

State of New Mexico

Hatch Valley Public Schools
FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT THEREON

For The Fiscal Year Ended June 30, 2009

Hatch Valley Public Schools
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Hatch Valley Public Schools
DIRECTORY OF OFFICIALS
June 30, 2009

BOARD OF EDUCATION

David Franzoy	President
Steve Bouvet Jr.	Vice-President
Greg Mitchell	Secretary
Lupe Castillo	Member
Scott Adams	Member

SCHOOL OFFICIALS

William Coker	Superintendent
Rachel Altuna	Business Manager

MIKE STONE, C.P.A.
LINDA STONE MCGEE, C.P.A.
KAY STONE, C.P.A.
JARROD MASON, C.P.A.
KELLEY WYATT, C.P.A.

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INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas, State Auditor
and
Board of Education
Hatch Valley Public Schools
Hatch, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hatch Valley Public Schools (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. We have also audited the financial statements of each of the District's non-major governmental funds presented as other 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. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, each major fund, and the aggregate remaining fund information of Hatch Valley Public Schools as of June 30, 2009, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General and Enhancing Education funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund of Hatch Valley Public Schools as of June 30, 2009, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the components of the General Fund, the non-major special revenue funds, the Debt Service Fund, and the capital projects funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2009, on our consideration of Hatch Valley Public School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Hatch Valley Public Schools has not presented management's discussion and analysis that is required by accounting principles generally accepted in the United States of America to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements and on the combining, individual fund and budgetary comparisons statements presented as other supplementary information. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the District. In addition, the accompanying financial information listed as other supplemental data in the table of contents is also presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards and the other supplemental data have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Stone, McGee & Co., CPAs

October 27, 2009

Hatch Valley Public Schools
STATEMENT OF NET ASSETS
June 30, 2009

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 2,337,093
Property taxes receivable	152,741
Due from other governments	371,618
Inventory	12,252
Bond issue costs	38,014
Capital assets:	
Land	648,243
Buildings and improvements	45,026,637
Furniture and fixtures and equipment	3,097,356
Construction in progress	-
Less accumulated depreciation	(7,857,341)
Total capital assets, net of depreciation	\$ 40,914,895
Total assets	\$ 43,826,613
Liabilities	
Accounts payable	\$ 296,069
Deferred revenue	92,281
Bond premiums	13,413
Long-term liabilities:	
Portion due or payable within one year:	
Bonds payable	505,000
Accrued interest payable	39,700
Portion due or payable after one year:	
Bonds payable	3,810,000
Compensated absences	101,455
Total liabilities	\$ 4,857,918
Net Assets	
Invested in capital assets, net of related debt	\$ 37,483,335
Restricted for:	
Capital projects	241,379
Debt service	730,924
Other purposes	280,858
Unrestricted	232,199
Total net assets	\$ 38,968,695

The accompanying notes are an integral part of these financial statements

Hatch Valley Public Schools
STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Governmental activities:					
Instruction	\$ 8,138,420	\$ 36,375	\$ 1,831,449	\$ 450,597	\$ (5,819,999)
Support services - Students	1,263,448		261,770		(1,001,678)
Support services - Instruction	1,472,053		888,450		(583,603)
General administration	288,236		1,655		(286,581)
School administration	583,457		3,977		(579,480)
Central services	247,456				(247,456)
Operation of plant	2,369,503	5,320	8,470	72,648	(2,283,065)
Food services	865,665	18,358	854,535		7,228
Transportation	791,845		886,329		94,484
Unallocated interest expense	99,041				(99,041)
Total governmental activities	\$ 16,119,124	\$ 60,053	\$ 4,736,635	\$ 523,245	\$ (10,799,191)

General revenues:	
Property taxes:	
Levied for general purposes	\$ 14,161
Levied for debt service	425,895
Levied for capital improvements	135,629
State aid - formula grants	10,500,395
Recoveries and refunds	206,407
Unrestricted investment earnings	<u>6,013</u>
 Total general revenues and special items	 <u>\$ 11,288,500</u>
 Change in net assets	 \$ 489,309
Net assets - beginning of year	<u>38,479,386</u>
Net assets - ending	<u><u>\$ 38,968,695</u></u>

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

Hatch Valley Public Schools
BALANCE SHEETS
GOVERNMENTAL FUNDS
June 30, 2009

	<u>General Fund</u>	<u>Enhancing Education</u>	<u>Bond Building</u>
Assets			
Cash and investments	\$ 433,464	\$ -	\$ 957,244
Property taxes receivable	4,602		
Due from other governments		135,987	
Interfund receivable	264,733		
Inventory			
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 702,799</u>	<u>\$ 135,987</u>	<u>\$ 957,244</u>
Liabilities and Fund Balance			
Interfund payable	\$ 250,000	\$ 113,055	\$ -
Accounts payable	143,746	22,932	38,858
Deferred revenue	4,029		
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 397,775</u>	<u>\$ 135,987</u>	<u>\$ 38,858</u>
Fund balance:			
Reserved for:			
Inventory	\$ -	\$ -	\$ -
Capital projects			918,386
Debt service			
Unreserved, reported in:			
General fund	305,024		
Special revenue funds			
	<hr/>	<hr/>	<hr/>
Total fund balance	<u>\$ 305,024</u>	<u>\$ -</u>	<u>\$ 918,386</u>
Total liabilities and fund balance	<u>\$ 702,799</u>	<u>\$ 135,987</u>	<u>\$ 957,244</u>

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

Debt Service	Other Funds	Total Governmental Funds
\$ 397,472	\$ 548,913	\$ 2,337,093
123,152	24,987	152,741
	235,631	371,618
250,000	18,744	533,477
	12,252	12,252
<u>\$ 770,624</u>	<u>\$ 840,527</u>	<u>\$ 3,407,181</u>
\$ -	\$ 170,422	\$ 533,477
	90,533	296,069
105,917	114,624	224,570
<u>\$ 105,917</u>	<u>\$ 375,579</u>	<u>\$ 1,054,116</u>
\$ -	\$ 12,252	\$ 12,252
	184,090	1,102,476
664,707		664,707
		305,024
	268,606	268,606
<u>\$ 664,707</u>	<u>\$ 464,948</u>	<u>\$ 2,353,065</u>
<u>\$ 770,624</u>	<u>\$ 840,527</u>	<u>\$ 3,407,181</u>

Hatch Valley Public Schools
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**
 June 30, 2009

Total governmental fund balances	\$	2,353,065
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		40,914,895
Bond issue costs are capitalized and amortized over the life of the bonds		38,014
Bond premiums are capitalized and amortized over the life of the bonds		(13,413)
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds: Property taxes subject to the 60 day availability period		132,289
Long-term liabilities, including bonds payable, compensated absences, lease- purchases payable and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable		(4,315,000)
Accrued interest payable		(39,700)
Compensated absences payable		(101,455)
		(4,455,155)
<i>Net Assets of Governmental Activities</i>	\$	38,968,695

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

Hatch Valley Public Schools
**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**
June 30, 2009

	General Fund	Enhancing Education	Bond Building
Revenues:			
Property taxes	\$ 23,404	\$ -	\$ -
Fees and charges	5,320		
State aid	11,574,173		
Federal aid		230,402	
Earnings on investments	4,907		343
Miscellaneous	38,355		
Total revenues	\$ 11,646,159	\$ 230,402	\$ 343
Expenditures:			
Current:			
Instruction	\$ 6,025,942	\$ -	\$ -
Support services - Students	936,735	18,650	
Support services - Intstruction	606,208	211,752	
General administration	279,317		
School administration	531,562		
Central services	247,456		
Operation of plant	2,073,220		35,324
Food service			
Transportation	707,873		
Capital outlay	83,341		16,055
Debt service:			
Principle			
Interest			
Bond issue costs			15,181
Total expenditures	\$ 11,491,654	\$ 230,402	\$ 66,560
Revenues over (under) expenditures	\$ 154,505	\$ -	\$ (66,217)
Other financing sources (uses):			
Transfers in (out)	(332,480)		387,480
Bond premium			13,413
Bond proceeds			950,000
Net change in fund balance	\$ (177,975)	\$ -	\$ 1,284,676
Fund balance, July 1, 2008	482,999		(366,290)
Fund balance, June 30, 2009	\$ 305,024	\$ -	\$ 918,386

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

<u>Debt Service</u>	<u>Other Funds</u>	<u>Governmental Funds Total</u>
\$ 648,870	\$ 118,280	\$ 790,554
	54,733	60,053
	822,588	12,396,761
	3,011,894	3,242,296
371	392	6,013
	289,270	327,625
<u>\$ 649,241</u>	<u>\$ 4,297,157</u>	<u>\$ 16,823,302</u>
\$ -	\$ 1,619,042	\$ 7,644,984
	244,172	1,199,557
	582,216	1,400,176
6,472	1,655	287,444
	3,977	535,539
		247,456
	133,969	2,242,513
	825,732	825,732
	44,040	751,913
	667,431	766,827
515,000		515,000
100,305		100,305
		15,181
<u>\$ 621,777</u>	<u>\$ 4,122,234</u>	<u>\$ 16,532,627</u>
\$ 27,464	\$ 174,923	\$ 290,675
	(55,000)	-
		13,413
		950,000
<u>\$ 27,464</u>	<u>\$ 119,923</u>	<u>\$ 1,254,088</u>
637,243	345,025	1,098,977
<u>\$ 664,707</u>	<u>\$ 464,948</u>	<u>\$ 2,353,065</u>

Hatch Valley Public Schools
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Net change in fund balances- total governmental funds	\$ 1,254,088
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:	
Capital outlay	766,827
Depreciation expense	(798,638)
Bond and loan proceeds are reported as financing sources in the funds, In the Statement of Activities, however, issuing debt increased long term liabilities	(950,000)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change during the year:	
Property taxes subject to the 60 day availability period	(214,869)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	515,000
Bond issue costs and premiums are expenditures and other financing sources in the funds but are capitalized and amortized in the Statement of Activites	
Bond issue costs	15,181
Bond premiums	(13,413)
Amortization	(3,657)
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. This is the net change during the year.	4,921
Some expense reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the net change in compensated absences for the year.	(86,131)
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$ 489,309</u></u>

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

Hatch Valley Public Schools
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30,2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 29,041	\$ 29,041	\$ -	\$ (29,041)
State sources	11,572,323	12,135,463	11,574,173	(561,290)
Local sources	27,127	32,567	66,956	34,389
Interest income	11,383	11,383	4,373	(7,010)
Total revenues	\$ 11,639,874	\$ 12,208,454	\$ 11,645,502	\$ (562,952)
Expenditures:				
Current:				
Instruction	\$ 6,243,913	\$ 6,326,495	\$ 5,996,807	\$ 329,688
Support services - Students	957,604	955,408	941,033	14,375
Support services - Instruction	670,194	722,444	588,278	134,166
General administration	341,856	339,693	288,286	51,407
School administration	550,656	537,563	531,562	6,001
Central services	239,076	253,192	246,717	6,475
Operation of plant	1,984,484	2,067,019	2,046,797	20,222
Transportation	686,742	727,836	726,061	1,775
Capital outlay	-	313,455	280,821	32,634
Non-operating	2,398	2,398	-	2,398
Total expenditures	\$ 11,676,923	\$ 12,245,503	\$ 11,646,362	\$ 599,141
Revenues over (under) expenditure	\$ (37,049)	\$ (37,049)	\$ (860)	\$ 36,189
Other financing sources (uses):				
Transfer in	(135,000)	(135,000)	(135,000)	-
Net change in fund balance after other financing sources (uses)	\$ (172,049)	\$ (172,049)	\$ (135,860)	\$ 36,189
Fund balance July 1, 2008	582,508	582,508	582,508	-
Fund balance June 30, 2009	<u>\$ 410,459</u>	<u>\$ 410,459</u>	<u>\$ 446,648</u>	<u>\$ 36,189</u>

The accompanying notes are an integral part of these financial statements

Hatch Valley Public Schools
SPECIAL REVENUE FUND - ENHANCING EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ 116,992</u>	<u>\$ 431,224</u>	<u>\$ 164,435</u>	<u>\$ (266,789)</u>
Expenditures:				
Current:				
Support services - Students	\$ 1,681	\$ 25,208	\$ 16,667	\$ 8,541
Support services - Instruction	115,311	406,016	195,300	210,716
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 116,992</u>	<u>\$ 431,224</u>	<u>\$ 211,967</u>	<u>\$ 219,257</u>
Net change in fund balance	\$ -	\$ -	\$ (47,532)	\$ (47,532)
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>(65,523)</u>	<u>(65,523)</u>
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (113,055)</u></u>	<u><u>\$ (113,055)</u></u>

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

Hatch Valley Public Schools
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2009

	<u>Agency</u>
Assets	
Cash and investments	<u>\$ 65,968</u>
Liabilities and Fund Equity	
Deposits held for others	<u>\$ 65,968</u>
Total liabilities	<u>\$ 65,968</u>

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

Hatch Valley Public Schools
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2009

Note 1 Summary of Significant Accounting Policies

Hatch Valley Public Schools, organized under the laws of the State of New Mexico, operates under the school board-superintendent form of government. The System provides public education opportunities for children from first through twelfth grade, including but not limited to classroom and vocational studies; as well as school oriented social and athletic activities.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

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

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

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

The District implemented GASB 34 effective July 1, 2002. As a part of GASB's Statement No. 34, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, etc.). The district does not own any infrastructure assets and therefore is unaffected by this provision.

