCOHOL ABUSE REDUCTION GRANT	25235	84.184A	<u>309,205</u>
 TOTAL U.S. DEPARTMENT OF EDUCATION-DISTRICT DIRECT GRANTS			<u>515,889</u>
 TOTAL U.S. DEPARTMENT OF EDUCATION-DISTRICT			<u>6,861,596</u>

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-CONTINUED  
 FOR THE YEAR ENDED JUNE 30, 2009**

<u>U.S. Department of Agriculture</u>			
Passed through State of New Mexico Department of Education:			
National School Lunch/Breakfast	21000	10.555	1,924,840
Passed through Statement of New Mexico			
Department of Human Services:			
U.S.D.A. Commodities	21000	10.555	106,948
TOTAL INDIRECT			2,031,788
DIRECT GRANTS:			
Forest Reserve	11000	10.665	930,192
Total U.S. Department of Agriculture			2,961,980
<u>U.S. Department of Interior</u>			
Johnson O' Malley	25131	15.130	1,924
Total U.S. Department of the Interior			1,924
Total Expenditures of Federal Awards- District			9,825,500
TOTAL EXPENDITURES OF FEDERAL AWARDS DISTRICT AND COMPONENT UNITS			\$ 9,825,500

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation  
 The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the accrual basis of accounting, is the same basis as was used to prepare the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.
2. Non-Cash Assistance  
 The District expended \$106,948 worth of U.S.D.A. Commodities received for the year.
3. Subrecipients  
 The District did not provide any federal awards to subrecipients during the year.
4. Component Units  
 No federal funds were apparently noted to have been spent by either Charter School, Carinos Charter School and Espanola Military Academy during the year ended June 30, 2009.
5. Excluded from Coverage  
 Teacher Incentive Fund, CFDA # 84.374 is excluded from coverage under OMB Circular A-133. It was not considered when calculating the major program threshold and accompanying requirements.

**OTHER REPORTS**

**C**  
**W**  
**M** **Chester W. Mattocks**  
**Certified Public Accountant**

**P.O. Box 25941**  
**Albuquerque, New Mexico 87125**  
**(505) 299-5233**

**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***

Members of the Board of Education  
State of New Mexico - Espanola Public School District  
Espanola, New Mexico

and

Mr. Hector H. Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

I have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information and of the budgetary comparisons of the General Fund and the Cafeteria Special Revenue Fund of the State of New Mexico, Espanola Public School District (District) and the financial statements of each of the District's nonmajor governmental and fiduciary funds presented as supplementary information and the respective budgetary comparisons of each nonmajor governmental funds, the Bond Building Capital Projects Fund and the Debt Service Debt Service Fund, in the combining and individual fund financial statements as of and for the year ended June 30, 2009, and have issued my report thereon dated January 6, 2010, in which I disclaim an opinion on the statement of net assets and the statement of activities due a lack of complete detailed records in support of capital assets and in which I disclaim an opinion on the discretely presented component units, Carinos Charter School and Espanola Military Academy, because the accounting records were inadequate. Except as noted in that report, I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the District's internal control over financial reporting as a basis for designing my audit procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on



a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies, that adversely affects the District'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 District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. I consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: Items 04-03, 06-02, 06-03, 07-02, 07-05, 07-06, 07-07, 07-09, 07-10, 09-01, 09-02, 09-03, and 09-04.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

My consideration of 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 internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, I believe that the significant deficiencies described in the accompanying Schedule of Findings and Questioned Costs are material weaknesses: Items 06-02, 07-02, 07-09, 07-10, 09-01 and 09-04.

#### Compliance and Other Matters

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

However, I noted instances of noncompliance that are required to be reported under Government Auditing Standards paragraphs 5.14 and 5.16 and Section 12-6-5, NMSA, 1978, and which are described in the accompanying Schedule of Findings and Questioned Costs as Items 06-04 and 08-01.

The District's response to the findings identified in my audit is described in the accompanying Schedule of Findings and Questioned Costs. I did not audit the District's response and, accordingly, I express no opinion on it.

