

**STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
AUDITED FINANCIAL STATEMENTS AND  
OTHER FINANCIAL INFORMATION  
JUNE 30, 2010**

**Dan Austin CPA, PC  
Certified Public Accountant**

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HONDO VALLEY PUBLIC SCHOOLS  
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# **INTRODUCTORY SECTION**

STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
OFFICIAL ROSTER  
June 30, 2010

**BOARD OF EDUCATION**

Corinne Prudencio	President
Joe Torrez	Vice-President
James Cooper	Secretary
Godfrey Gomez	Member
Dennis Nosker	Member

**SCHOOL OFFICIALS**

Andrea Nieto	Superintendent
Mary Prudencio	Business Manager

## **FINANCIAL SECTION**



**Dan Austin CPA, PC  
700 Mechem Drive Ste 15  
Ruidoso, NM 88345**

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**Independent Auditors' Report**

Members of the Board of Education  
Hondo Valley Public Schools and  
Hector H. Balderas  
New Mexico State Auditor

We have audited the accompanying basic financial statements of the governmental activities, each major fund, the general fund and major special revenue funds, budgetary comparisons, and the aggregate remaining fund information of the Hondo Valley Public Schools, State of New Mexico (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, the respective budgetary comparisons for the nonmajor governmental funds, the bond building fund, and debts service fund presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Hondo Valley Public School's management. Our responsibility is to express opinions on these financial statements based on our audit.

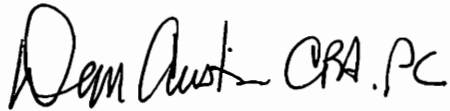
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, general fund and major special revenue, and the aggregate remaining fund information of the Hondo Valley Public Schools, State of New Mexico, as of June 30, 2010, and the respective changes in financial position, where applicable, thereof, and the respective budgetary comparisons for the general fund and major special revenue funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Hondo Valley Public Schools, State of New Mexico, as of June 30, 2010, and the respective changes in financial position thereof, and the budgetary comparisons for the respective nonmajor governmental funds, the capital project funds and the debt service fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2010, on our consideration of the Hondo Valley Public School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages ten through twelve is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Statement of Changes in Account Balances-Agency Fund, Schedule of Deposits and Security Requirements, and the Bank Reconciliation are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Statement of Changes in Account Balances-Agency Fund, Schedule of Deposits and Security Requirements and Bank Reconciliation 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.

A handwritten signature in black ink that reads "Dawn Aust CPA, PC". The signature is written in a cursive, flowing style.

November 11, 2010

**STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010**

As management of the Hondo Valley Public Schools, we offer readers of the Hondo Valley Public Schools' financial statements this narrative overview and analysis of the financial activities of the Hondo Valley Public Schools for the fiscal year ended June 30, 2010. All amounts, unless otherwise indicated, are expressed in dollars.

#### **USING THIS ANNUAL REPORT**

The financial report includes the sections described below.

#### **Management's Discussion and Analysis**

This section includes information on the use of the annual report, and management's analysis of the financial position and results of operations for the District.

#### **District-Wide Financial Statements**

The District-Wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private sector businesses. The statement of net assets includes all of the Districts assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The financial statements report the District's net assets and how they have changed.

#### **Fund Financial Statements**

The Fund Financial Statements provide a more detailed look at the District's significant funds. The funds present sources and uses of liquid resources. This is the manner in which the financial plan (the budget) is typically developed. Funds are established for various purposes and the financial statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith.

#### **Budgetary Comparisons**

GASB 34 requires budgetary comparison schedules for the general fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedules should present both the original and the final appropriated budgets for the reporting period as well as the actual inflows, outflows and balances, stated on the government's budgetary basis. As required by the Office of the State Auditor under 2NMAC2.2, the budgetary comparison statement is presented. This information is provided at the approved budget level to demonstrate compliance with legal requirements.

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 through 42 of this report.

#### **DISTRICT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Assets:** Below is a summary of the District's net assets for the fiscal years ending June 30, 2010 and 2006. The most significant change to assets, liabilities and net assets as compared to the prior year was the funds provided by the state for capital outlay projects. See page 13 for a more detailed look at the Statement of Net Assets.

**Hondo Valley Public Schools  
Net Assets  
Government Activities**

	<u>2010</u>	<u>2009</u>
Current Assets	\$ 511,648	\$ 749,032
Capital Assets	<u>4,585,895</u>	<u>4,467,336</u>
<b>Total Assets</b>	<b>\$ 5,097,543</b>	<b>\$ 5,216,368</b>
Current Liabilities	\$ 128,352	\$ 151,091
Long-Term Liabilities	<u>1,218,374</u>	<u>1,104,863</u>
<b>Total Liabilities</b>	<b>\$ 1,346,726</b>	<b>\$ 1,255,954</b>
<b>Net Assets:</b>		
Invested in Capital Assets	\$ 3,367,416	\$ 3,187,336
Restricted	198,206	594,573
Unrestricted	<u>185,165</u>	<u>178,505</u>
<b>Total Net Assets</b>	<b>\$ 3,750,787</b>	<b>\$ 3,960,414</b>

**Statement of Activities:** The following represents the revenues and expenses for fiscal years June 30, 2010 and 2009. See page 14 for a more detailed look at the Statement of Activities.

**Hondo Valley Public Schools  
Changes in Net Assets**

	<u>2010</u>	<u>2009</u>
<b>Revenues:</b>		
Operating Grants	\$ 2,616,054	\$ 2,596,903
Capital Grants	-	19,468
Charges for Services	14,697	16,670
Property Taxes	272,989	211,165
Other	<u>395</u>	<u>34,794</u>
<b>Total Revenues</b>	<b>2,904,135</b>	<b>2,879,000</b>
<b>Expenses</b>	<b><u>3,113,762</u></b>	<b><u>2,853,298</u></b>
<b>Increase in Net Assets</b>	<b>(209,627)</b>	<b>25,702</b>
Net Assets-Beginning	3,960,414	3,934,712
Other Adjustments	-	-
<b>Net Assets-Ending</b>	<b>\$ 3,750,787</b>	<b>\$ 3,960,414</b>

**District-Wide Financial Analysis**

The District's overall financial condition remained static for the fiscal year as evidenced by the minimal decrease in District-Wide Net Assets of \$209,627. Significant changes in the District's assets and liabilities were the decrease in cash as a result of the expenditure of bond issuance proceeds for the improvement of the District's physical facilities.

Total revenues increased by \$25,135 while expenses increased \$260,464 resulting in a decrease in net assets for the fiscal year of \$209,627 as compared with an increase in the prior year.

**FUND FINANCIAL ANALYSIS**

**Governmental Funds:** The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. As of year-end, the governmental funds reported a fund balance of \$509,650. Of this amount, \$110,815 is reserved for certain expenditures; see the balance sheet on page 15 for further detail.

The fund balance of governmental funds decreased from the prior year by \$229,989. The significant elements of this decrease included \$478,970 in outlays from the Capital Outlay Bond Building Fund, and a decrease of \$64,274 in the SB-9 Fund.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no significant differences between the general fund original budget and the general fund final amended budget. During the year, however, revenues were less than budgetary estimates by \$2,978 and expenditures were less than budgetary estimates in the amount of \$174,925. The District's general fund operating budget for the year ended June 30, 2010 was 10 percent less than the previous year's budget due to decrease in State funding of School operations.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets:** The District's investment in capital assets for its governmental activities as of June 30, 2010 amounts to \$4,585,895 (net of accumulated depreciation). This investment in capital assets consists of land, buildings and equipment. During the current year, the District acquired miscellaneous equipment and made improvements various school buildings.

Additional information on the District's capital assets can be found in Note 4B on page 35 of this report.

**Long-Term Debt:** At the end of the current fiscal year, the District had total long-term debt outstanding of \$1,405,000. The portion due within one year of \$105,000. .

The District's total long-term debt increased by \$250,000 due to the issuance of bonds in the current year.

Additional information on the District's long-term debt can be found in Note 3B on page 32 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The current economic indicators remain unsettled with New Mexico Department of Education funding expected to be less than the prior year. Possible increases in Federal funding may offset anticipated decreases in state funding.

The information included in this discussion is considered currently known facts and the reader should be aware that facts and circumstances change, which may affect the outcome of future financial results.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Hondo Valley Public Schools' finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Hondo Valley Public Schools, PO Box 55, Hondo, NM 88336.

STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
STATEMENT OF NET ASSETS  
June 30, 2010

	<u>Primary Governmental Activities</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ 431,654
Taxes Receivable	1,968
Grants Receivable	74,614
Inventory	<u>3,382</u>
Total Current Assets	<u>511,618</u>
<b>Noncurrent Assets</b>	
Net Capital Assets	<u>4,585,895</u>
Total Noncurrent Assets	<u>4,585,895</u>
 Total Assets	 <u>\$ 5,097,513</u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ -
Interest Payable	23,352
Current Portion Of Long Term Debt	<u>105,000</u>
Total Current Liabilities	<u>128,352</u>
<b>Noncurrent Liabilities</b>	
General Obligation Bonds Payable	<u>1,218,374</u>
Total Noncurrent Liabilities	<u>1,218,374</u>
 Total Liabilities	 <u>1,346,726</u>
<b>Net Assets</b>	
Invested In Capital Assets	3,367,416
Restricted For:	
Capital Projects	83,235
Debt Service	111,689
Other Purposes	3,282
Unrestricted	<u>185,165</u>
Total Net Assets	<u>3,750,787</u>
 Total Liabilities And Net Assets	 <u>\$ 5,097,513</u>

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

STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2010

	Expenses	Program Revenues		Net Program (Expense)Revenue and Changes In Net Assets
		Charges For Services	Operating Grants And Contributions	
<b>Governmental Activities:</b>				
Direct Instruction	\$ 1,244,053	\$ -	\$ 267,678	\$ - (976,375)
Instructional Support	401,076	-	60,241	- (340,835)
Administration	216,894	-	-	- (216,894)
Business/Support Services	67,323	-	-	- (67,323)
Operation Maintenance Plant	750,485	-	-	- (750,485)
Food Services	127,710	2,069	73,125	- (52,516)
Athletics	13,911	12,628	-	- (1,283)
Pupil Transportation	224,700	-	242,369	- 17,669
Interest On Long-Term Debt	67,610	-	-	- (67,610)
<b>Total Primary Government</b>	<b>\$ 3,113,762</b>	<b>\$ 14,697</b>	<b>\$ 643,413</b>	<b>\$ - (2,455,652)</b>

**General Revenues:**

Property Taxes	
Levied for General Purposes	13,565
Levied for Debt Service	205,139
Levied for Capital Projects	54,285
State Aid Not restricted	1,972,641
Investment Income	395
<b>Total General Revenues</b>	<b>2,246,025</b>
Change In Net Assets	(209,627)
Net Assets - Beginning	3,960,414
Net Assets - Ending	<b>\$ 3,750,787</b>