A. REPORTING ENTITY

These financial statements present the District (the primary government). As defined by GASBS No. 14, component units are legally separate entities that are included in the District's reporting entity because of the significant of their operating

no financial relationships with the District. Based on the criterion in GASBS No. 14, the District had no component units.

B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into two major categories: governmental, and fiduciary. An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the district or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. Included in this fund are State sources provided for Student Transportation, (Transportation Sub-Fund), Books (Instructional Material Sub-Fund), and Student Activities (Non-Instructional Support Sub-Fund). The operational sub-fund is the District's main operating fund.

Special Revenue Funds

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

Capital Project Fund

The Capital project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principle on the general long-term debt of the District.

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

Agency Funds account for assets held in a purely custodial capacity. Since agency funds are custodial in nature (i.e.) assets equal liabilities, they do not involve the measurements of results of operations.

The emphasis in fund financial statements is on the major funds in the governmental category. Non-major funds are summarized into a single column.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Major Fund Descriptions

General – See above description.

Enhancing Education Through Technology – to account for federal assistance provided to the District for the improvement of educational opportunities to deprived children. Authority (P.L. 103-382). This is a Special Revenue Fund.

Debt Service – See above description.

Bond Building – accounts for bond proceeds along with other funding to be utilized for construction of facilities, and is a Capital Project Fund.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item “b” below.

In the fund financial statements, the “current financial resources” measurement focus is used.

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statements and Agency Funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

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.

1. Accrual:

The government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on 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 within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Substantially all governmental fund revenues are accrued. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met and reported as advances by the provider and deferred revenue by the recipient.

Property tax receivables are recognized net of estimated refunds and uncollectible amounts in the period for which the taxes are levied, even if they are not available. Property taxes not collected within 60 days of year end are reported as deferred revenue.

In the government-wide Statement of Net Assets, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District’s net assets are reported in three parts – invested in capital assets, net of related debt;

restricted net assets; and unrestricted net assets. The District first utilizes restricted resources when an expense is incurred and for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, and charges, etc.). The Statement of Activities educes gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Charges for services include revenue based on exchange or exchange-like transactions. These revenues arise from charges to customers or applicants who purchase use or directly benefit from the goods, services or privileges provided. Revenues in this category include fees charged for specific services, such as attendance at athletic events, food service, copies and auxiliary services. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

The District does not allocate indirect costs.

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

D. BUDGETS

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are prepared by management and approved by the local school board and the Public Finance School Division of the Department of Education. The District has Capital Projects funds where vendors are paid directly by the State of New Mexico. No budget statements are presented for these funds.

These budgets are prepared on the NON-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

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

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

E. CASH AND INVESTMENTS

Cash includes amounts in demand deposits as well as short-term investments with a maturity of six months from the date acquired by the government. State statutes

authorize the government to invest in obligations of the U.S. Treasury, interest-bearing accounts with local financial institutions and the State Treasurer Pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owners of such monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the District. The pledged securities remain in the name of the financial institution. Repurchase agreements are required to be collateralized 102%.

F. INVENTORIES

Except for U.S.D.A. commodities, which are shown at estimated value, inventories are valued at cost (first-in, first-out). Inventory in the Cafeteria Fund consists mainly of food items. Inventories, in other governmental fund types, consist primarily of supply-type assets.

G. CAPITAL ASSETS

Capital assets purchased or acquired with an original cost of \$5,000.00 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance re expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Software and library resources	3-5 years
Machinery and equipment	5-10 years
Improvements	10-20 years

The accounting treatment over property, plant and equipment depends on whether they are reported in the government-wide financial statements or fund financial statements. In the government-wide financial statements, capital assets are accounted for as capital assets. In the fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

H. LONG-TERM DEBT

The accounting treatment of long-term debt depends on whether the assets are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, accrued compensated absences, and lease purchases.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures.

I. COMPENSATED ABSENCES

The District's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. These liabilities have typically been liquidated from general fund resources.

J. EQUITY CLASSIFICATIONS

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

Equity is classified as fund balance and displayed in two components:

- a. Reserved – Consists of governmental fund balances that are not appropriable, legally segregated for specific usage, or commitments to outside third parties.
- b. Unreserved – Consists of designations of amounts representing tentative management plans for governmental fund balances, but subject to change (Designated), and undesignated, for which no restrictions or designations exist.

K. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Property tax rates for the year are set no later than September 1 each year by the Secretary of Finance and Administration. The rates of tax are then used by County Assessors to develop the property tax schedule by October 1. Taxes are payable in equal semiannual installments by November 10 and April 10 of the subsequent year and become delinquent 30 days later. Taxes are collected on behalf of the District by the County Treasurer, and are remitted to the District in the month following collection. Because the Treasurer of the County in which the District is located is

statutorily required to collect taxes as an intermediary agency for all forms of government, distribution of taxes are made through the applicable county to the District.

The District is permitted to levy taxes for general operating purposes up to \$.50 per \$1,000 of taxable value for both residential and nonresidential property, taxable value being defined as one third of the fully assessed value. In addition, the District is allowed to levy taxes for payments of bond principal and interest in amounts approved by voters of the District, as well as a Two Mill levy for District improvements. The District's total tax rate to finance general government services for the year ended June 30, 2009 was \$.50 per \$1,000 for non-residential property and \$.326 for residential property. The District's tax rate for debt service was \$10.514 per \$1,000 for both residential and nonresidential property. The District's tax rate for District improvements was \$2.00 per \$1,000 for residential and \$2.00 for nonresidential property.

L. INTER-FUND ACTIVITY

Inter-fund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers. Inter-fund activity between governmental fund are netted as part of the reconciliation to the government-wide financial statements.

M. USE OF ESTIMATES

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

Note 2 Custodial Credit Risk

Custodial credit risk is the risk 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 credit risk beyond that disclosed in Note 1. As of June 30, 2009 \$-0- of the governments bank balance of \$3,469,052 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized \$ -0-

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Deposits by custodial risk category:		
Insured	\$ 500,000	\$ 500,000

Collateral held by the pledging bank's agent in the District's name	2,969,052	1,903,061
Uninsured and uncollateralized	<u>-0-</u>	<u>-0-</u>
	<u>\$ 3,469,052</u>	<u>\$ 2,403,061</u>

Note 3 Capital Assets

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

	Balance <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2009</u>
Capital assets not being depreciated:				
Land	\$ 648,243	\$ -0-	\$ -0-	\$ 648,243
Construction in progress	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets not being depreciated	\$ 648,243	\$ -0-	\$ -0-	\$ 648,243
Other capital assets:				
Building and improvements	\$44,493,226	\$ 533,411	\$	\$ 45,026,637
Furniture and equipment	<u>2,863,940</u>	<u>233,416</u>	<u> </u>	<u>3,097,356</u>
Total other capital assets at Historical cost	<u>\$47,357,166</u>	<u>\$ 766,827</u>	<u>\$ -0-</u>	<u>\$ 48,123,993</u>
Less accumulated depreciation:				
Buildings and improvements	\$ 5,984,832	\$ 574,930	\$	\$ 6,559,762
Furniture and equipment	<u>1,073,871</u>	<u>223,708</u>	<u> </u>	<u>1,297,579</u>
Total accumulated depreciation	<u>\$ 7,058,703</u>	<u>\$ 798,638</u>	<u>\$ -0-</u>	<u>\$ 7,857,341</u>
Other capital assets, net	<u>\$40,298,463</u>	<u>\$ (31,811)</u>	<u>\$ -0-</u>	<u>\$ 40,266,652</u>
Total capital assets, net	<u>\$40,946,706</u>	<u>\$ (31,811)</u>	<u>\$ -0-</u>	<u>\$ 40,914,895</u>

Depreciation expense was charged to the governmental activities as follows:

Instruction	\$ 407,305
Support Services – Students	63,891
Support Services – Instruction	71,877
General Administration	15,973
School Administration	47,918
Operation of plant	111,809
Food Services	39,933
Transportation	<u>39,932</u>
	<u>\$ 798,638</u>

Note 4 Long-term Debt

Changes in long-term debt were as follows during the year end June 30, 2009:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Due In</u> <u>One Year</u>
G.O. Bonds, series 2000	\$ 200,000		\$ 200,000	\$ -0-	\$ -0-
G.O. Bonds, series 2001	215,000		75,000	140,000	140,000
G.O. Bonds, series 2002	460,000		55,000	405,000	85,000
Compensated absences payable	15,324	142,045	55,915	101,454	-0-
G.O. Bonds, series 2003	335,000		50,000	285,000	50,000
G.O. Bonds, series 2004	370,000		40,000	330,000	50,000
G.O. Bonds, series 2005	325,000		50,000	275,000	80,000
G.O. Bonds, series 2006	625,000		15,000	610,000	20,000
G.O. Bonds, series 2007	750,000		30,000	720,000	50,000
G.O. Bonds, series 2008	600,000		-0-	600,000	30,000
G.O. Bonds, series 2009	-0-	950,000	-0-	950,000	-0-
	<u>\$3,895,324</u>	<u>\$1,092,045</u>	<u>\$ 570,915</u>	<u>\$4,416,454</u>	<u>\$ 505,000</u>

Annual debt service for bonds payable requirements are as follows:

Due in fiscal year ending June 30:

	<u>Principal</u>	<u>Interest</u>
2010	\$ 505,000	\$ 106,552
2011	555,000	105,538
2012	550,000	91,980
2013	545,000	78,214
2014	505,000	63,558
2015-2019	<u>1,655,000</u>	<u>124,386</u>
	<u>\$4,315,000</u>	<u>\$ 570,228</u>

No compensated absences are considered due and payable in the next fiscal year.

The bonds and bond interest for all bond issues are paid from property taxes levied. The general obligation bonds are direct obligations and pledge the full faith and credit of the District, and are to be retired through property tax levies. Interest rates range from 1.63% to 4% for individual schedule retirements, and maturity dates range from 2009 through 2017. No restrictive covenants exist.

Note 5 Retirement Plan

Plan Description

Substantially all of the Hatch Valley Public Schools 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 (ERA) 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. That report may be obtained by writing to ERA, P.O. Box 26129, Santa Fe, New Mexico 87502.

Funding Policy

Plan members are required to contribute 7.75% of their gross salary. The Hatch Valley Public Schools are required to contribute 10.15% of the gross covered salary. The contribution requirements of the plan members and the Hatch Valley Public Schools are established in Chapter 22, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Hatch Valley Public Schools contributions to ERA for the years ending June 30, 2009, 2008, and 2007 were \$1,538,148, \$1,456,339, and \$1,413,329 respectively, equal to the amount of the required contributions for each year.

Note 6 Retiree Health Care Act Contributions

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

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

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf, unless that person retires before the employer's NMRHCA effective date, in which event the time period required for 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 July1, 1990; and former legislators who served at least two years.

Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each employee contributes to

the fund an employee contribution equal to .65 percent of the employee's salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employer's NMRHCA effective date or is a former legislator. Participants may also enroll in optional plans of coverage.

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd., N.E. Suite 104, Albuquerque, New Mexico 87107.

The contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$106,240 and \$104,471 and \$106,329, respectively, which equal the required contributions for each year.

Note 7 Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Because the District was unable to obtain general liability insurance at a cost it considered to be economically justifiable, it joined together with other school districts in the State and obtained insurance coverage with New Mexico Public Schools Insurance Authority, a public entity risk pool currently operating as a common risk management and insurance program for member school districts. The District pays an annual premium to New Mexico Public Schools Insurance Authority for its general insurance coverage, and all risk of loss is transferred.

The New Mexico Public Schools Insurance Authority is self-insured for property and liability losses below \$250,000 and purchases excess insurance above the self-insured retention. The self-insured retention aggregate for property is set at \$2,000,000 with a \$1,000,000 stop loss. The self-insured retention aggregate for liability is \$3,000,000 with a \$1,000,000 stop loss.

Note 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 government expects such amounts, if any, to be immaterial.

Note 9 Budgetary Reconciliations

The Statements of Revenues, Expenditures and Changes in Net Assets Budget (NON-GAAP Budgetary Basis) and Actual, General and Major Special Revenue Funds present comparisons of legally adopted budgets with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those use to present financial statements in conformity with generally accepted accounting principles, a reconciliation of changes in net assets by General and Major Special Revenue Funds for the year ended June 30, 2009 is as follows:

	<u>General</u>	<u>Enhancing Education Through Technology</u>
Changes in net assets GAAP basis	\$ (177,975)	\$ -0-
Increases (decreases):		
Revenue accruals (net)	(657)	(65,967)
Expenditure accruals (net)	(154,708)	18,435
Transfers (net)	<u>197,480</u>	<u>-0-</u>
Changes in net assets (NON-GAAP budgetary basis)	<u>\$ (135,860)</u>	<u>\$ (47,532)</u>

Note 10 Inter-fund Activity

Inter-fund balances at June 30, 2009, consisted of the following:

	<u>Inter-fund Payable</u>			
	<u>General</u>	<u>Enhancing Education</u>	<u>Other Funds</u>	<u>Total</u>
<u>Inter-fund Receivable</u>				
General	\$	\$ 113,055	\$ 151,678	\$ 264,733
Debt Service	250,000			250,000
Other Funds			<u>18,744</u>	<u>18,744</u>
Total	<u>\$ 250,000</u>	<u>\$ 113,055</u>	<u>\$ 170,422</u>	<u>\$ 533,477</u>

All amounts are expected to be repaid within one year. The purpose of the loans was to provide cash for operating purposes.