This report is intended for the information and use of the Board of the District, the management of the District, the State of New Mexico Public Education Department, the State of New Mexico Department of Finance and Administration, the State of New Mexico Office of the State Auditor, the State of New Mexico Legislative Finance Committee, and the State of New Mexico Legislature and is not intended to be and should not be used by anyone other than these specified parties.



January 6, 2010

C  
W  
M Chester W. Mattocks  
Certified Public Accountant

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

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Members of the Board of Education  
State of New Mexico - Espanola Public School District  
Espanola, New Mexico

and

Mr. Hector H. Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

Compliance

I have audited the compliance of the State of New Mexico, Espanola Public School District (District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. My responsibility is to express an opinion on the District's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the District's compliance with those requirements.

In my opinion, Espanola Public School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my

auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over compliance. My consideration of internal control over compliance was for the limited purposes 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. However as discussed below, I identified a certain deficiency in internal control over compliance that I consider to be a significant deficiency.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a 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 entity's internal control. I consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Item 06-03 to be a significant deficiency.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. I did not consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Item 06-03 to be a material weakness.

This report is intended solely for the information and use of the Board of Education members, the management of the District, the State of New Mexico Public Education Department, the State of New Mexico Office of the State Auditor, the State of New Mexico Legislative Finance Committee, the State of New Mexico Legislature, the State of New Mexico Legislative Finance Committee, the State of New Mexico Legislature, the Federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Christos W. Minteros, CPA

January 6, 2010

**STATE OF NEW MEXICO  
ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**I. Summary of Auditor's Results  
*Financial Statements***

Type of auditor's report issued: Disclaimer on government-wide financial statements and disclaimers on both component units, Carinos Charter School and Espanola Military Academy. Disclaimer on Schedule of Cash Reconciliations- Component Unit-Carinos Charter School, disclaimer on Schedule of Cash Reconciliations- Component Unit- Espanola Military Academy, disclaimer on Schedule of Expenditures of Federal Awards and disclaimer on Schedule of Changes in Fiduciary Assets and Liabilities- Component Unit-Agency Fund- School Activity Fund- Espanola Military Academy. Others: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiencies identified that are not considered to be material weaknesses?  yes  none reported
- Noncompliance material to financial statements noted?  yes  no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiencies identified that are not considered to be material weaknesses?  yes  none reported

Type of auditor's report issued on compliance for major programs: Unqualified.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

yes  no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
84.010	Title I- IASA
84.010	School Improvements Grant
84.010	ARRA Title I- IASA -Federal Stimulus
84.184A	Alcohol Abuse Reduction Grant
10.555	National School Lunch/Breakfast
10.555	U.S.D.A Commodities
10.665	Forest Reserve

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee  yes  no

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**II. Financial Statement Findings**

**04 -03 – LATE AUDIT REPORT**

**Finding:** The District did not submit its audit report for the year ended June 30, 2009 on or before November 15, 2009. The report was submitted on January 20, 2010.

**Criteria:** The State Auditor Rule 2.2.2.9A (4) 2007 established November 15, 2007 as the due date.

**Cause:** There were problems with the 2006 audit report and with Charter Schools.

**Effect:** The audit report was not available on a timely basis for use for legislators and regulators.

**Recommendation:** The District should submit its audits as timely as possible.

**Management's response:** Concur; the District is working with PED Office of the Inspector General to develop District-Charter school records requirements and compliance. The District is working with its Charter School to ensure that the audits are completed in a timely manner in future periods.