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

STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2010

	Special Revenue		Special Revenue	Capital Outlay	Debt Service	Other		Totals
	General Fund	IASA Title I Fund	SB-9 Fund	Bond Building Fund	Debt Service Fund	Governmental Funds	Governmental Funds	
<b>Assets</b>								
Cash	\$ 189,345	\$ (7,446)	\$ 251	\$ 83,235	\$ 111,689	\$ 54,580	\$ 431,654	
Taxes Receivable	100	-	402	-	1,466	-	1,968	
Grants Receivable	-	24,285	-	-	-	50,329	74,614	
Due From Other Funds	53,969	-	-	-	-	15,000	68,969	
Inventory	-	-	-	-	-	3,382	3,382	
Prepaid Interest	-	-	-	-	-	-	-	
<b>Total Assets</b>	<b>\$ 243,414</b>	<b>\$ 16,839</b>	<b>\$ 653</b>	<b>\$ 83,235</b>	<b>\$ 113,155</b>	<b>\$ 123,291</b>	<b>\$ 580,587</b>	
<b>Liabilities And Fund Balances</b>								
<b>Liabilities</b>								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Deferred Revenue	100	-	402	-	1,466	-	1,968	
Due To Other Funds	15,000	-	-	-	-	53,969	68,969	
<b>Total Liabilities</b>	<b>15,100</b>	<b>-</b>	<b>402</b>	<b>-</b>	<b>1,466</b>	<b>53,969</b>	<b>70,937</b>	
<b>Fund Balances</b>								
Reserved For Inventory	-	-	-	-	-	3,382	3,382	
Reserved For Capital Improvements	-	-	-	83,235	-	21,580	104,815	
Reserved For Debt Service	-	-	-	-	111,689	-	111,689	
Unreserved, reported in -								
General Fund	228,314	-	-	-	-	-	228,314	
Special Revenue Funds	-	16,839	251	-	-	44,360	61,450	
<b>Total Fund Balances</b>	<b>228,314</b>	<b>16,839</b>	<b>251</b>	<b>83,235</b>	<b>111,689</b>	<b>69,322</b>	<b>509,650</b>	
<b>Total Liabilities And Fund Balances</b>	<b>\$ 243,414</b>	<b>\$ 16,839</b>	<b>\$ 653</b>	<b>\$ 83,235</b>	<b>\$ 113,155</b>	<b>\$ 123,291</b>	<b>\$ 580,587</b>	

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



**STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND  
BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
June 30, 2010**

Total Governmental Fund Balance	\$ 509,650
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,585,895
Interest payable on GO bond debt is not recorded as liability on the governmental funds	(7,261)
Deferred revenue on governmental funds is recognized as current income on government wide statements	(14,123)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,323,374)</u>
Net Assets of Governmental Activities	<u>\$ 3,750,787</u>

**The accompanying notes are an integral part of the financial statements.**

STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2010

	General Fund	Special Revenue IASA Title I Fund	Special Revenue SB-9 Fund	Capital Outlay Bond Building Fund	Debt Service Fund	Other Governmental Funds	Totals Governmental Funds
<b>Revenues</b>							
Federal Sources	\$ 15,951	\$ 86,196	\$ -	\$ -	\$ -	\$ 324,631	\$ 426,778
State Sources	2,136,898	-	-	-	-	32,535	2,169,433
Local Sources	24,977	-	54,285	-	205,139	14,743	299,144
Bond Proceeds	-	-	-	250,000	-	-	250,000
Investment Income	91	-	-	284	17	3	395
<b>Total Revenues</b>	<b>2,177,917</b>	<b>86,196</b>	<b>54,285</b>	<b>250,284</b>	<b>205,156</b>	<b>371,912</b>	<b>3,145,750</b>
<b>Expenditures</b>							
<b>Current:</b>							
Direct Instruction	1,010,218	-	-	-	-	233,845	1,244,063
Instructional Support	263,881	86,196	-	-	-	50,999	401,076
Administration	201,074	-	-	-	-	-	201,074
Business/Support Services	65,272	-	-	-	2,051	-	67,323
Operation Maintenance Plant	271,515	-	118,559	-	-	-	390,074
Food Services	58,009	-	-	-	-	69,701	127,710
Athletics	-	-	-	-	-	13,911	13,911
Non-Instructional Support	-	-	-	-	-	-	-
Pupil Transportation	224,700	-	-	-	-	-	224,700
Capital Outlay	-	-	-	478,970	-	-	478,970
Bond Issue Costs	-	-	-	47,188	-	-	47,188
Debt Service:							
Principal	-	-	-	-	125,000	-	125,000
Interest	-	-	-	-	54,650	-	54,650
<b>Total Expenditures</b>	<b>2,094,669</b>	<b>86,196</b>	<b>118,559</b>	<b>526,158</b>	<b>181,701</b>	<b>368,456</b>	<b>3,375,739</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>83,248</b>	<b>-</b>	<b>(64,274)</b>	<b>(275,874)</b>	<b>23,455</b>	<b>3,456</b>	<b>(229,989)</b>
<b>Other Financing Sources (Uses):</b>							
Operating Transfers, Net	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change In Fund Balances</b>	<b>83,248</b>	<b>-</b>	<b>(64,274)</b>	<b>(275,874)</b>	<b>23,455</b>	<b>3,456</b>	<b>(229,989)</b>
<b>Fund Balances (Deficit)</b>							
<b>At Beginning Of Year</b>	<b>145,066</b>	<b>16,839</b>	<b>64,525</b>	<b>359,109</b>	<b>88,234</b>	<b>65,866</b>	<b>739,639</b>
<b>Fund Balances (Deficit) At End Of Year</b>	<b>\$ 228,314</b>	<b>\$ 16,839</b>	<b>\$ 251</b>	<b>\$ 83,235</b>	<b>\$ 111,689</b>	<b>\$ 69,322</b>	<b>\$ 509,650</b>

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

**STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES  
June 30, 2010**

Net Change in Fund Balances - Total Governmental Funds \$ (229,989)

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation was more than the capital outlay in the current period:

	Capital Outlay	\$ 329,399	
	Depreciation	<u>(210,840)</u>	118,559

Deferred revenue on the governmental funds are recognized as current revenue on the government wide statements (7,425)

Amortization of Bond Premiums (5,699)

Bond Proceeds reported in the Government Funds (250,000)

Bond Issuance Costs Reported in the Government Funds 47,188

Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 125,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (7,261)

Change in Net Assets of Governmental Activities \$ (209,627)

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**General Fund**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Federal Sources	\$ 14,044	\$ 14,044	\$ 15,951	\$ 1,907
State Sources	1,980,744	2,142,278	2,136,898	(5,380)
Local Sources	24,573	24,573	24,977	404
Other	-	-	91	91
<b>Total Revenues</b>	<b><u>2,019,361</u></b>	<b><u>2,180,895</u></b>	<b><u>2,177,917</u></b>	<b><u>(2,978)</u></b>
<b>Expenditures:</b>				
Direct Instruction	1,048,195	1,099,588	1,028,409	71,179
Instructional Support	223,563	266,134	245,690	20,444
Administration	219,826	219,826	201,074	18,752
Business Support Services	64,254	66,474	65,272	1,202
Operation Maintenance Plant	282,714	291,214	271,515	19,699
Food Services	68,401	68,401	58,009	10,392
Athletics	-	-	-	-
Non-Instructional Support	-	-	-	-
Pupil Transportation	198,717	257,960	224,700	33,260
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b><u>2,105,670</u></b>	<b><u>2,269,597</u></b>	<b><u>2,094,669</u></b>	<b><u>174,928</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b><u>(86,309)</u></b>	<b><u>(88,702)</u></b>	<b><u>83,248</u></b>	<b><u>171,950</u></b>
<b>Other Financing Sources (Uses)</b>				
Transfers In (Out)	-	-	-	-
<b>Excess (deficiency) of revenues over Expenditures &amp; Other Uses</b>	<b>(86,309)</b>	<b>(88,702)</b>	<b>83,248</b>	<b><u>\$ 171,950</u></b>
<b>Prior Year End Cash</b>	<b><u>156,326</u></b>	<b><u>156,326</u></b>		
<b>End of Year Cash Balance</b>	<b><u>\$ 70,017</u></b>	<b><u>\$ 67,624</u></b>		
<b>Reconciliation to GAAP Basis</b>				
Changes in Textbook Credits			-	
Change in Due from Other Governments			-	
<b>Excess (Deficiency) of revenues over expenditures</b>			<b><u>\$ 83,248</u></b>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-IASA Title I**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Federal Sources	\$ 90,661	\$ 98,475	\$ 101,236	\$ 2,761
Interest Income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>90,661</u>	<u>98,475</u>	<u>101,236</u>	<u>2,761</u>
<b>Expenditures:</b>				
Direct Instruction	-	-	-	-
Instructional Support	90,661	98,475	86,197	12,278
Community Services	-	-	-	-
Total Expenditures	<u>90,661</u>	<u>98,475</u>	<u>86,197</u>	<u>12,278</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>15,039</u>	<u>15,039</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In (Out)	-	-	-	-
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	15,039	<u>\$ 15,039</u>
Cash Balance at beginning of year	<u>(22,484)</u>	<u>22,484</u>		
Cash balance at end of year	<u>\$ (22,484)</u>	<u>\$ 22,484</u>		

**Reconciliation to GAAP Basis**

Change in Due from Other Governments	<u>(15,039)</u>
Excess (Deficiency) of revenues over expenditures	<u>\$ -</u>

**The accompanying notes are an integral part of the financial statements.**

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-SB-9**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
State Sources	\$ 24,474	\$ 38,029	\$ -	\$ (38,029)
Local Sources	49,727	49,727	54,285	4,558
Interest Income	-	-	-	-
<b>Total Revenues</b>	<u>74,201</u>	<u>87,756</u>	<u>54,285</u>	<u>(33,471)</u>
<b>Expenditures:</b>				
Operation Maintenance Plant	128,973	142,528	118,559	23,969
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>128,973</u>	<u>142,528</u>	<u>118,559</u>	<u>23,969</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(54,772)</u>	<u>(54,772)</u>	<u>(64,274)</u>	<u>(9,502)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In (Out)	-	-	-	-
<b>Excess (deficiency) of revenues over Expenditures &amp; Other Uses</b>	(54,772)	(54,772)	(64,274)	<u>\$ (9,502)</u>
<b>Cash Balance at beginning of year</b>	<u>64,525</u>	<u>64,525</u>		
<b>Cash Balance at end of year</b>	<u>\$ 9,753</u>	<u>\$ 9,753</u>		
<b>Reconciliation to GAAP Basis</b>				
			(1,791)	
			<u>1,791</u>	
<b>Excess (Deficiency) of revenues over expenditures</b>			<u>\$ (64,274)</u>	

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

**State of New Mexico  
Hondo Valley Public Schools  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2010**

**ASSETS**

Cash	<u>\$ 42,791</u>
Total Assets	<u>\$ 42,791</u>

**Liabilities**

Liabilities:	
Due to School Groups	<u>\$ 42,791</u>
Total Liabilities	<u>\$ 42,791</u>

**The accompanying notes are an integral part of the financial statements.**

**STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010**

**NOTE 1. FUNCTION OF THE ENTITY**

The Hondo Valley Public Schools (the District) is a public school district, the function of which is to provide primary and secondary educational services for all eligible children ages 3-21 within designated district boundaries. The powers and duties of the local school board are governed by the provisions of Article 5, Chapter 22 of New Mexico Statutes Annotated, 1978. The School District operates under a five member school board form of government.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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*. This Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phased implementation based on the size of the government.