	<u>Transfers From Other Funds</u>		
	<u>General</u>	<u>Other Funds</u>	<u>Total</u>
<u>Transfers to Other Funds</u>			
Bond Building	<u>\$ 332,480</u>	<u>\$ 55,000</u>	<u>\$ 387,480</u>

Transfers were made from other funds for operating purposes, and were within the fund's intended purpose.

Note 11 Restricted Net Assets

At June 30, 2009, net assets restricted for other purposes included the following balances in special revenue funds:

Cafeteria	\$ 180,423
TANF Kindergarten	17,337
Microsoft Settlement	36,339
Others	<u>46,759</u>
	<u>\$ 280,858</u>

Note 12 Budgetary Authority

The District exceeded budgetary authority in the following functional categories:

Cafeteria:	\$	
Capital outlay		41,700
Enhancing Education through Technology:		
Support services – Instruction		3,816
Debt Service Fund:		
General Administration		284

The District has revisited its budget adjustment policy, and believes controls are now in place to alleviate these problems.

Note 13 Jointly Governed Organizations

The District participates in the Southwest Regional Education Center No. 10. This regional cooperative center was formed to consolidate the application for and the processing of supplementary federal and state funds. Representatives of the independent school districts, which are members, govern the Center.

The Center obtains grants and allocates them to the member districts. The District has no ongoing financial interest or responsibility in the Center.

Separately issued financial statements of the Center are available from the Center at P.O. Box 952, Truth or Consequences, New Mexico 87901.

GENERAL FUNDS

General Fund – to account for resources traditionally associated with governments which are not required to be account for in another fund. Revenues and expenditures of the operational, transportation, and auxiliary student activity accounts are accounted for in this fund.

SPECIAL REVENUE FUNDS

Food Services – to account for revenues generated by the District as well as the federal assistance received and the related expenditures necessary to provide food services for the District. (Authority, NMSA 22-13-13).

Athletics – to account for the revenues received, and the related expenditures incurred, by the District related to athletic functions (PSAB, Supplement 3).

Title I –to account for the federal assistance provided to the District for the improvement of educational opportunities to deprived children. (Authority, P.L. 103-382).

Title I Migrant – to account for funds received under Title I of the Elementary and Secondary Education Act of 1965 to improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas with high concentration of migrant workers. (Authority, P.L. 103-382).

IDEA B Entitlement – P.L. 94-142, Individuals with Disabilities Education Act – to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

IDEA B Discretionary – P.L. 94-142, Individuals with Disabilities Education Act – to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

IDEA B Pre-School/Kindergarten – P.L. 94-142, Individuals with Disabilities Education Act – to account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is individuals with Disabilities Act, Part B, Sec 611, as amended; Public Law 105-17.

Fresh Fruits and Vegetables USDA – the funds are used to combat childhood obesity. Funds will be used to provide fresh fruits and vegetables throughout the day to students at no charge. (Authority PED).

Title V – to account for the federal assistance provided to the District for specialized improvements of educational opportunities to disadvantaged children. (Authority, P.L. 100-297).

Education of Homeless – fund used to account for federal resources administered by the New Mexico State Department of Education to provide comprehensive services to homeless children and youth and their families, and expedited evaluations of homeless children’s needs to help facilitate enrollment, attendance, and success in school (Stewart B. McKinney Homeless Assistance Act of 1987).

Title III – Implement district-wide bilingual education programs or special alternative instruction programs to improve, reform, and upgrade relevant programs and operations, within an entire local educational agency, that serve a significant number of children and youth limited English proficiency in local educational agencies with significant concentrations of such children and youth. The program is authorized by Title III, P.L. 107-116.

Title II – to account for a federal grant restricted to the operation and maintenance of the Eisenhower Mathematics and Science Education state grant program to enhance math and science education in public schools. Authority for the creation of this fund is ESEA of 1965, Title II, Part A, Public Law 100-297, as amended; Public Law 101-589, reauthorized by Public Law 103-382.

Title IV/Drug Free – to account for a federal grant restricted to the establishment and implementation of substance abuse education and prevention programs in the elementary and secondary schools. Authority for fund creation DFS & C Act of 1986, Title V, Part B; ESEA as amended; Public Laws 99-750, 100-297, 101-226 and 101-647, Public Law 103-382.

Rural Education Achievement Program – to account for monies received to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning. Authority for this program is contained in Title VI, Part B of the Elementary and Secondary Education Act of 1965, (ESEA), as amended by Public Law 107-110.

Title I, 1003G/Stimulus – to account for funds received to help districts reform their education systems through the development and implementation of comprehensive school plans based on high standards and expectations for all students. (P.L. 103-382, Section 309A).

Headstart – to account for federal resources administered by the New Mexico Department of Health and Human Services and administered by Las Cruces Public Schools to provide comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children, and to involve parents in activities with their children so that the children will attain overall social competence. (Community Opportunities, Accountability, and Training and Educational Services Act of 1998, Title I Sections 101-119).

Title XIX Medicaid – to account for federal resources administered by the New Mexico Department of Health and Human Services for the improvement of primary health care and to increase health education. (P.L. 105-33).

Technology for Education – to account for revenues received from the State for the purpose of expanding and improving the technology program. (Authority, NMSA 22-15A-1).

Incentives for School Improvement – to account for funds received from the Incentives for School Improvement Act (Section 22-2C-9, NMSA 1978) that is to provide financial incentive to individual schools that exceed expected academic progress.

Library Bonds 2004 – funds are to be used for the upgrade of library, books, and equipment. (Authority, NMPED, Laws of 2004).

Beginning Teacher Mentoring Program – to account for revenues received to enhance and improve skills for beginning teachers. (Authority, State Grant provision and Hatch Valley Board of Education).

Breakfast in the Classroom – to account for funds received to provide breakfast for elementary students (Authority, PED).

Technology Adequacy – to account for a grant designed to strengthen learning in the field of technology.

Coordinated Approach to Child Health – to account for revenues received to coordinate child health improvements. (Authority, State Grant provision and Hatch Valley Board of Education).

New Mexico Gear Up – to account for funds received for the implementation of the Gaining and Early Awareness and Readiness for Undergraduate Programs. (Authority on New Mexico Commission on Higher Education Services Agreement No. 01-34).

SB-9 Capital Improvements – to account for the receipt of local proceeds from a mill levy on ad valorem/property taxes and state matching funds. These are to be expended for capital outlay projects and maintenance.

Rural Schools – Created to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. (Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended).

Kindergarten 3 Plus – fund used to account for federal resources administered by the New Mexico State Department of Education to provide for the special education needs of handicapped children three to five years old. Required by the New Mexico Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund within the Special Revenue Funds (P.L. 94-142 and P.L. 99-457).

TANF Kindergarten – the purpose of this grant is to assist the District to develop and implement a full day kindergarten program. (NMPED regulations).

Microsoft – to account for revenues received due to legal action.

GRADS Childcare – to account for the federal resources to be used to keep students with children in school by providing on-campus childcare. Authorization is Title IV of the Higher Education Act.

School Reform – to account for federal resources administered by NMSDE to schools in need of substantially improving student achievement for the development of educational progress based on reliable research and effective practices (P.L. 105-78).

CAPITAL PROJECTS FUNDS

PSCOC – to account for state funding to build and/or improve various sites within the District.

Special Capital Outlay State/Local – to account for the revenue and expenditures to be used for improvements and additions to school property.

Bond Building – to account for bond proceeds any interest earned thereon. Proceeds are restricted for the purpose of making additions to and furnishing of school building, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

Hatch Valley Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2009

	Special Revenue Funds			
	Cafeteria	Athletics	Title I	Migrant Education
Assets				
Cash and investments	\$ 175,520	\$ 1,102	\$ 55,036	\$ 3,058
Due from other governments				
Property taxes receivable				
Interfund receivable	11,843			
Inventory	12,252			
Total assets	\$ 199,615	\$ 1,102	\$ 55,036	\$ 3,058
Liabilities and Fund Balance				
Interfund payable	\$ -	\$ -	\$ 13,392	\$ -
Accounts payable	10,229		476	
Deferred revenue	8,963		41,168	3,058
Total liabilities	\$ 19,192	\$ -	\$ 55,036	\$ 3,058
Fund balances:				
Reserved for inventory	\$ 12,252	\$ -	\$ -	\$ -
Reserved for capital projects				
Unreserved	168,171	1,102		
Total fund balance	\$ 180,423	\$ 1,102	\$ -	\$ -
Total liabilities and fund balance	\$ 199,615	\$ 1,102	\$ 55,036	\$ 3,058

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

Special Revenue Funds

<u>Entitlement</u>	<u>Discretionary</u>	<u>Preschool</u>	<u>Homeless Education</u>	<u>Fruits and Vegetables</u>	<u>Education Technology</u>
\$ - 3,802	\$ - 2,160	\$ - 1,179	\$ - 1,648	\$ - 6,901	\$ - 256
<u>\$ 3,802</u>	<u>\$ 2,160</u>	<u>\$ 1,179</u>	<u>\$ 1,648</u>	<u>\$ 6,901</u>	<u>\$ 256</u>
\$ 3,802	\$ 2,160	\$ 1,179	\$ 1,648	\$ 6,901	\$ 256
<u>\$ 3,802</u>	<u>\$ 2,160</u>	<u>\$ 1,179</u>	<u>\$ 1,648</u>	<u>\$ 6,901</u>	<u>\$ 256</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 3,802</u>	<u>\$ 2,160</u>	<u>\$ 1,179</u>	<u>\$ 1,648</u>	<u>\$ 6,901</u>	<u>\$ 256</u>

Hatch Valley Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
June 30, 2009

	Special Revenue Funds			
	School Reform	Title V	Title III	Title II
Assets				
Cash and investments	\$ 23,487	\$ 1,928	\$ -	\$ -
Due from other governments			13,784	23,988
Property taxes receivable				
Interfund receivable				
Inventory				
Total assets	\$ 23,487	\$ 1,928	\$ 13,784	\$ 23,988
Liabilities and Fund Balance				
Interfund payable	\$ -	\$ -	\$ 13,209	\$ 23,988
Accounts payable			575	
Deferred revenue	23,487	1,928		
Total liabilities	\$ 23,487	\$ 1,928	\$ 13,784	\$ 23,988
Fund balances:				
Reserved for inventory	\$ -	\$ -	\$ -	\$ -
Reserved for capital projects				
Unreserved				
Total fund balance	\$ -	\$ -	\$ -	\$ -
Total liabilities and fund balance	\$ 23,487	\$ 1,928	\$ 13,784	\$ 23,988

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

Special Revenue Funds					
<u>Drug Free</u>	<u>Rural Schools</u>	<u>School Improvement</u>	<u>Title I 1003g</u>	<u>Title I Federal Stimulus</u>	<u>Headstart</u>
\$ - 2,044	\$ - 21,556	\$ - 882	\$ - 197	\$ - 27,787	\$ - 37,618
<u>\$ 2,044</u>	<u>\$ 21,556</u>	<u>\$ 882</u>	<u>\$ 197</u>	<u>\$ 27,787</u>	<u>\$ 37,618</u>
\$ 1,064 980	\$ 21,556	\$ 882	\$ 197	\$ 20,000 7,787	\$ 37,458 160
<u>\$ 2,044</u>	<u>\$ 21,556</u>	<u>\$ 882</u>	<u>\$ 197</u>	<u>\$ 27,787</u>	<u>\$ 37,618</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 2,044</u>	<u>\$ 21,556</u>	<u>\$ 882</u>	<u>\$ 197</u>	<u>\$ 27,787</u>	<u>\$ 37,618</u>

Hatch Valley Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (continued)
 June 30, 2009

	Special Revenue Funds			
	Medicaid	TANF Grads	Microsoft	Technology Adequacy
Assets				
Cash and investments	\$ -	\$ 12,422	\$ 36,339	\$ -
Due from other governments	2,487			82,198
Property taxes receivable				
Interfund receivable				
Inventory				
Total assets	\$ 2,487	\$ 12,422	\$ 36,339	\$ 82,198
Liabilities and Fund Balance				
Interfund payable	\$ 2,487	\$ -	\$ -	\$ 13,099
Accounts payable				69,099
Deferred revenue		12,422		
Total liabilities	\$ 2,487	\$ 12,422	\$ -	\$ 82,198
Fund balances:				
Reserved for inventory	\$ -	\$ -	\$ -	\$ -
Reserved for capital projects				
Unreserved			36,339	
Total fund balance	\$ -	\$ -	\$ 36,339	\$ -
Total liabilities and fund balance	\$ 2,487	\$ 12,422	\$ 36,339	\$ 82,198