**06-02- CARINOS CHARTER SCHOOL— GENERAL ACCOUNTING**

**Statement of finding:** The following items were noted at Carinos Charter School (School):

1. The School did not have an accounting system in place that was able to properly record all financial transactions and generate useable financial reports. The business manager was not properly trained in using the accounting software in use by the School.
2. Inquiry of School personnel disclosed that not all deposits or expenditures are necessarily recorded in the School's accounting system.
3. Monthly bank reconciliations did not reconcile with the general ledger of the School.
4. The School was utilizing a debit card for "point of sale" purchases. Supporting documentation was not available for review by the auditors. It was not clear if these debit card transactions are recorded in the general ledger.
5. The School was treating certain individuals as contract personnel where it appeared an Employer/Employee relation was in existence.
6. The School was not providing the Espanola Public School District the monthly financial information required by an agreement between the two entities.
7. Required reports with the State of New Mexico Public Education Department were not readily available for the auditors. It is unclear if these reports were filed timely. The information on these reports did not reconcile to the School's general ledger or bank statements.
8. The School was not maintaining a listing of capital expenditures and the associated annual depreciation and accumulated depreciation.
9. Contributions to the N.M. Retiree Health Care Authority for the 2006-2007 and the 2007-2008 school years were not remitted until May 27, 2009.
10. The School incurred interest and penalties for late paying and late filing of its Forms 940 for the tax periods ended December 31, 2006, 2007, and 2008. 2006 penalties and interest totaled \$679. 2007 penalties and interest totaled \$311. 2008 penalties and interest totaled \$761.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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11. The Internal Revenue Service on May 15, 2009 filed a tax lien in Rio Arriba County because of unpaid balances related to the Tax Form 941. The tax periods ended March 31, 2007 through June 30, 2008 were noted in this tax lien with an unpaid balance assessment of \$62,550.
12. In a sample of sixty expenditures (thirty-two non-payroll and twenty-eight payroll) the following items were noted:
  - a) For twelve of the expenditures totaling \$7,795, the School could not locate supporting documentation.
  - b) Eleven expenditures totaling \$25,739 did not have adequate supporting documentation attached.
  - c) Five expenditures totaling \$1,249 were noted where the Purchase Order was dated after the vendor's invoice date.
  - d) For five expenditures totaling \$1,942, a copy of the purchase order was not available for examination.
  - e) Two expenditures totaling \$8,963 were noted where the Purchase Order was not signed by a properly authorized representative of the School.
  - f) One employee did not have FICA or Medicare withheld from her paycheck.
13. Carinos Charter School budgeted beginning cash of \$6,378 in the Operational Account of the General Fund. It did not have any beginning cash.

**Criteria:** Accounting records should be complete and sufficiently adequate to be audited.

**Cause:** Personnel appear to have been not adequately trained. Records may have been misplaced or lost.

**Effect:** There is no way to determine if more serious problems were present.

**Recommendation:** The District and Carinos Charter School should have the accounting records reconstructed if possible. They should consult with the Office of the State Auditor on this matter.

**Management's response:** The school has contracted with the New Mexico Coalition of Charter Schools to provide business management services. The licensed school business manager to be assigned will be Michael J. Vigil. Mr. Vigil is a certified public accountant licensed in the State of New Mexico. Mr. Vigil has over nineteen years experience in public school finance. The business manager is well versed in the accounting software, state and federal regulations and accounting practices.

A review of existing policies and procedures is underway. This will include completion of reconciliations and required reports. Actions have been undertaken to ensure accounting records and reports are correct, complete, timely and documented. The use of the debit card has been discontinued.

**06- 03 - NONSUBMISSION OF DATA COLLECTION FORMS**

**Statement of finding:** The District submitted the data collection forms and the reporting packages for the fiscal years ended June 30, 2005 and June 30, 2006 late. The forms and the packages for the years ended June 30, 2007 and June 30, 2008 have also not been submitted.

**Criteria:** The forms and reporting packages are required to be submitted to the Federal Clearing House no later than nine months after the end of the fiscal year.

**Cause:** Audits were late. Prior auditor has left the public accounting field.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**Effect:** Future funding could be affected.

**Recommendation:** Forms and packages should be submitted as soon as possible.

**Management's response:** The 2007 and 2008 Data Collection Forms will be submitted as soon they are provided by the Auditor.

**06 – 04 – OVEREXPENDITURE OF BUDGETS**

**Statement of finding:** The District's component units overspent their budgets in various functions.

**Carinos Charter School**

**Operational Account of the General Fund**

1. Overspent its function, support services- student by \$5,504.
2. Overspent its function, support services- school administration by \$17,950.
3. Overspent its function, central services by \$27,016.
4. Overspent its function, food service operations by \$13,477.

Special Revenue Fund- Charter School- Planning overspent its budget by \$10,000 and overspent its function, instruction, by \$10,000.