In June, 2001, the GASB unanimously approved Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38 *Certain Financial Statement Note Disclosures*. Statement 37 clarifies and modifies Statements 34 and should be implemented simultaneously with Statement 34. Statement 38 modifies, establishes and rescinds certain financial statement disclosure requirements.

The District implemented the provisions of GASB Statement No. 34, 37 and 38 effective July 1, 2003. As part of this Statement, there is a new reporting requirement regarding the government's infrastructure (roads, bridges, etc.). The District does not own any infrastructure assets and therefore is unaffected by this requirement.

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

The District has elected not to apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, for the government (district)-wide financial statements.



**STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010**

**A. REPORTING ENTITY**

The Board of Education is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. The District is not included in any other governmental reporting entity as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. There are no component units included within the reporting entity.

**B. BASIC FINANCIAL STATEMENTS – DISTRICT-WIDE STATEMENTS**

The basic financial statements include both district-wide (based on the District as a whole) and fund financial statements. The new reporting model focus is on either the District as whole or major individual funds (within the fund financial statements). The District is a public school district that engages in only governmental activities and has no component units. Both the district-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental activities. In the district-wide Statement of Net Assets, the governmental activities are presented on the full accrual basis, economic resources measurement focus, which incorporates 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, restricted net assets and unrestricted net assets.

The district-wide Statement of Activities reports the gross and net cost of the District's function. The function is also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Governmental activities include programs supported primarily by taxes, state and federal grants, and other intergovernmental revenues. The District has no business type activities that rely, to a significant extent, on fees and charges for support, and therefore does not have any proprietary funds.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010**

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

Interfund activities between governmental funds appear as due to/due from on the Governmental Fund Balance Sheet and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. All Interfund transactions between governmental funds are eliminated on the district-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the district-wide Statement of Activities.

The funds financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the district-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

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

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

The financial transactions of the District are reported in various funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The District does not have any proprietary funds.

The funds of the District are described below:

**Major Funds:**

*General Fund* – The General Fund is the primary operating fund for the District, and it is reported as a major governmental fund. It is used to account for all financial resources except those required to be accounted for in another fund.

*IASA Title I Special Revenue Fund* – To account for a project providing remedial instruction in language arts for educationally deprived students in low income areas. The project is funded by the Federal Government through the New Mexico State Department of Education, under the Elementary and Secondary Act of 1965, Title 1, Chapter 1, Part A, 20 U.S.C. 2701 et seq.

**STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010**

*SB9 Special Revenue Fund* – To account for 2.0 mill levy restricted by board resolution for erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, improving school grounds and maintenance of school buildings and grounds, exclusive of salary expense of employees.

*Bond Building Capital Projects Fund* - To account for the costs of capital improvements, such as erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, purchasing and improving school grounds funded by bond proceeds.

*Debt Service Fund* – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in the debt service fund.

**Non-Major Funds:**

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

*Capital Projects Funds* – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund, in addition to the major fund described above.

*Agency Funds* – The District accounts for resources held for others in a custodial capacity in agency (fiduciary) funds.

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

GASB Statement No. 34 eliminated the presentation of account groups, but provides for these records to be maintained and incorporates the information into the district-wide Statement of Net Assets.

**D. BASIS OF ACCOUNTING**

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

**Accrual**

Governmental activities in the district-wide financial statement are presented on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010**

**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 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Those revenues susceptible to accrual are property taxes. In accordance with GASB Statement 33, estimated taxes that are not available are recorded as both accounts receivable and deferred revenue. All other revenues are recognized when they are received and are not susceptible to accrual, because they are usually not measurable until payment is actually received. The District received from Lincoln County all collected property taxes by year end. Estimated taxes that were not available at year end have been accrued as taxes receivable and also as deferred revenue liabilities.

**E. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

**G. FINANCIAL STATEMENT AMOUNTS**

**1. Cash**

For the purpose of the Statement of Net Assets, "cash" includes all petty cash, demand accounts, savings accounts and certificates of deposit of the District. See Note 4 A for additional cash disclosures.

**2. Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Prior to July 1, 2006, capital assets purchased or acquired with an original cost of \$1,000 or more were capitalized. Contributed assets are reported at fair market value as of the date received. Additions, improvements, computer software and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Depreciation on all assets is provided on the straight-line basis with no salvage value. The estimated useful life for buildings is 30 to 50 years. The estimated useful life for equipment is 5 to 30 years.

**STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010**

Capital expenditures made on the District's building construction projects by the NM Public School Facilities Authority are appropriately included in the District's capital assets.

GASB Statement No. 34 requires the District to report and depreciate infrastructure assets. Infrastructure assets include roads, bridges, underground pipe, traffic signals, etc. The District does not own any infrastructure assets.

Library books are not reflected as capital assets because management believes the cumulative value of the library books is not of a material amount.

**3. Compensated Absences**

The District permits the administrative and non-administrative employees to accumulate earned but unused vacation and sick leave, however, the accrued amounts are not monetarily compensated to employees, and therefore, no accrual for compensated absences is recorded.

**4. Long-Term Debt**

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

**5. Inventories**

Inventories are valued at the lower of cost (first-in, first-out) or market. Inventories in the Special Revenue Fund consist of USDA commodities and other purchased food items. The cost is recorded as expenditure at the time individual inventory items are purchased. Any reported inventories would be equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

**STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010**

**6. Equity Classifications**

*District-Wide Statements*

Equity is classified as net assets. Net assets is the difference between assets and liabilities. Net assets invested in capital assets represents the historical costs of assets or fair value on date of receipt less accumulated depreciation on those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by the District or external restrictions by other governments, creditors or grantors. Unrestricted net assets are all other net assets that do not meet the definition of "restricted" or "invested in capital assets." It is the District's policy to first apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

*Fund Statements*

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved with the unreserved further split between designated and undesignated. Reservations of fund balance are created to either satisfy legal covenants that require that a portion of the fund balance be segregated or identify the portion of the fund balance that is not appropriated for future expenditure.

**7. Revenues and Expenditures**

The primary source of revenue for the District is the New Mexico State Equalization Guarantee, paid to the District by the State of New Mexico, on a unit basis. In addition, the District also receives property tax revenue, and other state and federal grants.

The Lincoln County Treasurer bills and collects the District's tax levy, which is payable in two installments on November 10 and April 10. Property taxes attach as an enforceable lien on January 1. Collections by the County are remitted to the District monthly. No allowance for uncollectible taxes has been recorded since all taxes are considered collectible by the County Treasurer. As of June 30, 2010, all uncollected taxes are considered delinquent.

Expenditures are recognized when the related fund liability is incurred. The exception is that principal on long-term debt is recognized when due.

**NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

By its nature as a government unit, the District is subject to various laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows:

**STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010**

**A. BUDGETS AND BUDGETARY ACCOUNTING**

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

- (1) During the month of March, school administrators attend a pre-budget workshop sponsored by the State Department of Education, Public School Budget and Finance Analysis Unit. Necessary direction and budget forms are afforded those attending in preparation of the budget.
- (2) During the months of March and April, local budget workshops are conducted to obtain input in formulating the budget. These workshops are held with the budget committee each week during the entire budget preparation cycle.
- (3) Prior to June 20 of each year, the local school board and the State Superintendent of Public Instruction, at public hearing of which notice has been published by the local school board, fix and approve the estimated budgets for the School District for the ensuing fiscal year.
- (4) The State Department of Education, School Budget Planning Unit, should:
  - a. On or before July 1 of each year, approve and certify to the local school board the estimated operating budgets for use by the local school board pending approval by the State Department of Education, School Budget Planning Unit; and
  - b. Make corrections, revisions, and amendments to the estimated budgets fixed by the local school board and the director to conform the budgets to the requirements of the law and to the Manual of Procedures for Accounting and Budgeting of the State Department of Education; and
  - c. Before the first Monday of September of each year approve and certify to the local school board the operating budgets for use by the local school board based upon the estimated budgets fixed by the local school board and the director.
- (5) Operating budgets shall not be altered or amended after approval and certification by the State Department of Education except for the following purposes and according to the following procedures:
  - a. Upon written request of the local school board, the director of the State Department of Education, School Budget Planning Unit, may authorize transfers within the budget or provide for items not included, when the total amount of the budget will not be increased thereby;
  - b. Upon written request of the local school board, the director in conformance with the regulations of the State Department of Education and with the approval of the Superintendent, may authorize an increase in any budget if the increase is necessary because of the receipt of revenue that was not anticipated at the time the budget was fixed and if the increase is directly related to a special project or program for which the additional revenue was received;

**STATE OF NEW MEXICO  
HONDO VALLEY PUBLIC SCHOOLS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2010**

- c. Upon written request of the local school board, the director may authorize an increase in a budget of not more than one thousand dollars (\$1000); or
- d. Upon written request of the local school board, the Administration, after notice and a public hearing, may authorize an increase in the budget in an amount exceeding one thousand dollars (\$1000). The notice of the hearing shall designate the District, which proposes to alter or amend its budget, together with the time, place and date of the hearing. The notice of the hearing shall be published at least once a week for two consecutive weeks in a newspaper of general circulation in the county in which the District is situated. The last publication of the notice shall be at least three days prior to the date set for the hearing.
- e. Budgeted adjustments were made during the year.

Expenditures may not legally exceed budgeted amounts at the function level. No funds exceeded budget in this current year.

- (6) Budgeted transfers may be made between accounts within a functional category without State Department of Education approval if the total budgeted expenditures of the function are not changed.
- (7) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue funds, Debt Service Fund, and the Capital Projects Funds.
- (8) Appropriation of funds unused during the fiscal year may be carried over to the next fiscal year by budgeting those funds in the subsequent year's budget.
- (9) To conform to the State Department of Education regulations, budgets for all funds of the District are adopted on the cash basis of accounting with the following exception:

Federal Projects – Federal categorical grants are budgeted on the grant's project year rather than the District's fiscal year and, therefore, may not reflect cash basis budgeting. Unexpended portions of prior year's programs are re-budgeted into the subsequent year's program budget. Because the programs may be incomplete at June 30, the schedules of budgeted and actual revenue and expenditures may present unrealized revenue and unexpended budget, rather than budget savings. Information included in the Schedule of Federal Awards may not fully agree with other federal award reports that the District submits directly to federal granting agencies because, among other reasons, the award reports (a) may be prepared for a different fiscal period and (b) may include cumulative (from prior years) data rather than data for the current year only.

Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis inconsistent with Generally Accepted Accounting Principles (GAAP). Budgetary comparisons presented for these funds in this report are on the Non-GAAP (Cash Basis) budgetary basis.

The School Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2010, was properly amended by the Board through the year.