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

Special Revenue Funds					
<u>Child Health</u>	<u>TANF Kindergarten</u>	<u>Education Technology</u>	<u>Teacher Mentoring</u>	<u>Elementary Breakfast</u>	<u>School Improvement</u>
\$ 1	\$ 17,337	\$ 5,111	\$ 8,067	\$ 1,037	\$ 8,798
				6,901	
<u>\$ 1</u>	<u>\$ 17,337</u>	<u>\$ 5,111</u>	<u>\$ 8,067</u>	<u>\$ 7,938</u>	<u>\$ 8,798</u>
\$ -	\$ -	\$ - 26	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ - 1	\$ - 17,337	\$ - 5,085	\$ - 8,067	\$ - 7,938	\$ - 8,798
<u>\$ 1</u>	<u>\$ 17,337</u>	<u>\$ 5,085</u>	<u>\$ 8,067</u>	<u>\$ 7,938</u>	<u>\$ 8,798</u>
<u>\$ 1</u>	<u>\$ 17,337</u>	<u>\$ 5,111</u>	<u>\$ 8,067</u>	<u>\$ 7,938</u>	<u>\$ 8,798</u>

Hatch Valley Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (concluded)
June 30, 2009

	Special Revenue Funds			
	SB 301 GO Bonds	Incentives For School Imp.	Library Bonds	Grads Childcare
Assets				
Cash and investments	\$ -	\$ 11,010	\$ -	\$ 1,255
Due from other governments	6,018		1,126	
Property taxes receivable				
Interfund receivable				
Inventory				
Total assets	\$ 6,018	\$ 11,010	\$ 1,126	\$ 1,255
Liabilities and Fund Balance				
Interfund payable	\$ 6,018	\$ -	\$ 1,126	\$ -
Accounts payable				
Deferred revenue				1,255
Total liabilities	\$ 6,018	\$ -	\$ 1,126	\$ 1,255
Fund balances:				
Reserved for inventory	\$ -	\$ -	\$ -	\$ -
Reserved for capital projects				
Unreserved		11,010		
Total fund balance	\$ -	\$ 11,010	\$ -	\$ -
Total liabilities and fund balance	\$ 6,018	\$ 11,010	\$ 1,126	\$ 1,255

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

Special Revenue Funds			Capital Projects Funds		Total
Gear Up	2008 Library Book Bond	SB-9	PSCOC	Local Special Capital Outlay	
\$ 1,733	\$ 4,226	\$ 15,504	\$ 157	\$ 165,785	\$ 548,913
		24,987			235,631
					24,987
					18,744
					12,252
<u>\$ 1,733</u>	<u>\$ 4,226</u>	<u>\$ 40,491</u>	<u>\$ 157</u>	<u>\$ 165,785</u>	<u>\$ 840,527</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,422
1,201		22,343			90,533
					114,624
<u>\$ 1,201</u>	<u>\$ -</u>	<u>\$ 22,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,579</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,252
532	4,226	18,148	157	165,785	184,090
					268,606
<u>\$ 532</u>	<u>\$ 4,226</u>	<u>\$ 18,148</u>	<u>\$ 157</u>	<u>\$ 165,785</u>	<u>\$ 464,948</u>
<u>\$ 1,733</u>	<u>\$ 4,226</u>	<u>\$ 40,491</u>	<u>\$ 157</u>	<u>\$ 165,785</u>	<u>\$ 840,527</u>

Hatch Valley Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Fiscal Year Ended June 30, 2009

	Special Revenue Funds			
	Cafeteria	Athletics	Title I	Title I 1003g
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal aid	822,493		1,029,384	41,324
State aid				
Fees and charges	18,358	36,375		
Miscellaneous	2,633			
Earnings	378			
Total revenues	\$ 843,862	\$ 36,375	\$ 1,029,384	\$ 41,324
Expenditures:				
Current:				
Instruction	\$ -	\$ 35,300	\$ 883,024	\$ 41,324
Support services - Students			48,353	
Support services - Instruction			92,555	
General administration			1,475	
School administration			3,977	
Operation of plant				
Food services	793,690			
Transportation				
Capital outlay	71,700			
Total expenditures	\$ 865,390	\$ 35,300	\$ 1,029,384	\$ 41,324
Revenues over (under) expenditures	\$ (21,528)	\$ 1,075	\$ -	\$ -
Other financing sources (uses):				
Transfers in (out)				
Net change in fund balance	\$ (21,528)	\$ 1,075	\$ -	\$ -
Fund balance, July 1, 2008	201,951	27	-	-
Fund balance, June 30, 2009	<u>\$ 180,423</u>	<u>\$ 1,102</u>	<u>\$ -</u>	<u>\$ -</u>

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

Special Revenue Funds

<u>Entitlement</u>	<u>Title I Federal Stimulus</u>	<u>Preschool</u>	<u>Homeless Education</u>	<u>Fruits and Vegetables</u>	<u>Education Technology</u>
\$ - 266,530	\$ - 27,787	\$ - 16,089	\$ - 1,648	\$ - 23,624	\$ - 3,816
<u>\$ 266,530</u>	<u>\$ 27,787</u>	<u>\$ 16,089</u>	<u>\$ 1,648</u>	<u>\$ 23,624</u>	<u>\$ 3,816</u>
\$ 186,059 39,364 41,107	\$ 27,787	\$ 16,089	\$ 1,648	\$ - 23,624	\$ - 3,816
<u>\$ 266,530</u>	<u>\$ 27,787</u>	<u>\$ 16,089</u>	<u>\$ 1,648</u>	<u>\$ 23,624</u>	<u>\$ 3,816</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hatch Valley Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)
For The Fiscal Year Ended June 30, 2009

	Special Revenue Funds			
	Headstart	Title III	Title II	Drug Free
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal aid	491,675	22,051	128,100	13,504
State aid				
Fees and charges				
Miscellaneous				
Earnings				
Total revenues	\$ 491,675	\$ 22,051	\$ 128,100	\$ 13,504
Expenditures:				
Current:				
Instruction	\$ 185,504	\$ 21,871	\$ 121,581	\$ 13,504
Support services - Students	91,212		3,521	
Support services - Instruction	43,844		2,998	
General administration		180		
School administration				
Operation of plant	8,470			
Food services	625			
Transportation	44,040			
Capital outlay	7,980			
Total expenditures	\$ 381,675	\$ 22,051	\$ 128,100	\$ 13,504
Revenues over (under) expenditures	\$ 110,000	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfers in (out)	(110,000)			
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2008	-	-	-	-
Fund balance, June 30, 2009	\$ -	\$ -	\$ -	\$ -

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

<u>Rural Schools</u>	<u>Medicaid</u>	<u>TANF Grads</u>	<u>NM Energy</u>	<u>Microsoft</u>	<u>Technology Adequacy</u>	<u>Child Health</u>
\$ - 39,687	\$ - 51,878	\$ - 27,488	\$ -	\$ -	\$ - 336,372	\$ -
				121,218		
<u>\$ 39,687</u>	<u>\$ 51,878</u>	<u>\$ 27,488</u>	<u>\$ -</u>	<u>\$ 121,218</u>	<u>\$ 336,372</u>	<u>\$ -</u>
\$ 34,912 4,775	\$ - 51,878	\$ 27,488	\$ 414	\$ - 4,879	\$ - 317,484	\$ -
<u>\$ 39,687</u>	<u>\$ 51,878</u>	<u>\$ 27,488</u>	<u>\$ 414</u>	<u>\$ 4,879</u>	<u>\$ 317,484</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (414)	\$ 116,339	\$ 18,888	\$ -
				(80,000)		
\$ -	\$ -	\$ -	\$ (414)	\$ 36,339	\$ 18,888	\$ -
-	-	-	414	-	(18,888)	1
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,339</u>	<u>\$ -</u>	<u>\$ 1</u>

Hatch Valley Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (continued)
For The Fiscal Year Ended June 30, 2009

	Special Revenue Funds			
	Education Technology	Teacher Mentoring	Elementary Breakfast	Incentives For School Imp
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Federal aid				
State aid	23,095	13,040	7,793	
Fees and charges				
Miscellaneous				
Earnings				
Total revenues	\$ 23,095	\$ 13,040	\$ 7,793	\$ -
Expenditures:				
Current:				
Instruction	\$ -	\$ 7,295	\$ -	\$ 6,321
Support services - Students	1,052			
Support services - Instruction	70,758			
General administration				
School administration				
Operation of plant				
Food services			7,793	
Transportation				
Capital outlay				
Total expenditures	\$ 71,810	\$ 7,295	\$ 7,793	\$ 6,321
Revenues over (under) expenditures	\$ (48,715)	\$ 5,745	\$ -	\$ (6,321)
Other financing sources (uses):				
Transfers in (out)				
Net change in fund balance	\$ (48,715)	\$ 5,745	\$ -	\$ (6,321)
Fund balance, July 1, 2008	53,800	2,322	7,938	17,331
Fund balance, June 30, 2009	<u>\$ 5,085</u>	<u>\$ 8,067</u>	<u>\$ 7,938</u>	<u>\$ 11,010</u>

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

Special Revenue Funds					
<u>Grads Childcare</u>	<u>Gear Up</u>	<u>Mentoring Diverse Ability</u>	<u>2008 Library Book Bond</u>	<u>TANF Kindergarten</u>	<u>School Improvement</u>
\$ - 4,816	\$ -	\$ - 8,792	\$ - 4,226	\$ -	\$ -
<u>\$ 4,816</u>	<u>\$ -</u>	<u>\$ 8,792</u>	<u>\$ 4,226</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,816	\$ 4,105	\$ - 8,792	\$ -	\$ -	\$ -
<u>\$ 4,816</u>	<u>\$ 4,105</u>	<u>\$ 8,792</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (4,105)	\$ -	\$ 4,226	\$ -	\$ -
<u>\$ -</u>	<u>\$ (4,105)</u>	<u>\$ -</u>	<u>\$ 4,226</u>	<u>\$ -</u>	<u>\$ -</u>
-	4,637	-	-	17,337	8,798
<u>\$ -</u>	<u>\$ 532</u>	<u>\$ -</u>	<u>\$ 4,226</u>	<u>\$ 17,337</u>	<u>\$ 8,798</u>

Hatch Valley Public Schools
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (concluded)
For The Fiscal Year Ended June 30, 2009

	Special Revenue Fund	Capital Projects Funds	
	SB-9	Local Special Capital Outlay	PSCOC
Revenues:			
Property taxes	\$ 118,280	\$ -	\$ -
Federal aid			
State aid	72,648		
Fees and charges			
Miscellaneous		165,419	
Earnings	2	12	
	<u>2</u>	<u>12</u>	
Total revenues	<u>\$ 190,930</u>	<u>\$ 165,431</u>	<u>\$ -</u>
Expenditures:			
Current:			
Instruction	\$ -	\$ -	\$ -
Support services - Students			
Support services - Instruction			
General administration			
School administration			
Operation of plant	122,170		3,329
Food services			
Transportation			
Capital outlay	54,340	144,723	32,066
	<u>54,340</u>	<u>144,723</u>	<u>32,066</u>
Total expenditures	<u>\$ 176,510</u>	<u>\$ 144,723</u>	<u>\$ 35,395</u>
Revenues over (under) expenditures	\$ 14,420	\$ 20,708	\$ (35,395)
Other financing sources (uses):			
Transfers in (out)		135,000	
		<u>135,000</u>	
Net change in fund balance	\$ 14,420	\$ 155,708	\$ (35,395)
Fund balance, July 1, 2008	3,728	10,077	35,552
	<u>3,728</u>	<u>10,077</u>	<u>35,552</u>
Fund balance, June 30, 2009	<u>\$ 18,148</u>	<u>\$ 165,785</u>	<u>\$ 157</u>

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

<u>Capital Projects Funds</u>		
<u>State Special Capital Outlay</u>	<u>PSFA</u>	<u>Total</u>
\$ -	\$ -	\$ 118,280
		3,011,894
42,164	314,458	822,588
		54,733
		289,270
		392
<u>\$ 42,164</u>	<u>\$ 314,458</u>	<u>\$ 4,297,157</u>
\$ -	\$ -	\$ 1,619,042
		244,172
		582,216
		1,655
		3,977
		133,969
		825,732
		44,040
<u>42,164</u>	<u>314,458</u>	<u>667,431</u>
<u>\$ 42,164</u>	<u>\$ 314,458</u>	<u>\$ 4,122,234</u>
\$ -	\$ -	\$ 174,923
		(55,000)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,923</u>
		345,025
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 464,948</u>

Hatch Valley Public Schools
GENERAL FUND
COMBINING BALANCE SHEET
June 30, 2009

	Operational	Transportation	Instructional Materials
Assets			
Cash and investments	\$ 401,760	\$ -	\$ 28,139
Property taxes receivable	4,602		
Interfund receivable	264,733		
Total assets	\$ 671,095	\$ -	\$ 28,139
 Liabilities and Fund Balance			
Accounts payable	\$ 143,746	\$ -	\$ -
Interfund payable	250,000		
Deferred revenue	4,029		
Total liabilities	\$ 397,775	\$ -	\$ -
 Fund balance:			
Unreserved, reported in:			
General fund	\$ 273,320	\$ -	\$ 28,139
Total fund balance	\$ 273,320	\$ -	\$ 28,139
Total liabilities and fund balance	\$ 671,095	\$ -	\$ 28,139