Capital Projects Fund- Public School Capital Outlay overspent its budget by \$54,000 and its function, facilities acquisition and construction by \$54,000.

**Espanola Military Academy**

Capital Projects Fund- Public School Capital Outlay overspent its budget by \$22,681, and its function, facilities acquisition and construction, by \$22,681.

The District overspent its budgets in various functions in various funds as follows:

1. Entitlement Idea B, a Special Revenue Fund, overspent its Student Transportation fund by \$50,097.
2. Title IV Safe and Drug Free Schools and Community, a Special Revenue Fund, overspent its Instruction function by \$127.
3. Indian Ed Formula, Grant, a Special Revenue Fund, overspent its Instruction function by \$7,357.
4. LANL Foundation, a Special Revenue Fund, overspent its Instruction function by \$2,473.
5. The Operational Account of the General Fund overspent its function, Support Services- General Administration by \$28,598.

**Criteria:** The District and its component units are required to stay within their expenditures budget by function for each fund.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**Effect:** Overspending indicates that budget monitoring was ineffective.

**Cause:** Budget Adjustment Requests (BARs) were not utilized. Neither charter school overspent its budget in total.

**Recommendation:** The budget should be carefully monitored. BARs should be prepared timely.

**Management's response:** School budgets will be more closely monitored. BARs will be prepared timely.

**07 -02 – CAPITAL ASSETS ACCOUNTING**

**Statement of finding:** The District has not been able to reconcile completely its June 30, 2007 capital assets inventory to the prior audit. There are some problems also with the inventory. Purchase dates are not recorded for many items so no depreciation has been taken. Library Books have not been recorded and depreciated. A capital lease to acquire educational software in the fiscal year ended June 30, 3006 was not properly recorded, and the software was not recorded as a capital asset as of June 30, 2006. The District has tried to reconcile but is still working on the reconciliation. Items under the required capitalization levels still appear to be on the inventory listing. Deletions have not always been properly recorded apparently. There were no capital assets records for the two Charter Schools.

**Criteria:** The District should reconcile completely and a decision should be made as to the validity of the prior audit's balances. All assets including software and library books should be recorded. All capital assets that are required to be depreciated should be depreciated.

**Effect:** Control over capital assets is not as effective as possible if the listing is not complete and accurate. There is a higher potential for losses.

**Cause:** The District has not been able to complete the reconciliation and resolve the problems with capital assets.

**Recommendation:** The District has made a good start in resolving the reconciliation problems. However, there are other problems as noted above that should also be addressed as part of the resolution of the problems with capital assets.

**Management's response:** The District has engaged an independent CPA to reconcile that data base and adjustments to depreciation, capitalization, and disposition are forthcoming. The District expects this project to be completed before the end of this fiscal year. The District has conducted physical inventory counts each year; they are certified by Principals/Directors at each site.

**07-05- PERSONNEL FILES AND PAYROLL**

**Statement of finding:** The following exception was noted in a review of personnel files:

1. Four persons did not have the signature of an employer's representative on their Form I-9.



**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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The following exception was noted during the testing of payroll:

1. One contract for \$2,438 could not be located.

**Criteria:** Employees should have a Form W-4 on file. Form I-9s are required for all personnel hired since November 1986. Contracts should be easily located. Employees' hours should conform to their contracts.

**Effect:** Withholding could be incorrect. The District could be subject to a penalty if Form I-9s are not complete. People on contract could be overpaid or underpaid if the contract cannot be located for verification.

**Cause:** Incorrect filing appears to be a cause.

**Recommendation:** All contracts should be located and filed correctly. Correct Form I-9s and W-4s should be obtained.

**Management's response:** Concur; the District has implemented a file audit of records and will ensure that any missing or incomplete documents will be collected and/or updated.

**07 – 06 – DEPOSIT EXCEPTIONS**

**Statement of finding:** There were four exceptions noted during the deposit testing of forty deposits as four deposits were not made timely. They were for a total of \$62.50 and were late between four and eight days. All were related to fees for adult lunches at various schools.