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**B. LONG-TERM DEBT**

A summary in changes in long-term obligations follows:

	Balance 6/30/09	Additions	(Reductions)	Balance 6/30/10	Due Within One Year
\$250,000 2010 GO Bonds due in semi-annual interest payments, matures in June, 2019, interest rates 3.00 to 3.7.%	\$ -	\$ 250,000	\$ -	\$ 250,000	\$ -
\$250,000 2009 GO Bonds due in semi-annual interest payments, matures in June, 2019, interest rates 3.25 to 4.1.%	250,000	-	(25,000)	225,000	25,000
\$100,000 1998 GO Bonds due in semi-annual interest payments, matures in February 2010, interest at 4.75 to 4.85%	50,000	-	(50,000)	-	-
\$75,000 1999 GO Bonds due in semi-annual interest payments, matures in September 2010, interest at 4.35 to 4.75%	75,000	-	(25,000)	50,000	50,000
\$135,000 2000 GO Bonds due in semi-annual interest payments, matures in November 2011, interest at 5.15 to 5.95%	70,000	-	(25,000)	45,000	20,000
\$165,000 2002 GO Bonds due in semi-annual interest payments, matures in July 2014, interest at 3.875 to 5.15%	155,000	-	-	155,000	5,000
\$300,000 2005 GO Bonds due in semi-annual interest payments, matures in August 2017, interest at 4.1 to 4.25%	300,000	-	-	300,000	-
\$400,000 2006 GO Bonds due in semi-annual interest payments, matures in October 2016, interest at 4.0 to 4.25%	<u>380,000</u>	<u>-</u>	<u>-</u>	<u>380,000</u>	<u>5,000</u>
<b>Total Long-Term Obligations</b>	<b><u>\$ 1,280,000</u></b>	<b><u>\$ 250,000</u></b>	<b><u>\$ (125,000)</u></b>	<b><u>\$ 1,405,000</u></b>	<b><u>\$ 105,000</u></b>

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The annual requirements to amortize all bonded debt outstanding as of June 30, 2010, are shown below:

The legal debt margin is specified by Article IX Section 11 of the Constitution of the State of New Mexico as not greater than 6% of the assessed value of the taxable property within the School District. Based on this criterion, the maximum general obligation debt permissible is \$670,330, including the current debt outstanding amount of \$440,000, based on the 2010 tax valuation.

Fiscal Year Ended June 30, 2008	Principal	Interest	Total
2011	\$ 105,000	\$ 56,046	\$ 161,046
2012	150,000	50,571	200,571
2013	155,000	45,415	200,415
2014	160,000	39,228	199,228
2015	165,000	32,676	197,676
2016-2020	<u>670,000</u>	<u>52,590</u>	<u>722,590</u>
	<u>\$ 1,405,000</u>	<u>\$ 276,526</u>	<u>\$ 1,681,526</u>

Property tax revenue recorded in the Debt Service Fund has been used to retire debt liabilities.

The reconciliation of Long-Term Debt above is reported in the Statement of Net Assets can be reconciled as follows:

Total Long-Term Debt	\$ 1,405,000
Unamortized Bond Premium	(81,626)
Current Portion of Long-Term Debt	<u>(105,000)</u>
Long-Term Debt 6-30-2010	<u>\$ 1,218,374</u>

**NOTE 4. DETAIL NOTES ON ACCOUNTS AND TRANSACTION CLASSES**

**A. CASH**

State statutes authorize the investment of school district funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations; however, they have never taken this opportunity. All funds of the District must follow the above investment policies.

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

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The rate of interest in non-demand interest-bearing accounts shall not be set by the State Board of Finance, but, in no case, shall the rate of interest be less than one hundred percent of the asked price on the United States treasury bills of the same maturity on the day of deposit. Excess of funds may be temporarily invested in securities which are issued by the state or by the United States government, or by their departments or agencies and which are either direct obligations for the state or the United States or are backed by the full faith and credit of those governments.

Statutes require depositories to pledge collateral against deposits in excess of the federal deposit insurance. Collateral is required in the amount of fifty percent of the uninsured deposits and requires securities to be delivered, or a joint safekeeping receipt be issued, to the local school district by the depository institution. The Schedule of Deposits and Security Requirements on **page 89** discloses the details deposits and securities of the district. Per the schedule noted above, total deposits not insured by the FDIC amounted to 360,443 requiring that depositories to pledge \$180,222 in securities. As of June 30, 2010, the fair market value of pledged securities amounted to \$696,038 or an excess of \$515,817.

At June 30, 2010 the carrying amount of the District's deposits with financial institutions were \$474,445 and the bank balances were \$653,474. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: a. Uncollateralized, b. Collateralized with securities held by the pledging financial institution, or c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. At June 30, 2010, \$360,443 of the District's bank balances of \$653,474 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 0
Uninsured and collateral held by pledging bank's trust Department not in the District's name	<u>360,443</u>
Total	<u>\$ 360,443</u>

**B. INTERFUND TRANSACTIONS**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables at year end are planned to be eliminated in the subsequent year.

<u>Due From</u>	<u>Due To</u>			<u>Totals</u>
	<u>General</u>		<u>Food Services</u>	
	<u>Fund</u>			
General Fund	\$ (15,000)	\$ -	\$ 15,000	\$ -
Tech for Education	(3,740)	3,740	-	-
Title V	(2,057)	2,057	-	-
Principle Training	(12,038)	12,038	-	-
Idea B Stimulus Instruct.	(3,967)	3,967	-	-
Rural Education Achievements	(1,887)	1,887	-	-
Keep NM Beautiful	(564)	564	-	-
State Directed	(23,483)	23,483	-	-
2008 GO Library	(6,233)	6,233	-	-
<b>Totals</b>	<u>\$ (68,969)</u>	<u>\$ 53,969</u>	<u>\$ 15,000</u>	<u>\$ -</u>

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Transfers are used to move revenues from the fund that collects them to the fund that budgets them. Interfund transfers have been eliminated in the government-wide financial statements.

**B. Capital Assets**

Capital activity as of June 30, 2010 is as follows:

Capital assets not being depreciated:				
Land	\$ 89,628	\$ -	\$ -	\$ 89,628
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>89,628</u>	<u>-</u>	<u>-</u>	<u>89,628</u>
Capital assets being depreciated:				
Buildings and improvements	5,304,300	273,897	-	5,578,197
Equipment	<u>1,361,820</u>	<u>55,502</u>	<u>-</u>	<u>1,417,322</u>
Total capital assets being depreciated	<u>6,666,120</u>	<u>329,399</u>	<u>-</u>	<u>6,995,519</u>
Less accumulated depreciation for:				
Buildings and improvements	1,508,969	132,595	-	1,641,564
Equipment	<u>779,443</u>	<u>78,245</u>	<u>-</u>	<u>857,688</u>
Total accumulated depreciation	<u>2,288,412</u>	<u>210,840</u>	<u>-</u>	<u>2,499,252</u>
Total capital assets being depreciated, net	<u>4,377,708</u>	<u>118,559</u>	<u>-</u>	<u>4,496,267</u>
Governmental activity capital assets, net	<u>\$ 4,467,336</u>	<u>\$ 118,559</u>	<u>\$ -</u>	<u>\$ 4,585,895</u>

Government activities depreciation expense was charged to the operation maintenance plant function.

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**NOTE 5. OTHER NOTES**

**A. Risk Management**

The Hondo Valley Public School District is subject to risk of loss through areas of general liability, workers compensation, and natural disaster. To minimize the risk of financial loss, the school participates in the New Mexico Public School Insurance Authority (a risk pool of all education agencies within the State of New Mexico). The New Mexico Public School Insurance Authority acts as a common carrier of insurance. The assumption of risk is upon the payment of premiums by the school to the New Mexico Public Insurance Authority and lies with the Authority. Premiums are reevaluated annually by the Authority and the District's risk is limited to premiums paid and respective deductibles.

The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible to each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor's Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2009, there have been no claims that have exceeded insurance coverage.

**B. Retiree Health Care Act Contributions**

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

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

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JUNE 30, 2010**

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	.833%
FY12	1.834%	.917%
FY13	2.000%	1.000%

The District's contributions to RHCA for the years ended June 30, 2010, 2009 and 2008 were \$14,064, \$13,827, \$13,582 respectively, which equals the required contribution for each year.

**C. ERA Pension Plan**

*Plan Description.* Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

*Funding Policy.* Effective July 1, 2009, plan members were required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The (name of employer) was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution is increasing by .75% each year until effective July 1, 2011; the employer contribution will be 13.9% of the gross covered salary. The contribution requirements of plan members and the (name of employer) are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The (name of employee's contributions to ERB for the fiscal years ending June 30, 2010, 2009, and 2008, were \$128,548, \$ 114,435, and \$ 97,825, respectively, which equal the amount of the required contributions for each fiscal year.

**STATE OF NEW MEXICO  
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**D. Federal Projects**

The District receives indirect cost allocations for the various federal programs it administers. These reimbursements are for costs incurred for administrative functions on behalf of the federal programs. Indirect costs are budgeted and reported as federal revenue in the general fund and revenue and expenditures in the federal project funds.

Unexpended portions of federal monies received for these programs are recognized as deferred grant revenue at year end. These funds are not realized as revenue until expended by the District. Amounts expended in excess of federal monies received are reported as accounts receivable.

**E. Joint Venture**

Legislation enacted in 1994 provided for the establishment of Regional Education Cooperatives as state agencies. Under the authority of the State Department of Education and the Region IX Education Cooperative Coordinating Council, the Region IX Cooperative Center transitioned to the Region IX Education Cooperative on July 1994.

Region IX Education Cooperative, through the governing council, has established as its purpose the delivery to local districts and communities those services deemed critical to the ongoing success of regular and special education programs provided by the local agencies. These programs include, but are not limited to, the following services and activities.

- English Language Acquisition
- Carl Perkins Secondary
- Head Start
- Title XIX Medicaid 3/21
- State Directed Activities

For the year ended June 30, 2010, the District received from Region IX, \$31,709 in direct funding of IDEA B programs. In addition, Region IX paid expenditures totaling \$146,473 for the other programs listed above, on behalf of the District. These amounts are reflected as revenue and expenditures in the District financial statements.

Region IX Educational Cooperative issues a separate, publicly available audited financial report that includes expenditures of federal awards and supplementary information. That report may be obtained by contacting Region IX Educational Cooperative at 1400 Sudderth Drive No. 3, Ruidoso, New Mexico, 88345.

## SUPPLEMENTARY INFORMATION



**State of New Mexico**  
**Hondo Valley Public Schools**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2010**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Total
<b><u>Assets</u></b>			
Cash	\$ 33,000	\$ 21,580	\$ 54,580
Grants Receivable	50,329		50,329
Due From Other Funds	15,000		15,000
Inventory	<u>3,382</u>	<u>-</u>	<u>3,382</u>
<b>Total Assets</b>	<b><u>\$ 101,711</u></b>	<b><u>\$ 21,580</u></b>	<b><u>\$ 123,291</u></b>
<b><u>Liabilities</u></b>			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Funds	<u>53,969</u>	<u>-</u>	<u>53,969</u>
<b>Total Liabilities</b>	<b><u>53,969</u></b>	<b><u>-</u></b>	<b><u>53,969</u></b>
<b><u>Fund Balance</u></b>			
Reserved for Inventory	3,382	-	3,382
Reserved for Capital Improvements	-	21,580	21,580
Unreserved	<u>44,360</u>	<u>-</u>	<u>44,360</u>
<b>Total Fund Balance</b>	<b><u>47,742</u></b>	<b><u>21,580</u></b>	<b><u>69,322</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 101,711</u></b>	<b><u>\$ 21,580</u></b>	<b><u>\$ 123,291</u></b>

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2010**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Total
<b>Revenues:</b>			
Federal Sources	\$ 324,631	\$ -	\$ 324,631
State Sources	32,535	-	32,535
Local Sources	14,743	-	14,743
Investment Income	<u>3</u>	<u>-</u>	<u>3</u>
<b>Total Revenues</b>	<u>371,912</u>	<u>-</u>	<u>371,912</u>
<b>Expenditures:</b>			
Direct Instruction	233,845	-	233,845
Instructional Support	50,999	-	50,999
Administration	-	-	-
Business Support Services	-	-	-
Operation Maintenance Plant	-	-	-
Food Services	69,701	-	69,701
Athletics	13,911	-	13,911
Non-Instructional Support	-	-	-
Pupil Transportation	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>368,456</u>	<u>-</u>	<u>368,456</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>3,456</u>	<u>-</u>	<u>3,456</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over Expenditures &amp; Other Uses</b>	3,456	-	3,456
<b>Fund Balance at beginning of year</b>	<u>44,286</u>	<u>21,580</u>	<u>65,866</u>
<b>Fund balance at end of year</b>	<u>\$ 47,742</u>	<u>\$ 21,580</u>	<u>\$ 69,322</u>

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

## General Fund

To Account for resources traditionally associated with governments which are not required to be accounted for in any other fund.