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

<u>Teacherage</u>	<u>Total General Fund</u>
\$ 3,565	\$ 433,464 4,602 264,733
<u>\$ 3,565</u>	<u>\$ 702,799</u>
\$ -	\$ 143,746 250,000 4,029
<u>\$ -</u>	<u>\$ 397,775</u>
<u>\$ 3,565</u>	<u>\$ 305,024</u>
<u>\$ 3,565</u>	<u>\$ 305,024</u>
<u><u>\$ 3,565</u></u>	<u><u>\$ 702,799</u></u>

Hatch Valley Public Schools
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
June 30, 2009

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>
Revenues:			
Property taxes	\$ 23,404	\$ -	\$ -
Fees and charges	480		
State aid	10,594,370	842,289	137,514
Earnings on investments	4,907		
Miscellaneous	38,355		
	<hr/>	<hr/>	<hr/>
Total revenues	<u>\$ 10,661,516</u>	<u>\$ 842,289</u>	<u>\$ 137,514</u>
Expenditures:			
Current:			
Instruction	\$ 5,891,120	\$ -	\$ 134,822
Support services - Students	936,735		
Support services - Instruction	598,777		7,431
General administration	279,317		
School administration	531,562		
Central services	247,456		
Operation of plant	2,073,220		
Transportation	2,566	705,307	
Capital outlay	82,066		
	<hr/>	<hr/>	<hr/>
Total expenditures	<u>\$ 10,642,819</u>	<u>\$ 705,307</u>	<u>\$ 142,253</u>
Revenues over (under) expenditures	\$ 18,697	\$ 136,982	\$ (4,739)
Other financing sources (uses):			
Transfers in (out)	<hr/> (180,745)	<hr/> (151,735)	<hr/>
Net change in fund balance	\$ (162,048)	\$ (14,753)	\$ (4,739)
Fund balance, July 1, 2008	<hr/> 435,368	<hr/> 14,753	<hr/> 32,878
Fund balance, June 30, 2009	<u><u>\$ 273,320</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 28,139</u></u>

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

<u>Teachera</u>	<u>General Fund Total</u>
\$ -	\$ 23,404
4,840	5,320
	11,574,173
	4,907
	<u>38,355</u>
<u>\$ 4,840</u>	<u>\$ 11,646,159</u>
\$ -	\$ 6,025,942
	936,735
	606,208
	279,317
	531,562
	247,456
	2,073,220
	707,873
<u>1,275</u>	<u>83,341</u>
<u>\$ 1,275</u>	<u>\$ 11,491,654</u>
\$ 3,565	\$ 154,505
	<u>(332,480)</u>
\$ 3,565	\$ (177,975)
	<u>482,999</u>
<u>\$ 3,565</u>	<u>\$ 305,024</u>

Hatch Valley Public Schools
GENERAL FUND/OPERATIONAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30,2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 29,041	\$ 29,041	\$ -	\$ (29,041)
State sources	10,592,607	10,945,812	10,594,370	(351,442)
Local sources	27,127	27,127	62,116	34,989
Interest income	11,383	11,383	4,373	(7,010)
Total revenues	\$ 10,660,158	\$ 11,013,363	\$ 10,660,859	\$ (352,504)
Expenditures:				
Current:				
Instruction	\$ 6,121,031	\$ 6,171,191	\$ 5,861,985	\$ 309,206
Support services - Students	957,604	955,408	941,033	14,375
Support services - Instruction	662,406	707,443	580,847	126,596
General administration	341,856	339,693	288,286	51,407
School administration	550,656	537,563	531,562	6,001
Central services	239,076	253,192	246,717	6,475
Operation of plant	1,984,484	2,062,854	2,046,797	16,057
Transportation	-	22,529	20,754	1,775
Capital outlay	-	160,445	127,811	32,634
Non-operating	2,398	2,398		2,398
Total expenditures	\$ 10,859,511	\$ 11,212,716	\$ 10,645,792	\$ 566,924
Revenues over (under) expenditure	\$ (199,353)	\$ (199,353)	\$ 15,067	\$ 214,420
Other financing sources (uses):				
Transfer in (out)	(135,000)	(135,000)	(135,000)	-
Net change in fund balance after other financing sources (uses)	\$ (334,353)	\$ (334,353)	\$ (119,933)	\$ 214,420
Fund balance July 1, 2008	534,877	534,877	534,877	-
Fund balance June 30, 2009	<u>\$ 200,524</u>	<u>\$ 200,524</u>	<u>\$ 414,944</u>	<u>\$ 214,420</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				\$ (162,048)
Revenue accruals (net)				(2,217)
Expenditure accruals (net)				<u>44,332</u>
Net change in fund balance, NON-GAAP budgetary basis				<u>\$ (119,933)</u>

Hatch Valley Public Schools
GENERAL FUND/TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 842,289	\$ 1,012,589	\$ 842,289	\$ (170,300)
 Expenditures:				
Current:				
Transportation	\$ 686,742	\$ 705,307	\$ 705,307	\$ -
Capital outlay	<u> </u>	<u>151,735</u>	<u>151,735</u>	<u>-</u>
Total expenditures	<u>\$ 686,742</u>	<u>\$ 857,042</u>	<u>\$ 857,042</u>	<u>\$ -</u>
Net change in fund balance	\$ 155,547	\$ 155,547	\$ (14,753)	\$ (170,300)
Fund balance, July 1, 2008	<u>14,753</u>	<u>14,753</u>	<u>14,753</u>	<u>-</u>
Fund balance, June 30, 2009	<u>\$ 170,300</u>	<u>\$ 170,300</u>	<u>\$ -</u>	<u>\$ (170,300)</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (14,753)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (14,753)</u>	

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

Hatch Valley Public Schools
GENERAL FUND/INSTRUCTIONAL MATERIALS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	<u>\$ 137,427</u>	<u>\$ 177,062</u>	<u>\$ 137,514</u>	<u>\$ (39,548)</u>
 Expenditures:				
Current:				
Instruction	\$ 122,882	\$ 155,304	\$ 134,822	\$ 20,482
Support services - Instruction	<u>7,788</u>	<u>15,001</u>	<u>7,431</u>	<u>7,570</u>
 Total expenditures	<u>\$ 130,670</u>	<u>\$ 170,305</u>	<u>\$ 142,253</u>	<u>\$ 28,052</u>
 Net change in fund balance	\$ 6,757	\$ 6,757	\$ (4,739)	\$ (11,496)
 Fund balance, July 1, 2008	<u>32,878</u>	<u>32,878</u>	<u>32,878</u>	<u>-</u>
 Fund balance, June 30, 2009	<u><u>\$ 39,635</u></u>	<u><u>\$ 39,635</u></u>	<u><u>\$ 28,139</u></u>	<u><u>\$ (11,496)</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (4,739)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
 Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (4,739)</u></u>	

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

Hatch Valley Public Schools
GENERAL FUND/TEACHERAGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ -	\$ 5,440	\$ 4,840	\$ (600)
Expenditures:				
Current:				
Operation of plant	\$ -	\$ 4,165	\$ -	\$ 4,165
Capital outlay	-	1,275	1,275	-
Total expenditures	<u>\$ -</u>	<u>\$ 5,440</u>	<u>\$ 1,275</u>	<u>\$ 4,165</u>
Net change in fund balance	\$ -	\$ -	\$ 3,565	\$ 3,565
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,565</u></u>	<u><u>\$ 3,565</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 3,565	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 3,565</u></u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - CAFETERIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 750,956	\$ 935,847	\$ 774,600	\$ (161,247)
State sources	20,324	20,324	-	(20,324)
Local sources	16,241	16,241	21,369	5,128
Total revenues	\$ 787,521	\$ 972,412	\$ 795,969	\$ (176,443)
Expenditures:				
Current:				
Food services	\$ 866,208	\$ 1,031,099	\$ 767,507	\$ 263,592
Capital outlay	10,000	30,000	71,700	(41,700)
Total expenditures	\$ 876,208	\$ 1,061,099	\$ 839,207	\$ 221,892
Net change in fund balance	\$ (88,687)	\$ (88,687)	\$ (43,238)	\$ 45,449
Fund balance, July 1, 2008	218,758	218,758	218,758	-
Fund balance, June 30, 2009	\$ 130,071	\$ 130,071	\$ 175,520	\$ 45,449
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (21,528)	
Revenue accruals (net)			(47,893)	
Expenditure accruals (net)			26,183	
Net change in fund balance, NON-GAAP budgetary basis			\$ (43,238)	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - ATHLETICS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Local sources	\$ 35,298	\$ 35,298	\$ 36,375	\$ 1,077
Total revenues	<u>\$ 35,298</u>	<u>\$ 35,298</u>	<u>\$ 36,375</u>	<u>\$ 1,077</u>
Expenditures:				
Current:				
Instruction	\$ 35,325	\$ 35,325	\$ 35,300	\$ 25
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 35,325</u>	<u>\$ 35,325</u>	<u>\$ 35,300</u>	<u>\$ 25</u>
Revenues over (under) expenditures	\$ (27)	\$ (27)	\$ 1,075	\$ 1,102
Other financing sources (uses):				
Transfer in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ (27)	\$ (27)	\$ 1,075	\$ 1,102
Fund balance July 1, 2008	<u>27</u>	<u>27</u>	<u>27</u>	<u>-</u>
Fund balance June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,102</u></u>	<u><u>\$ 1,102</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				\$ 1,075
Revenue accruals (net)				-
Expenditure accruals (net)				<u>-</u>
Net change in fund balance, NON-GAAP budgetary basis				<u><u>\$ 1,075</u></u>