**Criteria:** Deposits have to be made before the end of the next business day.

**Cause:** The District is spread out which sometimes makes daily depositing on a timely basis difficult.

**Effect:** Receipts may be incomplete. Funds may get lost if not timely deposited.

**Recommendation:** The District should continue to emphasize timely depositing.

**Management's response:** Concur; the District has implemented a file audit of records and will ensure that any missing or incomplete documents will be collected and/or updated.

**07 – 07 – DISASTER RECOVERY SYSTEM**

**Statement of finding:** The District does not have a formal complete written disaster recovery plan which has been approved by its Board for all of the District. This plan should address issues such as back-up procedures, security issues, changing of passwords and other issues in all functions of the District. This plan should be updated periodically and tested periodically.

**Criteria:** If a disaster does occur, a good plan should minimize its impact.

**Effect:** A disaster could have a major impact on the District if the District is not prepared. The District could have difficulties functioning effectively.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**Cause:** Most areas of the District do not completely address the issues. Backup procedures apparently are not consistently performed.

**Recommendation:** A formal written disaster plan should be developed for all of the District and its component units.

**Management's response:** Concur; the District has a Disaster Recovery System that will be presented to the Board for approval. The current plan is in place, however is not Board approved.

**07-09- CARINOS CHARTER SCHOOL-- SAS 112 COMPLIANCE**

**Statement of Finding:** The business manager responsible for the accounting and reporting function for Carinos Charter School lacked the skills and knowledge to apply generally accepted accounting principles in preparing the school's financial statements. The business manager had not obtained the training to adequately apply generally accepted accounting principles, which include GASB 34 and subsequent pronouncements.

**Criteria:** Statement on Auditing Standards (SAS) 112, Communication of internal Control Related Matters Identified in an Audit, requires that management clearly accept responsibility for preparing all financial information and the company's financial statements.

**Cause:** The business manager had not received the necessary training to prepare government financial statements in accordance with GASB (Governmental Accounting Standards Board) No. 34 and subsequent pronouncements.

**Effect:** Without the assistance of its auditors, the School was unable to accurately prepare financial statements in accordance with governmental accounting standards or with accounting principles generally accepted in the United States of America.

**Recommendation:** The Charter School should assist its business manager in obtaining the training necessary to accurately prepare financial statements in accordance with governmental accounting standards or with accounting principles generally accepted in the United States of America.

**Management's response:** The school has contracted with the New Mexico Coalition of Charter Schools to provide business management services. The licensed school business manager to be assigned will be Michael J. Vigil. Mr. Vigil is a certified public accountant licensed in the State of New Mexico. Mr. Vigil has over nineteen years experience in public school finance. The business manager is well versed in the accounting software, state and federal regulations and accounting practices.

**07- 10 - FINANCIAL STATEMENTS OUT OF BALANCE-CARINOS CHARTER SCHOOL**

**Statement of finding:** Due to the inadequacy of the accounting records and supporting documentation, accurate trial-balances were not provided. A combination of budget reports and cash reports to the State of New Mexico Public Education were used to prepare the financial statements. The financial statements were out of balance by \$34,617 at June 30, 2009 so other local revenue of \$34,617 were included to balance the financial statements.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**Criteria:** Financial statements should be in balance.

**Effect:** A disclaimer on all of the financial statements of Carinos Charter School was the main result.

**Cause:** Poor recordkeeping appears to be the major cause.

**Recommendation:** The out of balance situation should be investigated and resolved.

**Management's response:** The school has contracted with the New Mexico Coalition of Charter Schools to provide business management services. The licensed school business manager to be assigned will be Michael J. Vigil. Mr. Vigil is a certified public accountant licensed in the State of New Mexico. Mr. Vigil has over nineteen years experience in public school finance. The business manager is well versed in the accounting software, state and federal regulations and accounting practices.

A review of existing policies and procedures is underway. This will include completion of reconciliations and required reports. Actions have been undertaken to ensure accounting records and reports are correct, complete, timely and documented.

**08 – 01 – USE OF INCORRECT PLEDGED COLLATERAL**

**Statement of finding:** One of the banks which pledges collateral for deposits of the District pledged a municipal bond for an entity apparently located in Rocket, Texas.

**Criteria:** The only municipal bonds which may be used for pledging are municipal bonds of New Mexico entities or federal bonds per NM statute.