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Combining Balance Sheet**  
**General Fund**  
**June 30, 2010**

<b><u>Assets</u></b>	<b>Operational Fund</b>	<b>Transportation Fund</b>	<b>Instructional Materials Fund</b>	<b>Total</b>
Cash	\$ 78,193	\$ 97,012	\$ 14,140	\$ 189,345
Taxes Receivable	100	-	-	100
Due From Other Funds	<u>53,969</u>	<u>-</u>	<u>-</u>	<u>53,969</u>
<b>Total Assets</b>	<b><u>\$ 132,262</u></b>	<b><u>\$ 97,012</u></b>	<b><u>\$ 14,140</u></b>	<b><u>\$ 243,414</u></b>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	100	-	-	100
Due to Other Funds	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
<b>Total Liabilities</b>	<b><u>15,100</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>15,100</u></b>
<b><u>Fund Balance</u></b>				
Unreserved for Future Expenditures	<u>117,162</u>	<u>97,012</u>	<u>14,140</u>	<u>228,314</u>
<b>Total Fund Balance</b>	<b><u>117,162</u></b>	<b><u>97,012</u></b>	<b><u>14,140</u></b>	<b><u>228,314</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 132,262</u></b>	<b><u>\$ 97,012</u></b>	<b><u>\$ 14,140</u></b>	<b><u>\$ 243,414</u></b>

**The accompanying notes are an integral part of the financial statements.**

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**General Fund**  
**For the Year Ended June 30, 2010**

	Operational Fund	Transportation Fund	Instructional Materials Fund	Total
<b>Revenues:</b>				
Federal Sources	\$ 15,951	\$ -	\$ -	\$ 15,951
State Sources	1,884,849	242,111	9,938	2,136,898
Local Sources	24,977	-	-	24,977
Other	91	-	-	91
<b>Total Revenues</b>	<b>1,925,868</b>	<b>242,111</b>	<b>9,938</b>	<b>2,177,917</b>
<b>Expenditures:</b>				
Direct Instruction	1,010,218	-	-	1,010,218
Instructional Support	245,690	-	18,191	263,881
Administration	201,074	-	-	201,074
Business Support Services	65,272	-	-	65,272
Operation Maintenance Plant	271,515	-	-	271,515
Food Services	58,009	-	-	58,009
Athletics	-	-	-	-
Non-Instructional Support	-	-	-	-
Community Services	-	-	-	-
Pupil Transportation	-	224,700	-	224,700
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<b>1,851,778</b>	<b>224,700</b>	<b>18,191</b>	<b>2,094,669</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>74,090</b>	<b>17,411</b>	<b>(8,253)</b>	<b>83,248</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In (Out)	-	-	-	-
<b>Excess (deficiency) of revenues over Expenditures &amp; Other Uses</b>	<b>74,090</b>	<b>17,411</b>	<b>(8,253)</b>	<b>83,248</b>
<b>Fund Balance at beginning of year</b>	<b>43,072</b>	<b>79,601</b>	<b>22,393</b>	<b>145,066</b>
<b>Fund balance at end of year</b>	<b>\$ 117,162</b>	<b>\$ 97,012</b>	<b>\$ 14,140</b>	<b>\$ 228,314</b>

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**General Fund-Operational**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Local Sources	\$ 24,573	\$ 24,573	\$ 24,977	\$ 404
State Sources	1,775,541	1,877,832	1,884,849	7,017
Federal Sources	14,044	14,044	15,951	1,907
Other	-	-	91	91
<b>Total Revenues</b>	<u>1,814,158</u>	<u>1,916,449</u>	<u>1,925,868</u>	<u>9,419</u>
<b>Expenditures:</b>				
Direct Instruction	1,041,709	1,070,709	1,010,218	60,491
Instructional Support	223,563	266,134	245,690	20,444
Administration	219,826	219,826	201,074	18,752
Business Support Services	64,254	66,474	65,272	1,202
Operation Maintenance Plant	282,714	291,214	271,515	19,699
Food Services	68,401	68,401	58,009	10,392
Athletics	-	-	-	-
Pupil Transportation	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>1,900,467</u>	<u>1,982,758</u>	<u>1,851,778</u>	<u>130,980</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(86,309)</u>	<u>(66,309)</u>	<u>74,090</u>	<u>140,399</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In (Out)	-	-	-	-
<b>Excess (deficiency) of revenues over Expenditures &amp; Other Uses</b>	<u>(86,309)</u>	<u>(66,309)</u>	<u>74,090</u>	<u>\$ 140,399</u>
<b>Prior Year End Cash</b>	<u>54,332</u>	<u>54,332</u>		
<b>End of Year Cash Balance</b>	<u>\$ (31,977)</u>	<u>\$ (11,977)</u>		
<b>Reconciliation to GAAP Basis</b>				
Accounts Receivable			-	
Capital Outlay			-	
<b>Excess (Deficiency) of revenues over expenditures</b>			<u>\$ 74,090</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**General Fund-Transportation**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State Revenue	\$ 198,717	\$ 257,960	\$ 242,111	\$ (15,849)
Interest Income	-	-	-	-
Total Revenues	<u>198,717</u>	<u>257,960</u>	<u>242,111</u>	<u>(15,849)</u>
Expenditures:				
Transportation	198,717	257,960	224,700	33,260
Capital Outlay	-	-	-	-
Total Expenditures	<u>198,717</u>	<u>257,960</u>	<u>224,700</u>	<u>33,260</u>
Excess (deficiency) of revenues over expenditures	-	-	<u>17,411</u>	<u>17,411</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	-	-
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	17,411	<u>\$ 17,411</u>
Prior Year End Cash	<u>79,601</u>	<u>79,601</u>		
End of Year Cash Balance	<u>\$ 79,601</u>	<u>\$ 79,601</u>		

Reconciliation to GAAP Basis

Changes in Receivables	<u>-</u>
Excess (Deficiency) of revenues over expenditures	<u>\$ 17,411</u>

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**General Fund-Instructional Materials**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
State Revenue	\$ 6,486	\$ 6,486	\$ 9,938	\$ 3,452
Interest Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>6,486</u>	<u>6,486</u>	<u>9,938</u>	<u>3,452</u>
<b>Expenditures:</b>				
Direct Instruction	6,486	28,879	18,191	10,688
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>6,486</u>	<u>28,879</u>	<u>18,191</u>	<u>10,688</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(22,393)</u>	<u>(8,253)</u>	<u>14,140</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	(22,393)	(8,253)	<u>\$ 14,140</u>
Prior Year End Cash	<u>22,393</u>	<u>22,393</u>		
End of Year Cash Balance	<u>\$ 22,393</u>	<u>\$ -</u>		
<b>Reconciliation to GAAP Basis</b>				
Changes in Receivables			-	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ (8,253)</u>	

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



## **SPECIAL REVENUE FUNDS**

**Food Services** -To account for financing for school hot lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12,60 stat. 230,42 U.S.C.'1751 et seq.;80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889,42 U>S>C> 1773,1779, Public Law 99-591,100 stat. 3341; Public Law 100-71,101 stat. 430.

**Athletics** -To account for revenues received from non-instructional activities for use in the district's athletic and other non-instructional programs. Required by the New Mexico State Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund.

**IDEA-B Discretionary** - The IDEA-B Entitlement/Discretionary project provides funds for free appropriate public education to all children with disabilities. The program is funded by the Federal government and passed through the State Department of Education under the Individuals with Disabilities Education Act, Part B, Sections 611-617, and Part 0, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

**IDEA B Head Start** - The objective of the Assistance to States for the Education of Preschool Children Program is to assist in providing free, appropriate public education to all children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17.

**Fresh Fruit and Vegetables** - The grant provides funding from the New Mexico State Department of Education for lunches provided students. Authority for this fund comes from the local Board of Education.

**Title V** - The Title V project provides funding for safe and drug-free schools and communities. The project is funded by the Federal Government through the New Mexico State Department of Education, to the District as a sub-grant under Sections 4112 and 4115.

**Teacher and Principal Training** - To account for Title II funds used for professional development training and travel as an incentive to attract and retain highly qualified teachers. The project is funded by the Federal Government through the New Mexico State Department of Education, under the Elementary and Secondary Act of 1965.

**Safe and Drug Free Schools** - The purpose of this fund is 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. The Authority for the creation of this fund is ESEA 1965, Title IV, Part A as amended, 20 USC 7112-7143.

**Title I Federal Stimulus** - This fund's major objectives are to provide supplemental educational opportunities for academically disadvantaged children in the area where they reside. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; education need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for the creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**IDEA B Entitlement Federal Stimulus-** The purpose of this program is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. Authority for the creation of this fund is Part B of the Handicapped Act, Public Law 105-17.

**Title XIX Medicaid** - The objective of this program is to provide federal funds for the implementation of the Medical Assistance Program Medicaid providing payments for medical assistance to low-income persons who are age 65 or over, blind, disabled, or members of families with dependent children or qualified pregnant women or children. Authority for creation of the Title XIX Medical Assistance Program is the Medicaid Title XIX of the Social Security Act, as amended, (42 USC 1396, et seq.)

**State Stabilization SEG Federal Stimulus-** The objective is to provide funding equal to the 2006 base year to assist with the budget crises. Authority is the American Recovery and Reinvestment Act of 2009.

**Rural Education. Achievement Program** -. 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.

**Microsoft Settlement Funds-** Funds were disbursed to local school districts (LEA's) as a result of a legal settlement. This money was used to purchase technology upgrades for Logan Municipal Schools.

**Keep New Mexico Beautiful-** To account for funds received from the Keep New Mexico Beautiful, Inc. Grant. The fund was created by state provisions.

**Library GO Bonds Laws 2004** - To account for funds provided to acquire supplementary library books, equipment, and library resources for public schools, funded through the New Mexico Public Education Department, as authorized by the Laws 2004, Chapter 117.

**Technology for Education** - To account for distributions received from the Educational Technology fund for the expansion and improvement of technology in education. These funds are restricted to expenditure by New Mexico Statutes and the schools approved long-term technology plan. Authority for the creation of this fund is NMSA 22-15A-1 to 22-15A-10.

**Breakfast for Elementary Students-** The purpose of this program is to account for revenues and expenditures used carrying out the provisions of the grant award. The fund was created by grant provisions.