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - TITLE I
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	<u>\$ 1,125,594</u>	<u>\$ 1,125,594</u>	<u>\$ 1,290,179</u>	<u>\$ 164,585</u>
Expenditures:				
Current:				
Instruction	\$ 889,500	\$ 931,194	\$ 869,690	\$ 61,504
Support services - Students	45,853	48,658	48,353	305
Support services - Instruction	119,539	120,631	92,555	28,076
General administration	15,871	17,871	1,475	16,396
School administration	<u>54,831</u>	<u>7,240</u>	<u>3,977</u>	<u>3,263</u>
Total expenditures	<u>\$ 1,125,594</u>	<u>\$ 1,125,594</u>	<u>\$ 1,016,050</u>	<u>\$ 109,544</u>
Net change in fund balance	\$ -	\$ -	\$ 274,129	\$ 274,129
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>(219,093)</u>	<u>(219,093)</u>
Fund balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,036</u>	<u>\$ 55,036</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			260,795	
Expenditure accruals (net)			<u>13,334</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 274,129</u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - MIGRANT EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services - Students	\$ -	\$ -	\$ -	\$ -
School administration	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2008	-	-	3,058	3,058
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,058</u></u>	<u><u>\$ 3,058</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - ENTITLEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 283,317	\$ 328,614	\$ 309,734	\$ (18,880)
Expenditures:				
Current:				
Instruction	\$ 200,704	\$ 200,704	\$ 186,059	\$ 14,645
Support services - Students	41,979	86,699	39,364	47,335
Support services - Instruction	40,634	41,211	41,107	104
School administration				-
Total expenditures	<u>\$ 283,317</u>	<u>\$ 328,614</u>	<u>\$ 266,530</u>	<u>\$ 62,084</u>
Net change in fund balance	\$ -	\$ -	\$ 43,204	\$ 43,204
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>(47,006)</u>	<u>(47,006)</u>
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (3,802)</u></u>	<u><u>\$ (3,802)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			43,204	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 43,204</u></u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - DISCRETIONARY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ 5,754	\$ 5,754
Expenditures:				
Current:				
Support services - Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 5,754	\$ 5,754
Fund balance, July 1, 2008	-	-	(7,914)	(7,914)
Fund balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,160)</u>	<u>\$ (2,160)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			5,754	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 5,754</u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - PRESCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 10,815	\$ 16,089	\$ 17,163	\$ 1,074
Expenditures:				
Current:				
Instruction	\$ 10,815	\$ 16,089	\$ 16,089	\$ -
General administration				-
Total expenditures	\$ 10,815	\$ 16,089	\$ 16,089	\$ -
Net change in fund balance	\$ -	\$ -	\$ 1,074	\$ 1,074
Fund balance, July 1, 2008			(2,253)	(2,253)
Fund balance, June 30, 2009	\$ -	\$ -	\$ (1,179)	\$ (1,179)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			1,074	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 1,074	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - TECHNOLOGY FOR EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 16,704	\$ 74,235	\$ 23,095	\$ (51,140)
Expenditures:				
Current:				
Support services - Students	\$ -	\$ 1,500	\$ 1,026	\$ 474
Support services - Instruction	16,704	72,735	70,758	1,977
Total expenditures	<u>\$ 16,704</u>	<u>\$ 74,235</u>	<u>\$ 71,784</u>	<u>\$ 2,451</u>
Net change in fund balance	\$ -	\$ -	\$ (48,689)	\$ (48,689)
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>53,800</u>	<u>53,800</u>
Fund balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,111</u>	<u>\$ 5,111</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (48,715)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>26</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (48,689)</u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - SCHOOL IMPROVEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ 5,562	\$ 5,562
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 5,562	\$ 5,562
Fund balance, July 1, 2008	-	-	(6,444)	(6,444)
Fund balance, June 30, 2009	\$ -	\$ -	\$ (882)	\$ (882)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			5,562	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 5,562	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - RURAL SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 48,821	\$ 48,821	\$ 65,934	\$ 17,113
Expenditures:				
Current:				
Instruction	\$ 38,821	\$ 38,821	\$ 35,120	\$ 3,701
Support services - Students	10,000	10,000	4,775	5,225
Total expenditures	<u>\$ 48,821</u>	<u>\$ 48,821</u>	<u>\$ 39,895</u>	<u>\$ 8,926</u>
Net change in fund balance	\$ -	\$ -	\$ 26,039	\$ 26,039
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>(47,595)</u>	<u>(47,595)</u>
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (21,556)</u></u>	<u><u>\$ (21,556)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			26,247	
Expenditure accruals (net)			<u>(208)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 26,039</u></u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - FRUITS AND VEGETABLES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 25,300	\$ 23,630	\$ (1,670)
Expenditures:				
Current:				
Food services	-	25,300	23,624	1,676
Net change in fund balance	\$ -	\$ -	\$ 6	\$ 6
Fund balance, July 1, 2008	-	-	(6)	(6)
Fund balance, June 30, 2009	\$ -	\$ -	\$ -	\$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			6	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 6	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - EDUCATION OF HOMELESS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 16,623	\$ 16,623	\$ -	\$ (16,623)
Expenditures:				
Current:				
Instruction	\$ 16,623	\$ 16,623	\$ 1,648	\$ 14,975
General administration				-
Total expenditures	<u>\$ 16,623</u>	<u>\$ 16,623</u>	<u>\$ 1,648</u>	<u>\$ 14,975</u>
Net change in fund balance	\$ -	\$ -	\$ (1,648)	\$ (1,648)
Fund balance, July 1, 2008	<u> </u>	<u> </u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,648)</u></u>	<u><u>\$ (1,648)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(1,648)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (1,648)</u></u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - ENHANCING EDUCATION THROUGH TECHNOLOGY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,613</u>	<u>\$ 1,613</u>
Expenditures:				
Current:				
Instruction	\$ -	\$ -	\$ -	\$ -
Support services - Instruction			<u>3,816</u>	<u>(3,816)</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,816</u>	<u>\$ (3,816)</u>
Net change in fund balance	\$ -	\$ -	\$ (2,203)	\$ (2,203)
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>1,947</u>	<u>1,947</u>
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (256)</u></u>	<u><u>\$ (256)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(2,203)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (2,203)</u></u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - COMPREHENSIVE SCHOOL REFORM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Food services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>23,487</u>	<u>23,487</u>
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 23,487</u></u>	<u><u>\$ 23,487</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - LIBRARIES 301 GO BOND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ -	\$ 619	\$ 619
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 619	\$ 619
Fund balance, July 1, 2008	-	-	1,309	1,309
Fund balance, June 30, 2009	\$ -	\$ -	\$ 1,928	\$ 1,928
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			619	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 619	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - TITLE III
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 42,340	\$ 56,098	\$ 24,372	\$ (31,726)
Expenditures:				
Current:				
Instruction	\$ 42,340	\$ 55,918	\$ 21,296	\$ 34,622
General administration		180	180	-
Transportation				-
Total expenditures	<u>\$ 42,340</u>	<u>\$ 56,098</u>	<u>\$ 21,476</u>	<u>\$ 34,622</u>
Net change in fund balance	\$ -	\$ -	\$ 2,896	\$ 2,896
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>(16,105)</u>	<u>(16,105)</u>
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (13,209)</u></u>	<u><u>\$ (13,209)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			2,321	
Expenditure accruals (net)			<u>575</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 2,896</u></u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - TITLE II
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 167,912	\$ 147,512	\$ 87,968	\$ (59,544)
Expenditures:				
Current:				
Instruction	\$ 153,912	\$ 133,512	\$ 121,581	\$ 11,931
Support services - Students	4,000	4,000	3,521	479
Support services - Instruction	10,000	10,000	2,998	7,002
Total expenditures	<u>\$ 167,912</u>	<u>\$ 147,512</u>	<u>\$ 128,100</u>	<u>\$ 19,412</u>
Net change in fund balance	\$ -	\$ -	\$ (40,132)	\$ (40,132)
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>16,144</u>	<u>16,144</u>
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (23,988)</u></u>	<u><u>\$ (23,988)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(40,132)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (40,132)</u></u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - SAFE AND DRUG FREE SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 14,949	\$ 14,949	\$ 20,632	\$ 5,683
Expenditures:				
Current:				
Instruction	14,949	14,949	12,524	2,425
Net change in fund balance	\$ -	\$ -	\$ 8,108	\$ 8,108
Fund balance, July 1, 2008	-	-	(9,172)	(9,172)
Fund balance, June 30, 2009	\$ -	\$ -	\$ (1,064)	\$ (1,064)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			7,128	
Expenditure accruals (net)			980	
Net change in fund balance, NON-GAAP budgetary basis			\$ 8,108	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - HEADSTART
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ 350,111	\$ 511,145	\$ 481,663	\$ (29,482)
Expenditures:				
Current:				
Instruction	\$ 192,781	\$ 202,074	\$ 198,859	\$ 3,215
Support services - Students	58,636	100,834	91,212	9,622
Support services - Instruction	50,153	44,686	43,844	842
Operation of plant	7,866	8,310	8,310	-
Transportation	40,675	44,616	44,040	576
Food services	-	625	625	-
Capital outlay	-	110,000	110,000	-
Total expenditures	\$ 350,111	\$ 511,145	\$ 496,890	\$ 14,255
Net change in fund balance	\$ -	\$ -	\$ (15,227)	\$ (15,227)
Fund balance, July 1, 2008	-	-	(22,231)	(22,231)
Fund balance, June 30, 2009	\$ -	\$ -	\$ (37,458)	\$ (37,458)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(10,012)	
Expenditure accruals (net)			(115,215)	
Other financing uses (net)			110,000	
Net change in fund balance, NON-GAAP budgetary basis			\$ (15,227)	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - MEDICAID
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ 33,482	\$ 90,850	\$ 63,374	\$ (27,476)
Expenditures:				
Current:				
Support services - Students	<u>33,482</u>	<u>90,850</u>	<u>51,878</u>	<u>38,972</u>
Net change in fund balance	\$ -	\$ -	\$ 11,496	\$ 11,496
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>(13,983)</u>	<u>(13,983)</u>
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (2,487)</u></u>	<u><u>\$ (2,487)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			11,496	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 11,496</u></u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - KINDERGARTEN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services - Students	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2008	-	-	17,337	17,337
Fund balance, June 30, 2009	\$ -	\$ -	\$ 17,337	\$ 17,337
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - TITLE I 1003G
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Federal sources	\$ -	\$ 50,000	\$ 41,127	\$ (8,873)
Expenditures:				
Current:				
Instruction	<u>-</u>	<u>50,000</u>	<u>41,324</u>	<u>8,676</u>
Net change in fund balance	\$ -	\$ -	\$ (197)	\$ (197)
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (197)</u>	<u>\$ (197)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(197)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (197)</u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - NM ENERGY MINERALS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 414	\$ -	\$ (414)
Expenditures:				
Current:				
Instruction	-	414	414	-
Net change in fund balance	\$ -	\$ -	\$ (414)	\$ (414)
Fund balance, July 1, 2008	-	-	414	414
Fund balance, June 30, 2009	\$ -	\$ -	\$ -	\$ -
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (414)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (414)	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - GRADS CHILDCARE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 5,000	\$ 5,844	\$ 844
Expenditures:				
Current:				
Support services - Students	-	5,000	4,816	184
Net change in fund balance	\$ -	\$ -	\$ 1,028	\$ 1,028
Fund balance, July 1, 2008	-	-	227	227
Fund balance, June 30, 2009	\$ -	\$ -	\$ 1,255	\$ 1,255
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - TANF GRADS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 30,000	\$ 39,705	\$ 9,705
Expenditures:				
Current:				
Instruction	-	30,000	27,488	2,512
Net change in fund balance	\$ -	\$ -	\$ 12,217	\$ 12,217
Fund balance, July 1, 2008	-	-	205	205
Fund balance, June 30, 2009	\$ -	\$ -	\$ 12,422	\$ 12,422
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			12,217	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 12,217	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - TITLE I FEDERAL STIMULUS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Federal sources	\$ -	\$ 358,755	\$ -	\$ (358,755)
Expenditures:				
Current:				
Instruction	-	358,755	20,000	338,755
Net change in fund balance	\$ -	\$ -	\$ (20,000)	\$ (20,000)
Fund balance, July 1, 2008	-	-	-	-
Fund balance, June 30, 2009	\$ -	\$ -	\$ (20,000)	\$ (20,000)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(20,000)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (20,000)	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - SCHOOL IMPROVEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2008	-	-	8,798	8,798
Fund balance, June 30, 2009	\$ -	\$ -	\$ 8,798	\$ 8,798
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - LIBRARY BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2008	-	-	(1,126)	(1,126)
Fund balance, June 30, 2009	\$ -	\$ -	\$ (1,126)	\$ (1,126)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - TEACHER MENTORING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 3,000	\$ 16,040	\$ 13,040	\$ (3,000)
Expenditures:				
Current:				
Instruction	3,000	16,040	7,295	8,745
Net change in fund balance	\$ -	\$ -	\$ 5,745	\$ 5,745
Fund balance, July 1, 2008	-	-	2,322	2,322
Fund balance, June 30, 2009	\$ -	\$ -	\$ 8,067	\$ 8,067
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 5,745	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 5,745	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - ELEMENTARY BREAKFAST
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 7,793	\$ 892	\$ (6,901)
Expenditures:				
Current:				
Instruction	-	7,793	7,793	-
Net change in fund balance	\$ -	\$ -	\$ (6,901)	\$ (6,901)
Fund balance, July 1, 2008	-	-	7,938	7,938
Fund balance, June 30, 2009	\$ -	\$ -	\$ 1,037	\$ 1,037
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			(6,901)	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (6,901)	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - INCENTIVES FOR SCHOOL IMPROVEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 19,500	\$ 19,500	\$ -	\$ (19,500)
Expenditures:				
Current:				
Instruction	19,500	19,500	6,321	13,179
Net change in fund balance	\$ -	\$ -	\$ (6,321)	\$ (6,321)
Fund balance, July 1, 2008	-	-	17,331	17,331
Fund balance, June 30, 2009	\$ -	\$ -	\$ 11,010	\$ 11,010
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (6,321)	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ (6,321)	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - SB301 GO BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services - Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2008	-	-	(6,018)	(6,018)
Fund balance, June 30, 2009	\$ -	\$ -	\$ (6,018)	\$ (6,018)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - TECHNOLOGY ADEQUACY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 413,859	\$ 321,137	\$ 371,071	\$ 49,934
Expenditures:				
Current:				
Support services - Instruction	413,859	321,137	321,137	-
Net change in fund balance	\$ -	\$ -	\$ 49,934	\$ 49,934
Fund balance, July 1, 2008	-	-	(63,033)	(63,033)
Fund balance, June 30, 2009	\$ -	\$ -	\$ (13,099)	\$ (13,099)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 18,888	
Revenue accruals (net)			34,699	
Expenditure accruals (net)			(3,653)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 49,934	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - CHILD HEALTH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support services - Instruction	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2008	-	-	1	1
Fund balance, June 30, 2009	\$ -	\$ -	\$ 1	\$ 1
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ -	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - GEAR UP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ 8,119	\$ -	\$ (8,119)
Expenditures:				
Current:				
Instruction	-	8,119	2,904	5,215
Net change in fund balance	\$ -	\$ -	\$ (2,904)	\$ (2,904)
Fund balance, July 1, 2008	-	-	4,637	4,637
Fund balance, June 30, 2009	\$ -	\$ -	\$ 1,733	\$ 1,733
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (4,105)	
Revenue accruals (net)			-	
Expenditure accruals (net)			1,201	
Net change in fund balance, NON-GAAP budgetary basis			\$ (2,904)	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - SENATE BILL 9
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ 239,442	\$ 239,442	\$ 72,648	\$ (166,794)
Local sources	<u>96,005</u>	<u>96,005</u>	<u>115,638</u>	<u>19,633</u>
Total revenues	<u>\$ 335,447</u>	<u>\$ 335,447</u>	<u>\$ 188,286</u>	<u>\$ (147,161)</u>
Expenditures:				
Current:				
Operation of plant	\$ 2,854	\$ 180,287	\$ 122,170	\$ 58,117
Capital outlay	<u>-</u>	<u>62,863</u>	<u>54,340</u>	<u>8,523</u>
Total expenditures	<u>\$ 2,854</u>	<u>\$ 243,150</u>	<u>\$ 176,510</u>	<u>\$ 66,640</u>
Net change in fund balance	\$ 332,593	\$ 92,297	\$ 11,776	\$ (80,521)
Fund balance, July 1, 2008	<u>3,728</u>	<u>3,728</u>	<u>3,728</u>	<u>-</u>
Fund balance, June 30, 2009	<u><u>\$ 336,321</u></u>	<u><u>\$ 96,025</u></u>	<u><u>\$ 15,504</u></u>	<u><u>\$ (80,521)</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 14,420	
Revenue accruals (net)			(2,644)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 11,776</u></u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - MICROSOFT SETTLEMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ 121,218	\$ 121,218	\$ -
Expenditures:				
Current:				
Support services - Instruction	-	121,218	84,879	36,339
Net change in fund balance	\$ -	\$ -	\$ 36,339	\$ 36,339
Fund balance, July 1, 2008	-	-	-	-
Fund balance, June 30, 2009	\$ -	\$ -	\$ 36,339	\$ 36,339
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 36,339	
Expenditure accruals (net)			(80,000)	
Other financing uses (net)			80,000	
Net change in fund balance, NON-GAAP budgetary basis			\$ 36,339	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - MENTORING DIVERSE ABILITIES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 12,500	\$ 8,792	\$ (3,708)
Expenditures:				
Current:				
Support services - Students	-	12,500	8,792	3,708
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2008	-	-	-	-
Fund balance, June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Hatch Valley Public Schools
SPECIAL REVENUE FUND - 2008 LIBRARY BOOK BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
State sources	\$ -	\$ -	\$ 4,226	\$ 4,226
Expenditures:				
Current:				
Support services - Students	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 4,226	\$ 4,226
Fund balance, July 1, 2008	-	-	-	-
Fund balance, June 30, 2009	\$ -	\$ -	\$ 4,226	\$ 4,226
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 4,226	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			\$ 4,226	