**Effect:** Pledged collateral was still adequate without the Texas bond.

**Cause:** The bank apparently pledged the collateral inadvertently.

**Recommendation:** The District should monitor its pledged collateral more closely in order to avoid such situations in the future.

**Management's response:** The District monitors its pledged collateral very closely. Valley National Bank has been notified in the past of inappropriate pledges of collateral; because the pledged amount is nearly double the required amount not including this pledge, we did not ask them to remove it. There was no negative effect of the Texas bond.

**09 – 01 – LACK OF SEGREGATION OF DUTIES**

**Statement of finding:** During the fiscal year ended June 30, 2009, the accountant for the Charter School, Espanola Military Academy (Academy) kept all the records for the Academy, prepared all bank reconciliations, prepared all journal entries, and prepared all reports for outside sources. In addition, the Business Manager approved all purchase orders, signed all "approval to pay" forms, and signed checks.

**Criteria:** Duties should be segregated to the extent possible.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**Cause:** Staffing at the Academy was limited.

**Effect:** The potential for losses was increased due to the lack of segregation of duties.

**Recommendation:** Duties should be segregated to the extent possible.

**Management's response:** Concur; the District is working with PED Office of the Inspector General to develop District-Charter school records requirements and compliance.

**09 – 02 – BIDDING OF SIMILAR PROJECTS**

**Statement of finding:** It was noted that the District had numerous roofing projects (approximately \$100,000). Sealed bidding was apparently not required because each project was under the limit for such bidding. However, the State Procurement Act states that projects should not be split up to avoid bidding limits. Similar projects should be bid together.

In addition, the District utilizes several on-call vendors for various services. If the services are similar, the District should combine them and bid them accordingly. Whether the bidding should be sealed should be based on amounts paid in prior years and on how often the services are expected to be used in the current year.

**Criteria:** Procurement requirements shall not be artificially divided so as to constitute a small purchase (Section 13-1-125-D, NMSA, 1978). Larger bids may draw more bidders and better prices.

**Cause:** The District treated each project as a separate one.

**Effect:** Procurement was not effective as possible. Procurement requirements were circumvented, and therefore proper contracting of the related awards did not occur.

**Recommendation:** The District should bid similar projects together to the extent possible.

**Management's response:** The District has limited funding and although maintenance projects have been identified they have not been bid out because of lack of funding. Leaking roofs are maintained as the emergency arises. The District will request bids for similar projects in the event that funding is available in future periods.

**09 – 03 – EXPENDITURES EXCEPTIONS-DISTRICT**

**Statement of finding:** The following exceptions were noted during the testing of sixty cash disbursements of the District:

1. Two purchase orders were dated after the invoices that they were related to. They totaled \$850.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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2. Two requisition forms were apparently not properly filled out with purchase requirements. They totaled \$7,552.

Otherwise tested purchases were properly supported.

**Criteria:** Cash disbursements should have accurate purchase requisitions, purchase order and supporting documentation.

**Cause:** The District handles a large volume of transactions.

**Effect:** Cash disbursements may be paid which are not proper.

**Recommendation:** The District should review its procedures for monitoring cash disbursements to determine if improvements can be made.

**Management's response:** The District has implemented an internal audit of all accounts payable vouchers prior to processing in June 2008. This internal audit is identifying issues before they become problems.

**09-04- ESPANOLA MILITARY ACADEMY PURCHASING**

**Statement of finding:** Sixty expenditures for the Espanola Military Academy were selected for testing. The following items were noted.

- a) There were eleven expenditures totaling \$27,035 where the purchase order is dated after the vendor's invoice.
- b) There was a purchase order in the amount of \$35,789 for cleaning services. There was no evidence available that bids were sought for this service.
- c) There was an expenditure where the purchase order amount was \$6,000, but the vendor's invoice was for \$11,252.
- d) There was an expenditure totaling \$1,707 where a purchase order was never issued.
- e) There was an expenditure totaling \$2,918 where another vendor's purchase order was attached to the supporting documentation.