**State Directed Activities** - To account for funds received from the New Mexico Public Education Department for the support and direct services, including technical assistance, preparation and professional development and training. To support capacity building activities and improve the delivery of services by local agencies to improve results for children with disabilities. The fund was created by state provisions.

**GO Library Bonds Laws of 2008** - The objective of this act is to acquire library books, equipment and library resources for public school libraries and juvenile detention libraries. Funds are acquired from General Obligation Bonds through the Public Education Department. Authority for creation of this fund is the Legislation in Chapter 117, Laws of 2008, Section 10C (3).

**Nutrition Grant** - The Nutrition Grant provides funding from the New Mexico State Department of Education for lunches provided students. Authority for this fund comes from the local Board of Education.

**Other Federal and State Grants** - To record miscellaneous Federal and State grant funds not recorded in other special revenue funds. The projects are funded by the Federal Government through the New Mexico State Department of Education, to the District as sub-grants under various sections. Authority for this fund comes from the local Board of Education.

**IASA Title I** - The Title I project provides remedial instruction in language arts for educationally deprived students in low income areas. The project is funded by the Federal Government through the New Mexico State Department of Education, under the Elementary and Secondary Act of 1965, Title 1, Chapter 1, Part A, 20 U.S.C. 2701 et seq.

State of New Mexico  
Hondo Valley Public Schools  
Combining Balance Sheet  
Special Revenue Funds  
June 30, 2010

	Food		Idea B	Idea B	Fresh Fruit	Title V	Principle	Drug Free	Title I	Idea B	Title IX
	Services	Athletics	Discretionary	Headstart			Taining	Schools	Stimulus	Stimulus Inst.	Medical
<b>Assets</b>											
Cash	\$ 12,932	\$ 1,235	\$ -	\$ -	\$ 748	\$ -	\$ -	\$ 387	\$ -	\$ -	\$ 1,000
Taxes receivable	-	-	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	2,167	12,038	-	-	3,967	-
Due From Other Funds	16,000	-	-	-	-	-	-	-	-	-	-
Inventory	3,382	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 31,314</b>	<b>\$ 1,235</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 748</b>	<b>\$ 2,167</b>	<b>\$ 12,038</b>	<b>\$ 387</b>	<b>\$ -</b>	<b>\$ 3,967</b>	<b>\$ 1,000</b>
<b>Liabilities</b>											
Deferred Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	2,057	12,038	-	-	3,967	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,057</b>	<b>12,038</b>	<b>-</b>	<b>-</b>	<b>3,967</b>	<b>-</b>
<b>Fund Balance</b>											
Unreserved	31,314	1,235	-	-	748	100	-	387	-	-	1,000
<b>Total Fund Balance</b>	<b>31,314</b>	<b>1,235</b>	<b>-</b>	<b>-</b>	<b>748</b>	<b>100</b>	<b>-</b>	<b>387</b>	<b>-</b>	<b>-</b>	<b>1,000</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 31,314</b>	<b>\$ 1,235</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 748</b>	<b>\$ 2,167</b>	<b>\$ 12,038</b>	<b>\$ 387</b>	<b>\$ -</b>	<b>\$ 3,967</b>	<b>\$ 1,000</b>

(Continued)

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

State of New Mexico  
Hondo Valley Public Schools  
Combining Balance Sheet  
Special Revenue Funds  
June 30, 2010

	Stabilization SEG	Rural Ed Achieve	Microsoft Settlement	Keep NM Beautiful	Go Bond Laws	Tech for Education	Breakfast Elementary	State Directed	2008 GO Library	Other		Nonmajor Total
										Nutrition Grant	Federal Grants	
<b>Assets</b>												
Cash	\$ -	\$ -	\$ 1,071	\$ -	\$ 1,280	\$ 4,470	\$ 4,707	\$ -	\$ -	\$ -	\$ 5,170	\$ 33,000
Taxes receivable	-	-	-	-	-	-	-	-	-	-	-	-
Grants receivable	-	1,887	-	564	-	-	-	23,483	6,233	-	-	50,329
Due From Other Funds	-	-	-	-	-	-	-	-	-	-	-	16,000
Inventory	-	-	-	-	-	-	-	-	-	-	-	3,382
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 1,887</b>	<b>\$ 1,071</b>	<b>\$ 564</b>	<b>\$ 1,280</b>	<b>\$ 4,470</b>	<b>\$ 4,707</b>	<b>\$ 23,483</b>	<b>\$ 6,233</b>	<b>\$ -</b>	<b>\$ 5,170</b>	<b>\$ 101,711</b>
<b>Liabilities</b>												
Deferred Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	1,887	-	564	-	3,740	-	23,483	6,233	-	-	53,989
<b>Total Liabilities</b>	<b>-</b>	<b>1,887</b>	<b>-</b>	<b>564</b>	<b>-</b>	<b>3,740</b>	<b>-</b>	<b>23,483</b>	<b>6,233</b>	<b>-</b>	<b>-</b>	<b>53,989</b>
<b>Fund Balance</b>												
Unreserved	-	-	1,071	-	1,280	730	4,707	-	-	-	-	42,572
<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>1,071</b>	<b>-</b>	<b>1,280</b>	<b>730</b>	<b>4,707</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,170</b>	<b>47,742</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ -</b>	<b>\$ 1,887</b>	<b>\$ 1,071</b>	<b>\$ 564</b>	<b>\$ 1,280</b>	<b>\$ 4,470</b>	<b>\$ 4,707</b>	<b>\$ 23,483</b>	<b>\$ 6,233</b>	<b>\$ -</b>	<b>\$ 5,170</b>	<b>\$ 101,711</b>

(Continued)

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

State of New Mexico  
Hondo Valley Public Schools  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Special Revenue Funds  
For the Year Ended June 30, 2010

	Food		Idea B			Title V	Principle	Drug Free	Title I	Idea B	Title IX
	Services	Athletics	Idea B	Headstart	Fresh Fruit		Training	Schools	Stimulus	Stimulus Inst	Medicaid
<b>Revenues:</b>											
Federal Sources	\$ 70,870	\$ -	\$ 22,803	\$ 1,957	\$ 3,208	\$ 2,157	\$ 8,825	\$ -	\$ 38,529	\$ 8,906	\$ 8,000
State Sources	-	-	-	-	-	-	-	-	-	-	-
Local Sources	2,069	12,674	-	-	-	-	-	-	-	-	-
Investment Income	3	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>72,942</b>	<b>12,674</b>	<b>22,803</b>	<b>1,957</b>	<b>3,208</b>	<b>2,157</b>	<b>8,825</b>	<b>-</b>	<b>38,529</b>	<b>8,906</b>	<b>8,000</b>
<b>Expenditures:</b>											
Direct Instruction	-	-	20,096	-	-	-	8,825	-	38,529	8,906	-
Instructional Support	-	-	2,707	1,957	-	2,157	-	215	-	-	8,000
Administration	-	-	-	-	-	-	-	-	-	-	-
Business/Support Services	-	-	-	-	-	-	-	-	-	-	-
Operation Maintenance Plant	-	-	-	-	-	-	-	-	-	-	-
Food Services	59,908	-	-	-	2,460	-	-	-	-	-	-
Athletics	-	13,911	-	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>59,908</b>	<b>13,911</b>	<b>22,803</b>	<b>1,957</b>	<b>2,460</b>	<b>2,157</b>	<b>8,825</b>	<b>215</b>	<b>38,529</b>	<b>8,906</b>	<b>8,000</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>13,034</b>	<b>(1,237)</b>	<b>-</b>	<b>-</b>	<b>748</b>	<b>-</b>	<b>-</b>	<b>(215)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>											
Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers (Out)	-	-	-	-	-	-	-	-	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>13,034</b>	<b>(1,237)</b>	<b>-</b>	<b>-</b>	<b>748</b>	<b>-</b>	<b>-</b>	<b>(215)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, Beginning</b>	<b>18,280</b>	<b>2,472</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>602</b>	<b>-</b>	<b>-</b>	<b>1,000</b>
<b>Fund Balances, Ending</b>	<b>\$ 31,314</b>	<b>\$ 1,235</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 748</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ 387</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000</b>

(Continued)

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

State of New Mexico  
Hondo Valley Public Schools  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Special Revenue Funds  
For the Year Ended June 30, 2010

	Library										Other	Total
	Stabilization	Rural Ed	Microsoft	Keep NM	Go Bond	Tech For	Breakfast	State	2008 GO	Nutrition	Federal	Nonmajor
<u>Revenues:</u>	SEG	Achieve	Settlement	Beau	Laws	Education	Elementry	Directed	Library	Grant	Grants	Total
Federal Sources	\$ 157,489	\$ 1,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,631
State Sources	-	-	-	564	-	1,515	740	23,483	6,233	-	-	32,535
Local Sources	-	-	-	-	-	-	-	-	-	-	-	14,743
Investment Income	-	-	-	-	-	-	-	-	-	-	-	3
<b>Total Revenues</b>	<b>157,489</b>	<b>1,887</b>	<b>-</b>	<b>564</b>	<b>-</b>	<b>1,515</b>	<b>740</b>	<b>23,483</b>	<b>6,233</b>	<b>-</b>	<b>-</b>	<b>371,912</b>
<u>Expenditures:</u>												
Direct Instruction	157,489	-	-	-	-	-	-	-	-	-	-	233,845
Instructional Support	-	1,887	1,654	564	-	821	-	23,483	6,233	-	1,321	50,999
Administration	-	-	-	-	-	-	-	-	-	-	-	-
Business/Support Services	-	-	-	-	-	-	-	-	-	-	-	-
Operation Maintenance Plant	-	-	-	-	-	-	-	-	-	-	-	-
Food Services	-	-	-	-	-	-	1,593	-	-	5,740	-	69,701
Athletics	-	-	-	-	-	-	-	-	-	-	-	13,911
Community Services	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>157,489</b>	<b>1,887</b>	<b>1,654</b>	<b>564</b>	<b>-</b>	<b>821</b>	<b>1,593</b>	<b>23,483</b>	<b>6,233</b>	<b>5,740</b>	<b>1,321</b>	<b>368,456</b>
<b>Excess (Deficiency) of Revenues</b>												
Over Expenditures	-	-	(1,654)	-	-	694	(853)	-	-	(5,740)	(1,321)	3,456
<u>Other Financing Sources (Uses)</u>												
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-
Transfers (Out)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>(1,654)</b>	<b>-</b>	<b>-</b>	<b>694</b>	<b>(853)</b>	<b>-</b>	<b>-</b>	<b>(5,740)</b>	<b>(1,321)</b>	<b>3,456</b>
Fund Balances, Beginning	-	-	2,725	-	1,280	36	5,560	-	-	5,740	6,491	44,286
<b>Fund Balances, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,071</b>	<b>\$ -</b>	<b>\$ 1,280</b>	<b>\$ 730</b>	<b>\$ 4,707</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,170</b>	<b>\$ 47,742</b>

(Continued)