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

Hatch Valley Public Schools
CAPITAL PROJECTS FUND - SPECIAL CAPITAL OUTLAY LOCAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ -	\$ 131,814	\$ 165,419	\$ 33,605
Interest income	12	12	12	-
Total revenues	\$ 12	\$ 131,826	\$ 165,431	\$ 33,605
Expenditures:				
Current:				
Operation of plant	\$ 13,263	\$ 354	\$ -	\$ 354
Capital outlay	-	144,723	144,723	-
Total expenditures	\$ 13,263	\$ 145,077	\$ 144,723	\$ 354
Revenues over (under) expenditure	\$ (13,251)	\$ (13,251)	\$ 20,708	\$ 33,959
Other financing sources (uses):				
Transfer in (out)	-	-	18,103	18,103
Net change in fund balance after other financing sources (uses)	\$ (13,251)	\$ (13,251)	\$ 38,811	\$ 52,062
Fund balance July 1, 2008	126,974	126,974	126,974	-
Fund balance June 30, 2009	\$ 113,723	\$ 113,723	\$ 165,785	\$ 52,062
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				\$ 155,708
Revenue accruals (net)				-
Expenditure accruals (net)				-
Other financing sources (net)				(116,897)
Net change in fund balance, NON-GAAP budgetary basis				\$ 38,811

Hatch Valley Public Schools
CAPITAL PROJECTS FUND - SPECIAL CAPITAL OUTLAY STATE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ 43,623	\$ 42,164	\$ (1,459)
Expenditures:				
Capital outlay	<u>-</u>	<u>43,623</u>	<u>42,164</u>	<u>1,459</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, July 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Hatch Valley Public Schools
CAPITAL PROJECTS FUND - PSCOC
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ 712,225	\$ 712,225	\$ -	\$ (712,225)
Local sources				-
Total revenues	<u>\$ 712,225</u>	<u>\$ 712,225</u>	<u>\$ -</u>	<u>\$ (712,225)</u>
Expenditures:				
Current:				
Operation of plant	\$ -	\$ 6,539	\$ 3,329	\$ 3,210
Capital outlay	<u>747,777</u>	<u>741,238</u>	<u>32,066</u>	<u>709,172</u>
Total expenditures	<u>\$ 747,777</u>	<u>\$ 747,777</u>	<u>\$ 35,395</u>	<u>\$ 712,382</u>
Net change in fund balance	\$ (35,552)	\$ (35,552)	\$ (35,395)	\$ 157
Fund balance, July 1, 2008	<u>35,552</u>	<u>35,552</u>	<u>35,552</u>	<u>-</u>
Fund balance, June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 157</u></u>	<u><u>\$ 157</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (35,395)	
Revenue accruals (net)				
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (35,395)</u></u>	

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

Hatch Valley Public Schools
CAPITAL PROJECTS FUND - BOND BUILDING
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30,2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
State sources	\$ -	\$ -	\$ -	\$ -
Interest income	297	297	341	44
Total revenues	<u>\$ 297</u>	<u>\$ 297</u>	<u>\$ 341</u>	<u>\$ 44</u>
Expenditures:				
Current:				
Operation of plant	\$ 24,226	\$ 103,822	\$ 11,647	\$ 92,175
Capital outlay	600,000	1,450,000	599,069	850,931
Total expenditures	<u>\$ 624,226</u>	<u>\$ 1,553,822</u>	<u>\$ 610,716</u>	<u>\$ 943,106</u>
Revenues over (under) expenditures	\$ (623,929)	\$ (1,553,525)	\$ (610,375)	\$ 943,150
Other financing sources (uses):				
Bond proceeds	950,000	950,000	963,413	13,413
Net change in fund balance after other financing sources (uses)	\$ 326,071	\$ (603,525)	\$ 353,038	\$ 956,563
Fund balance July 1, 2008	<u>603,822</u>	<u>603,822</u>	<u>603,822</u>	<u>-</u>
Fund balance June 30, 2009	<u>\$ 929,893</u>	<u>\$ 297</u>	<u>\$ 956,860</u>	<u>\$ 956,563</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis				\$ 1,284,676
Revenue accruals (net)				(13,415)
Expenditure accruals (net)				(544,156)
Other financing sources (net)				<u>(374,067)</u>
Net change in fund balance, NON-GAAP budgetary basis				<u>\$ 353,038</u>

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

Hatch Valley Public Schools
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local sources	\$ 611,418	\$ 645,993	\$ 647,285	\$ 1,292
Earnings	300	300	371	71
Total revenues	<u>\$ 611,718</u>	<u>\$ 646,293</u>	<u>\$ 647,656</u>	<u>\$ 1,363</u>
Expenditures:				
Current:				
General administration	\$ 6,188	\$ 6,188	\$ 6,472	\$ (284)
Principle	515,000	515,000	515,000	-
Interest	100,306	100,306	100,305	1
Reserve	585,830	620,405		620,405
Total expenditures	<u>\$ 1,207,324</u>	<u>\$ 1,241,899</u>	<u>\$ 621,777</u>	<u>\$ 620,122</u>
Net change in fund balance	\$ (595,606)	\$ (595,606)	\$ 25,879	\$ 621,485
Fund balance, July 1, 2008	<u>621,593</u>	<u>621,593</u>	<u>621,593</u>	<u>-</u>
Fund balance, June 30, 2009	<u>\$ 25,987</u>	<u>\$ 25,987</u>	<u>\$ 647,472</u>	<u>\$ 621,485</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 27,464	
Revenue accruals (net)			(1,585)	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 25,879</u>	

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

Hatch Valley Public Schools
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
June 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2009</u>
Assets				
Cash and investments:				
Hatch Elementary School	\$ 1,256	\$ 19,429	\$ 12,668	\$ 8,017
Garfield Elementary	2,989	22,043	23,650	1,382
Rio Grande	13,968	17,630	23,225	8,373
Hatch Middle School	7,188	10,444	12,145	5,487
Hatch High School	<u>32,878</u>	<u>54,531</u>	<u>44,700</u>	<u>42,709</u>
 Total Assets	 <u>\$ 58,279</u>	 <u>\$ 124,077</u>	 <u>\$ 116,388</u>	 <u>\$ 65,968</u>
 Liabilities				
Deposits held for others:				
Hatch Elementary School	\$ 1,256	\$ 19,429	\$ 12,668	\$ 8,017
Garfield Elementary	2,989	22,043	23,650	1,382
Rio Grande	13,968	17,630	23,225	8,373
Hatch Middle School	7,188	10,444	12,145	5,487
Hatch High School	<u>32,878</u>	<u>54,531</u>	<u>44,700</u>	<u>42,709</u>
 Total Liabilities	 <u>\$ 58,279</u>	 <u>\$ 124,077</u>	 <u>\$ 116,388</u>	 <u>\$ 65,968</u>

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

Hatch Valley Public Schools
SCHEDULE OF DEPOSITORY COLLATERAL
June 30, 2009

	<u>Bank of the West</u>	<u>Wells Fargo</u>	<u>Total</u>
Checking and CD's	\$ 588,890	\$ 563,257	\$ 1,152,147
Repurchase Deposits	<u>2,316,905</u>	<u>-</u>	<u>2,316,905</u>
Total on deposit	\$ 2,905,795	\$ 563,257	\$ 3,469,052
Less: FDIC insurance	<u>(250,000)</u>	<u>(250,000)</u>	<u>(500,000)</u>
Total uninsured public funds	<u>\$ 2,655,795</u>	<u>\$ 313,257</u>	<u>\$ 2,969,052</u>
102% collateralization requirement	\$ 2,363,243	\$ -	\$ 2,363,243
50% collateralization requirement (Section 6-10-17 NMSA)	<u>169,445</u>	<u>156,629</u>	<u>326,074</u>
Total collateralization requirement	<u>\$ 2,532,688</u>	<u>\$ 156,629</u>	<u>\$ 2,689,317</u>
Pledged Securities:			
FNCL 31409YM87 5-1-36		\$ 314,089	\$ 314,089
FNCL 3128X6NS1 10-15-12	844,263		844,263
FNCL 3128X6NS1 10-15-12	981,151		981,151
FNCL 3128X6NS1 10-15-12	132,454		132,454
FNCL 3128X6NS1 10-15-12	152,184		152,184
FNCL 3128X6NS1 10-15-12	93,098		93,098
FNCL 3128X6NS1 10-15-12	160,093		160,093
FNMA 31404EJW7 2-1-19	55,538		55,538
UNMHG 914684CK9 8-1-13	165,014		165,014
FNMA 31409EH95 4-1-36	165,454		165,454
STHWT 843789CZ9 8-1-09	120,398		120,398
FHLMC 3128G2BT0 4-1-28	<u>2,044</u>		<u>2,044</u>
Total pledged securities	<u>\$ 2,871,691</u>	<u>\$ 314,089</u>	<u>\$ 3,185,780</u>
Pledged securities over (under) requirement	<u>\$ 339,003</u>	<u>\$ 157,461</u>	<u>\$ 496,463</u>

Securities pledged for Wells Fargo are held by the Wells Fargo trust department in Minneapolis, Minnesota. Bank of the West pledged securities are held by the Federal Home Loan Bank in Dallas, TX. Safekeeping receipts are held by the District.

Hatch Valley Public Schools
SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS
 June 30, 2009

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Wells Fargo</u>			
Debt Service	Checking	\$ 397,472	\$ 397,472
FEMA	Checking	165,785	165,785
Total Wells Fargo		<u>\$ 563,257</u>	<u>\$ 563,257</u>
<u>Bank of the West</u>			
Operational	Checking	\$ 216,132	\$ 411,888
Cafeteria	Checking	176,953	175,520
Capital Projects	Checking	857,709	972,521
Activities	Checking	65,968	65,968
Insurance	Checking	6,988	6,988
Payroll	Checking	991,913	75,143
Budgetary	Checking	159,200	1,821
Federal	Checking	429,830	128,469
Athletics	Checking	1,102	1,102
Total Bank of the West		<u>\$ 2,905,795</u>	<u>\$ 1,839,420</u>
Cash on deposit with paying agent			<u>384</u>
Total cash and investments			<u><u>\$ 2,403,061</u></u>

Hatch Valley Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2009

	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Food Services</u>	<u>Athletics</u>
Total cash and investments as of July 1, 2008	\$ 67,951	\$ 14,753	\$ 32,878	\$ 218,758	\$ 27
Add: Current year receipts	10,659,299	842,289	137,514	795,969	35,737
Prior year warrants voided					
Less: Current year expenditures	(10,408,020)	(857,042)	(142,253)	(839,207)	(35,300)
Chargebacks/(Overdrafts)					
Receivables/payables	(275)				638
Transfers	(135,000)				
Total cash and investments as of June 30, 2009	<u>\$ 183,955</u>	<u>\$ -</u>	<u>\$ 28,139</u>	<u>\$ 175,520</u>	<u>\$ 1,102</u>

Hatch Valley Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (continued)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2009

	<u>Bond Building</u>	<u>Local Grants</u>	<u>Public School Capital Outlay</u>	<u>Special Capital Outlay Local</u>	<u>Special Capital Outlay State</u>
Total cash and investments as of July 1, 2008	\$ 603,822	\$ -	\$ 35,552	\$ 126,975	\$ -
Add: Current year receipts	963,754	121,218		165,431	42,164
Prior year warrants voided					
Less: Current year expenditures	(610,716)	(84,879)	(35,395)	(9,723)	(42,164)
Abatements					
Receivables/payables				(251,898)	
Transfers				135,000	
Total cash and investments as of June 30, 2009	<u>\$ 956,860</u>	<u>\$ 36,339</u>	<u>\$ 157</u>	<u>\$ 165,785</u>	<u>\$ -</u>