**Criteria:** All purchases should be approved in advance. This should be evidenced by a properly approved purchase order. The Espanola School District procurement code requires that written estimates or bids be obtained based on certain dollar thresholds. One individual should not be responsible for all the processes in the purchase cycle.

**Effect:** The potential for improper use of public monies was present.

**Cause:** A limited staff size at the Academy was the major cause.

**Recommendation:** The Academy no longer exists. The Espanola Public School District should monitor its current charter school and any future charter schools to ensure that a proper purchasing system is in place.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**Management's response:** Concur; the District is working with PED Office of the Inspector General to develop District-Charter school records requirements and compliance.

**III. Federal Award Findings and Questioned Costs**

**06- 03 – NONSUBMISSION OF DATA COLLECTION FORMS**

This finding pertains to all of the major programs: Title I-IASA (CFDA # 84.010); School Improvements Grant (CFDA # 84.010); ARRA Title I-IASA- Federal Stimulus (CFDA # 84.010); Alcohol Abuse Reduction Grant (CFDA # 84.184A); National School Lunch/ Breakfast (CFDA #10.555); U.S.D.A. Commodities (CFDA # 10.555) and Forest Reserve (CFDA # 10.665).

**Statement of finding:** The District submitted the data collection forms and the reporting packages for the fiscal years ended June 30, 2005 and June 30, 2006 late. The forms and the packages for the years ended June 30, 2007 and June 30, 2008 have also not been submitted.

**Criteria:** The forms and reporting packages are required to be submitted to the Federal Clearing House no later than nine months after the end of the fiscal year.

**Cause:** Audits were late. Prior auditor has left the public accounting field.

**Effect:** Future funding could be affected.

**Questioned Costs:** None.

**Recommendation:** Forms and packages should be submitted as soon as possible.

**Management's response:** The 2007 and 2008 Data Collection Forms will be submitted as soon they are provided by the Auditor.

Note: The financial statements presented in this report were substantially prepared by the independent auditor, Chester W. Mattocks, CPA

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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- 04 -03 – LATE AUDIT REPORT** – Repeated.
- 06 -02 – CARINOS CHARTER SCHOOL-GENERAL ACCOUNTING** – Repeated.
- 06 -03 – NONSUBMISSION OF DATA COLLECTION FORMS** – Repeated.
- 06 -04 –OVEREXPENDITURE OF BUDGETS**– Repeated.
- 07- 02 – CAPITAL ASSETS ACCOUNTING** – Repeated.
- 07 -03 – CHARTER SCHOOL ACCOUNTING-SPLIT RECORDS** – Resolved.
- 07- 05 – PERSONNEL FILES AND PAYROLL** – Repeated.
- 07 -06 – DEPOSIT EXCEPTIONS** – Repeated.
- 07 -07 – DISASTER RECOVERY PLAN**– Repeated.
- 07 -09 – CARINOS CHARTER SCHOOL-SAS 112 COMPLIANCE**– Repeated.
- 07 -10 – FINANCIAL STATEMENTS OUT OF BALANCE –CARINOS CHARTER SCHOOL**– Repeated.
- 08- 01– USE OF INCORRECT PLEDGED COLLATERAL** – Repeated.

**STATE OF NEW MEXICO**  
**ESPANOLA PUBLIC SCHOOL DISTRICT**

**EXIT CONFERENCE**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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An exit conference was held on December 16, 2009 to discuss the audit report.

Notice of this meeting was disclosed pursuant to the Open Meetings Act (10-15-1, NMSA 1978.) Because the audit report was not yet released by the Office of the State Auditor, the meeting was a closed session. Attending were the following persons:

For the District:

Ms. Joann V. Salazar	President
Mr. Floyd E. Archuleta	Vice-President
Mr. Andrew J. Chavez	Secretary
Mr. Jose I. "Coco" Archuleta	Member
Mr. Leonard J. Valerio	Member
Ms. Janette Archuleta	Superintendent
Ms. Charlene Sanchez	Business Manager
Mr. Carl Stevens	Accounting Systems Manager

For Cariños Charter School:

Mr. Vernon Jaramillo	Chancellor
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For the Independent Auditor:

Mr. Chester W. Mattocks, CPA  
Mr. David Baca, Audit Senior