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Food Services**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal Sources	\$ 51,690	\$ 67,959	\$ 70,870	\$ 2,911
State Sources	-	-	-	-
Local Sources	1,500	1,500	2,069	569
Interest Income	-	-	3	3
Other	-	-	-	-
Total Revenues	<u>53,190</u>	<u>69,459</u>	<u>72,942</u>	<u>3,483</u>
Expenditures:				
Food Services	53,390	69,459	61,110	8,349
Capital Outlay	-	-	-	-
Total Expenditures	<u>53,390</u>	<u>69,459</u>	<u>61,110</u>	<u>8,349</u>
Excess (deficiency) of revenues over expenditures	<u>(200)</u>	<u>-</u>	<u>11,832</u>	<u>11,832</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	-	-
Excess (deficiency) of revenues over Expenditures & Other Uses	(200)	-	11,832	<u>\$ 11,832</u>
Cash Balance at beginning of year	<u>1,099</u>	<u>1,099</u>		
Cash Balance at end of year	<u>\$ 899</u>	<u>\$ 1,099</u>		
Reconciliation to GAAP Basis				
Changes in Inventory			\$ 1,202	
Change in Receivables			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ 13,034</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Athletics**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Revenues:				
State Sources	\$ -	\$ -	\$ -	\$ -
Local Sources	10,000	11,913	12,674	761
Other	-	-	-	-
Total Revenues	<u>10,000</u>	<u>11,913</u>	<u>12,674</u>	<u>761</u>
Expenditures:				
Athletics	10,573	14,385	13,911	474
Capital Outlay	-	-	-	-
Total Expenditures	<u>10,573</u>	<u>14,385</u>	<u>13,911</u>	<u>474</u>
Excess (deficiency) of revenues over expenditures	<u>(573)</u>	<u>(2,472)</u>	<u>(1,237)</u>	<u>1,235</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	-	-
Excess (deficiency) of revenues over Expenditures & Other Uses	(573)	(2,472)	(1,237)	<u>\$ 1,235</u>
Cash Balance at beginning of year	-	-		
Cash Balance at end of year	<u>\$ (573)</u>	<u>\$ (2,472)</u>		
Reconciliation to GAAP Basis				
Transfer to Agency Fund			\$ -	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ (1,237)</u>	

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



**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Idea B Discretionary**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>			Variance- Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Revenues:				
Federal Sources	\$ 50,746	\$ 67,163	\$ 33,593	\$ (33,570)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>50,746</u>	<u>67,163</u>	<u>33,593</u>	<u>(33,570)</u>
Expenditures:				
Direct Instruction	33,889	50,306	20,096	30,210
Instructional support	<u>16,857</u>	<u>16,857</u>	<u>2,707</u>	<u>14,150</u>
Total Expenditures	<u>50,746</u>	<u>67,163</u>	<u>22,803</u>	<u>44,360</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>10,790</u>	<u>10,790</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	10,790	<u>\$ 10,790</u>
Cash Balance at beginning of year	<u>(10,790)</u>	<u>(10,790)</u>		
Cash Balance at end of year	<u>\$ (10,790)</u>	<u>\$ (10,790)</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Change in Due from Other Governments			<u>(10,790)</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Idea B-Headstart**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal Sources	\$ 1,981	\$ 2,005	\$ 3,872	\$ 1,867
State Sources				-
Local Sources	-	-	-	-
Interest Income				-
Other	-	-	-	-
Total Revenues	<u>1,981</u>	<u>2,005</u>	<u>3,872</u>	<u>1,867</u>
Expenditures:				
Instructional Support	1,981	2,006	1,957	49
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,981</u>	<u>2,006</u>	<u>1,957</u>	<u>49</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1)</u>	<u>1,915</u>	<u>1,916</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	-	-
Excess (deficiency) of revenues over Expenditures & Other Uses	-	(1)	1,915	<u>\$ 1,916</u>
Cash Balance at beginning of year	<u>(1,915)</u>	<u>(1,915)</u>		
Cash Balance at end of year	<u>\$ (1,915)</u>	<u>\$ (1,916)</u>		
Reconciliation to GAAP Basis				
				-
			<u>(1,915)</u>	
Excess (Deficiency) of revenues over expenditures				<u>\$ -</u>

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Fresh Fruit and Vegetables**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal Sources	\$ 6,000	\$ 6,000	\$ 3,208	\$ (2,792)
State Sources				-
Local Sources	-	-	-	-
Interest Income				-
Other	-	-	-	-
	<u>6,000</u>	<u>6,000</u>	<u>3,208</u>	<u>(2,792)</u>
Total Revenues				
Expenditures:				
Food Services	6,000	6,000	2,460	3,540
Capital Outlay	-	-	-	-
	<u>6,000</u>	<u>6,000</u>	<u>2,460</u>	<u>3,540</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>748</u>	<u>748</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	-	-
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	748	<u>\$ 748</u>
Cash Balance at beginning of year	<u>-</u>	<u>-</u>		
Cash Balance at end of year	<u>\$ -</u>	<u>\$ -</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ 748</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Title V**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal Sources	\$ 2,397	\$ 2,397	\$ -	\$ (2,397)
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>2,397</u>	<u>2,397</u>	<u>-</u>	<u>(2,397)</u>
Expenditures:				
Instructional Support	2,397	2,397	2,157	240
Capital Outlay	-	-	-	-
Total Expenditures	<u>2,397</u>	<u>2,397</u>	<u>2,157</u>	<u>240</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(2,157)</u>	<u>(2,157)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	-	-
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	(2,157)	<u>\$ (2,157)</u>
Cash Balance at beginning of year	<u>-</u>	<u>-</u>		
Cash Balance at end of year	<u>\$ -</u>	<u>\$ -</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Change in Due from Other Governments			<u>2,157</u>	
Excess (Deficiency) of revenues over expenditures				<u>\$ -</u>

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Principal and Teacher Training**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal Sources	\$ 15,066	\$ 24,535	\$ 4,042	\$ (20,493)
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>15,066</u>	<u>24,535</u>	<u>4,042</u>	<u>(20,493)</u>
Expenditures:				
Direct Instruction	15,066	24,535	8,825	15,710
Capital Outlay	-	-	-	-
Total Expenditures	<u>15,066</u>	<u>24,535</u>	<u>8,825</u>	<u>15,710</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(4,783)</u>	<u>(4,783)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	(4,783)	<u>\$ (4,783)</u>
Cash Balance at beginning of year	<u>(7,255)</u>	<u>(7,255)</u>		
Cash Balance at end of year	<u>\$ (7,255)</u>	<u>\$ (7,255)</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Change in Due from Other Governments			<u>4,783</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Drug Free Schools**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal Sources	\$ 1,902	\$ 1,902	\$ -	\$ (1,902)
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,902</u>	<u>1,902</u>	<u>-</u>	<u>(1,902)</u>
Expenditures:				
Instructional Support	1,902	1,902	24	1,878
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,902</u>	<u>1,902</u>	<u>24</u>	<u>1,878</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(24)</u>	<u>(24)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	(24)	<u>\$ (24)</u>
Cash Balance at beginning of year	<u>411</u>	<u>411</u>		
Cash Balance at end of year	<u>\$ 411</u>	<u>\$ 411</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			(191)	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ (215)</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Title I Stimulus**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal Sources	\$ 29,027	\$ 57,752	\$ 38,529	\$ (19,223)
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>29,027</u>	<u>57,752</u>	<u>38,529</u>	<u>(19,223)</u>
Expenditures:				
Instructional Support	29,027	57,752	38,529	19,223
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>29,027</u>	<u>57,752</u>	<u>38,529</u>	<u>19,223</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	-	<u>\$ -</u>
Cash Balance at beginning of year	<u>-</u>	<u>-</u>		
Cash Balance at end of year	<u>\$ -</u>	<u>\$ -</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Idea B Entitlement Stimulus Instruction**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Federal Sources	\$ -	\$ 26,744	\$ 4,939	\$ (21,805)
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>26,744</u>	<u>4,939</u>	<u>(21,805)</u>
<b>Expenditures:</b>				
Direct Instruction	-	26,744	8,906	17,838
Capital Outlay	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>26,744</u>	<u>8,906</u>	<u>17,838</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(3,967)</u>	<u>(3,967)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In (Out)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	(3,967)	<u>\$ (3,967)</u>
Cash Balance at beginning of year	<u>411</u>	<u>411</u>		
Cash Balance at end of year	<u>\$ 411</u>	<u>\$ 411</u>		
<b>Reconciliation to GAAP Basis</b>				
Changes in Receivables				
Change in Due from Other Governments				
			<u>3,967</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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



**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Title IX Medicaid**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Revenues:				
Federal Sources	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Expenditures:				
Instructional Support	8,000	8,000	8,000	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	-	<u>\$ -</u>
Cash Balance at beginning of year	<u>1,000</u>	<u>1,000</u>		
Cash Balance at end of year	<u>\$ 1,000</u>	<u>\$ 1,000</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Stabilization SEG Fed Stimulus**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		Actual	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal Sources	\$ 125,355	\$ 157,490	\$ 157,490	\$ -
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>125,355</u>	<u>157,490</u>	<u>157,490</u>	<u>-</u>
Expenditures:				
Direct instruction	125,355	157,490	157,490	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>125,355</u>	<u>157,490</u>	<u>157,490</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	-	<u>\$ -</u>
Cash Balance at beginning of year	<u>-</u>	<u>-</u>		
Cash Balance at end of year	<u>\$ -</u>	<u>\$ -</u>		
			-	
			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Rural Education Achievement**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance-
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable (Unfavorable)
<b>Revenues:</b>				
Federal Sources	\$ 2,500	\$ 2,500	\$ 1,887	\$ (613)
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>1,887</u>	<u>(613)</u>
<b>Expenditures:</b>				
Direct instruction	2,500	2,500	1,887	613
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,500</u>	<u>2,500</u>	<u>1,887</u>	<u>613</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	-	<u>\$ -</u>
Cash Balance at beginning of year	<u>-</u>	<u>-</u>		
Cash Balance at end of year	<u>\$ -</u>	<u>\$ -</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Microsoft Settlement**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Federal Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Direct instruction	2,725	2,725	1,654	1,071
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,725</u>	<u>2,725</u>	<u>1,654</u>	<u>1,071</u>
Excess (deficiency) of revenues over expenditures	<u>(2,725)</u>	<u>(2,725)</u>	<u>(1,654)</u>	<u>1,071</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	(2,725)	(2,725)	(1,654)	<u>\$ 1,071</u>
Cash Balance at beginning of year	<u>2,725</u>	<u>2,725</u>		
Cash Balance at end of year	<u>\$ -</u>	<u>\$ -</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ (1,654)</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Keep NM Beautiful**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Federal Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
Local Sources	-	-	-	-
Interest Income	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Instruction Support	-	612	564	48
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>612</u>	<u>564</u>	<u>48</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(612)</u>	<u>(564)</u>	<u>48</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	(612)	(564)	<u>\$ 48</u>
Cash Balance at beginning of year	<u>800</u>	<u>800</u>		
Cash Balance at end of year	<u>\$ 800</u>	<u>\$ 188</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			564	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Library GO Bond**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance-
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Favorable
				(Unfavorable)
Revenues:				
Federal Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	-	-	-	-
Expenditures:				
Instructional Support	-	-	-	-
Capital Outlay	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	-	<u>\$ -</u>
Cash Balance at beginning of year	<u>1,280</u>	<u>1,280</u>		
Cash Balance at end of year	<u>\$ 1,280</u>	<u>\$ 1,280</u>		
Reconciliation to GAAP Basis				
Changes in Receivables				-
Change in Due from Other Governments				<u>-</u>
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