Hatch Valley Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2009

	<u>Teacherage</u>	<u>Federal Flowthrough</u>	<u>Federal Direct</u>	<u>State Flowthrough</u>	<u>State Direct</u>
Total cash and investments as of July 1, 2008	\$ -	\$ 156,946	\$ (35,788)	\$ 37,349	\$ 5,051
Add: Current year receipts	4,840	2,058,724	590,586	414,999	5,980
Prior year warrants voided					
Less: Current year expenditures	(1,275)	(1,815,900)	(580,531)	(414,330)	(12,109)
Abatements					
Receivables/payables		(295,032)	(536)	6,902	
Transfers					
Total cash and investments as of June 30, 2009	<u>\$ 3,565</u>	<u>\$ 104,738</u>	<u>\$ (26,269)</u>	<u>\$ 44,920</u>	<u>\$ (1,078)</u>

Hatch Valley Public Schools
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS (concluded)
ALL FUNDS BY SCHOOL DISTRICT CLASSIFICATION
For The Fiscal Year Ended June 30, 2009

	<u>SB-9</u>	<u>Debt Service</u>	<u>Agency</u>	<u>Total</u>
Total cash and investments as of July 1, 2008	\$ 3,729	\$ 621,595	\$ 58,279	\$ 1,947,877
Add: Current year receipts	188,286	647,656	124,077	17,798,523
Prior year warrants voided				-
Less: Current year expenditures	(176,511)	(621,779)	(116,388)	(16,803,522)
Abatements				-
Receivables/payables				(540,201)
Transfers				-
Total cash and investments as of June 30, 2009	<u>\$ 15,504</u>	<u>\$ 647,472</u>	<u>\$ 65,968</u>	<u>\$ 2,402,677</u>

Hatch Valley Public Schools
SCHEDULE OF JOINT POWERS AGREEMENTS
June 30, 2007

Participants-	Hatch Valley Public Schools and the Southwest Regional Education Center # 10
Responsible party for operations-	The District as well as the Southwest Regional Education Center # 10
Description-	Participants agree to work together to establish and maintain cooperative programs of educational services under various federal and state authorizing statutes
Beginning and ending dates-	To be renewed each fiscal year
Total estimated amount of project and amount applicable to agency-	Varies year to year and is based upon program awards
Amount agency contributed in current fiscal year-	Based upon programs awarded
Audit responsibility-	Southwest Regional Education Center # 10
Name of agency where revenues and expenditures are reported-	Southwest Regional Education Center # 10

Hatch Valley Public Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2009

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed through Southwest Regional Education Center #10:			
Title I Grants to LEA's	84.010	24.101	\$ 1,029,384
Special Education - Grants to States	84.027	24.106	266,530
School Improvement Recovery Act	84.388	24.124	41,324
Special Education - Preschool Grants	84.173	24.109	16,089
Education of the Homeless	84.196	24.113	1,648
Title I Grants to LEA's, Recovery Act	84.389	24.201	27,787
English Language Acquisition	84.365	24.153	22,051
Teacher Quality State Grants	84.367	24.154	128,100
Safe and Drug-Free Schools and Communities	84.186	24.157	13,504
Rural Education	84.358	24.160	39,687
Technology Literacy Challenge Funds	84.318	24.149	<u>234,218</u>
Total U.S. Department of Education			<u>\$ 1,820,322</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through N.M. Department of Education:			
National School Lunch Program	10.555	N/A	\$ 488,998
School Breakfast Program	10.553	N/A	257,512
Fresh Fruits and Vegetables Program	10.582	24.118	23,624
Passed through N.M. Department of Human Svc's:			
Emergency Food Assistance Program	10.569	N/A	44,569
Passed through N.M. Department of Children, Youth & Families:			
Summer Food Service Program For Children	10.559	3105	<u>31,414</u>
Total U.S. Department of Agriculture			<u>\$ 846,117</u>

Hatch Valley Public Schools
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(concluded)
 For The Fiscal Year Ended June 30, 2009

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Direct:			
Head Start	93.600	N/A	\$ 491,675
Childcare and Development Block Grant	93.575	N/A	32,304
Passed through N.M. Dept. of Human Services:			
Medical Assistance Program	93.778	N/A	<u>51,878</u>
Total U.S. Department of Health and Human Services			<u>\$ 575,857</u>
Total expenditures of federal awards			<u><u>\$ 3,242,296</u></u>

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

Hatch Valley Public Schools
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2009

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Hatch Valley Public Schools and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, 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.

Note 2 Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. The District received \$44,569 in food commodities during the 2008-2009 fiscal year.

Note 3 The District had the following insurance coverages during the year ended June 30, 2009:

Workers compensation	\$ 1,050,000
Property	500,000,000
Liability	1,000,000
Auto	10,000,000

Hatch Valley Public Schools
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2009

Findings – Financial Statement Audit	<u>Current Status</u>
08-1 Contact awarded without benefit of bid process	Resolved
08-2 Bank accounts not reconciled	Partially Repeated
08-3 Agency receipts not deposited timely to cash in the bank	Resolved
08-4 Gross receipts tax paid on goods purchased	Resolved
08-5 Expenditures incurred in excess of budgetary authority.	Repeated

Findings and Questioned Costs – Major Federal Award programs

None

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LINDA STONE MCGEE, C.P.A.
KAY STONE, C.P.A.
JARHOD MASON, C.P.A.
KELLEY WYATT, C.P.A.

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

Hector H. Balderas, State Auditor
and
Board of Education
Hatch Valley Public Schools
Hatch, New Mexico

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hatch Valley Public Schools as of and for the year ended June 30, 2009, which collectively comprise Hatch Valley Public School's basic financial statements and have issued our report thereon dated October 27, 2009. We have also audited the financial statements of each of the District's non-major governmental funds presented as other supplementary information as of and for the year ended June 30, 2009 and have issued our report thereon dated October 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Hatch Valley Public School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hatch Valley Public School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Hatch Valley Public School's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Hatch Valley Public School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is a more than a remote likelihood that a misstatement of Hatch Valley Public School's financial statements that is more than inconsequential will not be prevented or detected by Hatch Valley Public School's internal control.

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

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

Compliance and Other Matters

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

We noted certain matters that are required to be reported under *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16 and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 09-1, 09-2, 09-3, 08-2 and 08-5.

Hatch Valley Public School's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Hatch Valley Public School's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Education, management, others within the organization, the New Mexico State Auditor, the New Mexico Legislature, and 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.

Stone, McGee & Co., CPAs

October 27, 2009

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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**

Hector H. Balderas, State Auditor
and
Board of Education
Hatch Valley Public Schools
Hatch, New Mexico

Compliance

We have audited the compliance of the Hatch Valley Public Schools 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 Hatch Valley Public School'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 Hatch Valley Public School's management. Our responsibility is to express an opinion on the Hatch Valley Public School's compliance based on our audit.

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

In our opinion, Hatch Valley Public Schools complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Hatch Valley Public Schools is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Hatch Valley Public School's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Hatch Valley Public School's internal control over compliance.

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 a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is a 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.

A material weakness is a significant deficiency, or a 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.

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

This report is intended solely for the information and use of management, the Board of Education, others within the organization, the New Mexico State Auditor, the New Mexico Legislature, and 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.

Stone, McGee & Co., CPAs

October 27, 2009

Hatch Valley Public Schools
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2009

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Hatch Valley Public Schools.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Bases on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Hatch Valley Public Schools, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies related to the audit of the major federal award programs are reported in the *Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for Hatch Valley Public Schools expresses an unqualified opinion on all major programs.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 were noted during the audit.
7. The programs tested as major programs included: Title I Grants to Lea's. CFDA No. 84.010.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Hatch Valley Public Schools qualified as a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

OTHER INSTANCES OF NONCOMPLIANCE

09-1 Agency Receipts

Condition – Trust fund receipts at one school within the District were not receipted with sequentially numbered receipts, nor were records of deposits or validated deposit slips maintained

Criteria – Sound accounting controls and the NMPED Manual of Procedures requires that agency fund cash be receipted with sequentially numbered receipts, and that a record of deposits and validated deposit slips be maintained.

Effect – There is an increased likelihood of loss of the cash receipts, as well as a violation of mandated procedures.

Cause – The employee charged with maintaining agency receipt records was unaware of the District's procedures relating to the acceptance of agency receipts.

Recommendation – We recommend that the District hold annual training sessions at the beginning of each school year to instruct those employees charged with handling these agency receipts in the proper receipting and depositing techniques.

Agency Response – The recommendation will be adopted, and the employee in question has already had instructions in deposit procedures provided to her.

08-5 Budgetary Controls

Condition – The District incurred expenditures in excess of budgetary authority of \$41,700 in the Capital Outlay function of the Cafeteria Fund, \$3,816 in the Support Services Instruction function of the Enhancing Education Through Technology Fund, and \$284 in the General Administration function of the Debt Service Fund.

Criteria – Sections 6-3-1 through 6-3-25 NMSA 1978 require, in part, that expenditures not exceed budgetary authority.

Effect – The internal controls established by adherence to budgets has been compromised, and excess spending could result. In addition, New Mexico statutes have been violated.

Cause – The District did not request the budget adjustments at year end to alleviate these budget overruns.

Recommendation – We recommend that the District adhere to their policy of reviewing year end expenditures and requesting budget adjustments where necessary.

Agency Response – The policy is currently being followed, and these were unusual circumstances which were unforeseen and occurred close to year-end. We will continue to review expenditures at year end for the necessary budget adjustments.

08-2 Cash Balances

Condition – The District has deposited funds into the bank without posting them to the general ledger.

Criteria – Sound internal control and the New Mexico Public Education Department's *Manual of Procedures* requires that general ledger cash amounts be reconciled to bank accounts on a monthly basis.

Effect – The cash balance reflected on the District's general ledger is not the same as reconciled cash, making budget management difficult, and well as violating the PED mandated procedures.

Cause – The District has received funds by wire transfer which are not identifiable, and PED officials were, at times, unable to provide the necessary information. Thus the District has not been able to post such wire transfers to general ledger accounts.

Recommendation – We recommend that the District establish a line item in the operational account to post unidentified transactions. Periodically, the District would review this account and make the appropriate adjusting journal entries. At all times, general ledger amounts would then reconcile to cash in bank.

Agency Response – The District believes it now has a means of identifying deposits. However, in the event that this procedure fails, we will consider adopting the recommendation.

09-2 Purchasing Procedures

Condition – In a test of 133 expenditure vouchers, we noted 54 instances where the purchase order was either not approved, or was issued after the invoice date.

Criteria – Sound budgetary controls and Sections 13-1-1 through 13-1-199 NMSA 1798 require that purchases be authorized by the appropriate personnel prior to placing the order for goods or services, and that vouchers be approved for payment prior to cash disbursement.

Effect – The controls established by budgetary management and managerial authorization for purchasing have been compromised, as well as violating New Mexico statutes.

Cause – The District has not designated central purchasing personnel which insure that purchase orders are obtained prior to ordering goods or services.

Recommendation – We recommend that upper management maintain a more active role in purchase approval, and that District personnel be instructed that purchase orders from a central purchasing office are necessary prior to placing an order for goods or services.

Agency Response – The Superintendent will take a more active role in the purchasing function, and District personnel will be reminded of the necessity to use purchase orders.

09-3 Use of Restricted Revenues

Condition – The District has made temporary loans from the Debt Service Fund to the General Fund to finance operations.

Criteria – The bond ordinance creating this debt service account requires that the pledged revenues, which are property taxes, be maintained in a debt service account, and be used only for payment of principal and interest on debt.

Effect – There is an increased likelihood that the District might not be able to meet debt service sinking requirements, and violates the bond ordinance approved by voters of the District.

Cause – The District was unable to obtain its reimbursements under federal programs from the Department of Finance and Administration and/or the Public Education Department in a timely fashion, causing the District to make these temporary loans to fund operations until the reimbursements could be received.

Recommendation – We recommend that the District pursue other avenues of funding when the federal reimbursements are not forthcoming, such as emergency loans from the Public Education Department.

Agency Response – The District had no choice in this matter. Payroll obligations would not have been met, and the District would not have been able to continue in operation. The temporary loans have been repaid subsequent to June 30, 2009, and federal reimbursements will hopefully be more timely in the future.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None

OTHER – FINANCIAL STATEMENT PREPARATION

The financial statements were prepared by Stone, McGee & Co., C.P.A.'s.

EXIT CONFERENCE

The contents of this report were discussed October 7, 2009. Present at this exit conference were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
David Franzoy	Board President	Hatch Valley Public Schools
Bill Coker	Superintendent	Hatch Valley Public Schools
Rachel Altuna	Business Manager	Hatch Valley Public Schools
Linda Hale	Title I Coordinator	Hatch Valley Public Schools
Mike Stone	Shareholder	Stone, McGee & Co., CPA's
Kay Stone	Shareholder	Stone, McGee & Co., CPA's