**State of New Mexico  
Hondo Valley Public Schools  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Non-GAAP)  
Special Revenue-Technology For Education  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
State Sources	\$ 4,050	\$ 5,670	\$ 1,515	\$ (4,155)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>4,050</u>	<u>5,670</u>	<u>1,515</u>	<u>(4,155)</u>
<b>Expenditures:</b>				
Direct Instruction	-	-	-	-
Instructional Support	<u>4,050</u>	<u>5,670</u>	<u>821</u>	<u>4,849</u>
<b>Total Expenditures</b>	<u>4,050</u>	<u>5,670</u>	<u>821</u>	<u>4,849</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>694</u>	<u>694</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over Expenditures &amp; Other Uses</b>	-	-	694	<u>\$ 694</u>
<b>Cash Balance at beginning of year</b>	<u>3,776</u>	<u>3,776</u>		
<b>Cash Balance at end of year</b>	<u>\$ 3,776</u>	<u>\$ 3,776</u>		
<b>Reconciliation to GAAP Basis</b>				
Changes in Receivables			\$ -	
Change in Due from Other Governments			<u>-</u>	
<b>Excess (Deficiency) of revenues over expenditures</b>			<u>\$ 694</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue-Breakfast Elementary**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State Sources	\$ 1,703	\$ 1,703	\$ 740	\$ (963)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,703</u>	<u>1,703</u>	<u>740</u>	<u>(963)</u>
Expenditures:				
Food Services	1,703	1,703	1,593	110
Instructional Support	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,703</u>	<u>1,703</u>	<u>1,593</u>	<u>110</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(853)</u>	<u>(853)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	(853)	<u>\$ (853)</u>
Cash Balance at beginning of year	<u>5,560</u>	<u>5,560</u>		
Cash Balance at end of year	<u>\$ 5,560</u>	<u>\$ 5,560</u>		
Reconciliation to GAAP Basis				
			\$	-
			-	-
Excess (Deficiency) of revenues over expenditures			<u>\$</u>	<u>(853)</u>

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



**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue-State Directed Activites**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Revenues:				
State Sources	\$ 23,589	\$ 23,589	\$ 20,689	\$ (2,900)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>23,589</u>	<u>23,589</u>	<u>20,689</u>	<u>(2,900)</u>
Expenditures:				
Food Services	23,589	23,589	23,483	106
Instructional Support	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>23,589</u>	<u>23,589</u>	<u>23,483</u>	<u>106</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(2,794)</u>	<u>(2,794)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	(2,794)	<u>\$ (2,794)</u>
Cash Balance at beginning of year	<u>5,560</u>	<u>5,560</u>		
Cash Balance at end of year	<u>\$ 5,560</u>	<u>\$ 5,560</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			\$ -	
Change in Due from Other Governments			<u>2,794</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue-2008 GO Bond Library**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State Sources	\$ 6,233	\$ 6,233	\$ -	\$ (6,233)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>6,233</u>	<u>6,233</u>	<u>-</u>	<u>(6,233)</u>
Expenditures:				
Direct Instruction	-	-	-	-
Instructional Support	<u>6,233</u>	<u>6,233</u>	<u>6,233</u>	<u>-</u>
Total Expenditures	<u>6,233</u>	<u>6,233</u>	<u>6,233</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(6,233)</u>	<u>(6,233)</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	(6,233)	<u>\$ (6,233)</u>
Cash Balance at beginning of year	<u>-</u>	<u>-</u>		
Cash Balance at end of year	<u>\$ -</u>	<u>\$ -</u>		
Reconciliation to GAAP Basis				
			\$ -	
			<u>6,233</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue-Nutrition Grant**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Revenues:				
State Sources	\$ -	\$ -	\$ -	\$ -
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Food Services	5,740	5,740	5,740	-
Instructional Support	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>5,740</u>	<u>5,740</u>	<u>5,740</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(5,740)</u>	<u>(5,740)</u>	<u>(5,740)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	(5,740)	(5,740)	(5,740)	<u>\$ -</u>
Cash Balance at beginning of year	<u>5,740</u>	<u>5,740</u>		
Cash Balance at end of year	<u>\$ -</u>	<u>\$ -</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			\$ -	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ (5,740)</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Special Revenue Fund-Other Federal and State Grants**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Direct Instruction	-	-	-	-
Instructional Support	1,500	1,500	1,321	179
Food Services	-	-	-	-
Total Expenditures	<u>1,500</u>	<u>1,500</u>	<u>1,321</u>	<u>179</u>
Excess (deficiency) of revenues over expenditures	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,321)</u>	<u>179</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	-	-
Excess (deficiency) of revenues over Expenditures & Other Uses	(1,500)	(1,500)	(1,321)	<u>\$ 179</u>
Cash Balance at beginning of year	<u>3,791</u>	<u>3,791</u>		
Cash Balance at end of year	<u>\$ 2,291</u>	<u>\$ 2,291</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Change in Due from Other Governments			-	
Excess (Deficiency) of revenues over expenditures			<u>\$ (1,321)</u>	

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

## **Debt Service Fund**

This fund is established to receive revenue for the payment of interest and principal on outstanding general obligation school bond issues.

**State of New Mexico**  
**Roosevelt County**  
**Balance Sheet**  
**Debt Service Fund**  
**June 30, 2010**

**Assets**

Cash	\$	111,689
Taxes Receivable		<u>1,466</u>
<b>Total Assets</b>	<b>\$</b>	<b><u>113,155</u></b>

**Liabilities**

Deferred Revenue	\$	1,466
Due to Other Funds		<u>-</u>
<b>Total Liabilities</b>		<b><u>1,466</u></b>

**Fund Balance**

Reserved for Debt Service		<u>111,689</u>
<b>Total Fund Balance</b>		<b><u>111,689</u></b>
<b>Total Liabilities and Fund Balance</b>	<b>\$</b>	<b><u>113,155</u></b>

**The accompanying notes are an integral part of the financial statements.**

**State of New Mexico  
Hondo Valley Public Schools  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Debt Service Fund  
For the Year Ended June 30, 2010**

Revenues:	
Local Sources	\$ 205,139
Interest	<u>17</u>
Total Revenues	<u>205,156</u>
Expenditures:	
Administrative	2,051
Debt Service:	
Principal	125,000
Interest and Fiscal Charge	<u>54,650</u>
Total Expenditures	<u>181,701</u>
Excess (deficiency) of revenues over expenditures	<u>23,455</u>
Other Financing Sources (Uses)	
Transfers In (Out)	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	23,455
Fund Balance at beginning of year	<u>88,234</u>
Fund balance at end of year	<u>\$ 111,689</u>

**The accompanying notes are an integral part of the financial statements.**

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)-**  
**Debt Service Fund**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Property Taxes	\$ 150,020	\$ 150,020	\$ 205,139	\$ 55,119
Interest Income	-	-	17	17
	<u>150,020</u>	<u>150,020</u>	<u>205,156</u>	<u>55,136</u>
Total Revenues				
Expenditures:				
Administrative	2,500	2,500	2,051	449
Debt Service:				
Principal	182,309	182,309	125,000	57,309
Interest	<u>54,990</u>	<u>54,990</u>	<u>54,650</u>	<u>340</u>
	<u>239,799</u>	<u>239,799</u>	<u>181,701</u>	<u>58,098</u>
Total Expenditures				
Excess (deficiency) of revenues over expenditures	<u>(89,779)</u>	<u>(89,779)</u>	<u>23,455</u>	<u>113,234</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	-	-	-
Excess (deficiency) of revenues over Expenditures & Other Uses	(89,779)	(89,779)	23,455	<u>\$ 113,234</u>
Cash Balance at beginning of year	-	-		
Cash Balance at end of year	<u>\$ (89,779)</u>	<u>\$ (89,779)</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			(5,184)	
Changes in Deferred Income			<u>5,184</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ 23,455</u>	

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



## Capital Projects Funds

**BOND BUILDING** - To account for the costs of capital improvements, such as erecting, remodeling, making additions to, providing equipment for, and furnishing school buildings, purchasing and improving school grounds funded by bond proceeds.

**SPECIAL CAPITAL OUTLAY STATE** - To account for financing and construction of school improvements funded from a special legislative appropriation from the State of New Mexico.

**PUBLIC SCHOOL CAPITAL OUTLAY 20%** - To account for monies to be set aside out of Impact Aid, Forest Reserve, and Local taxes for capital improvements in public schools. Authority for the creation of this fund is Section 22-8-5 NMSA 1978.

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Combining Balance Sheet**  
**Capital Project Funds**  
**June 30, 2010**

<u>Assets</u>	Special Capital Outlay State	Public School Capital Outlay 20%	Total
Cash	\$ 18,288	\$ 3,292	\$ 21,580
Due From Other Funds	-	-	-
<b>Total Assets</b>	<u>\$ 18,288</u>	<u>\$ 3,292</u>	<u>\$ 21,580</u>
<u>Liabilities</u>			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balance</u>			
Reserved for Capital Projects	18,288	3,292	21,580
Unreserved for Future Expenditures	-	-	-
<b>Total Fund Balance</b>	<u>18,288</u>	<u>3,292</u>	<u>21,580</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 18,288</u>	<u>\$ 3,292</u>	<u>\$ 21,580</u>

**The accompanying notes are an integral part of the financial statements.**

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Capital Project Funds**  
**For the Year Ended June 30, 2010**

	Special Capital Outlay Fund	Public School Capital Outlay 20%	Total
<b>Revenues:</b>			
Federal Sources	\$ -	\$ -	\$ -
State Sources	-	-	-
Local Sources	-	-	-
Other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>			
Operation Maintenance Plant	-	-	-
Capital Outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)			
Transfers In (Out)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	-
Fund Balance at beginning of year	<u>18,288</u>	<u>3,292</u>	<u>21,580</u>
Fund balance at end of year	<u>\$ 18,288</u>	<u>\$ 3,292</u>	<u>\$ 21,580</u>

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Major Fund-Capital Projects Fund-Bond Building**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Bond Proceeds	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Interest Income	<u>-</u>	<u>-</u>	<u>284</u>	<u>284</u>
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>250,284</u>	<u>284</u>
Expenditures:				
Operation Maintenance Plant	-	-	-	-
Bond Issue Costs	472,778	500,000	478,970	21,030
Capital Outlay	<u>48,000</u>	<u>48,000</u>	<u>47,188</u>	812
Total Expenditures	<u>520,778</u>	<u>548,000</u>	<u>526,158</u>	<u>21,842</u>
Excess (deficiency) of revenues over expenditures	<u>(270,778)</u>	<u>(298,000)</u>	<u>(275,874)</u>	<u>22,126</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	(270,778)	(298,000)	(275,874)	<u>\$ 22,126</u>
Cash Balance at beginning of year	<u>359,109</u>	<u>359,109</u>		
Cash Balance at end of year	<u>\$ 88,331</u>	<u>\$ 61,109</u>		
Reconciliation to GAAP Basis:				
Changes in Accounts Payable			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ (275,874)</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Capital Projects Fund-Special Capital Outlay State**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State Sources	\$ 245,000	\$ -	\$ -	\$ -
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>245,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Operation Maintenance Plant	-	-	-	-
Capital Outlay	<u>245,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>245,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	-	<u>\$ -</u>
Cash Balance at beginning of year	<u>18,288</u>	<u>182,880</u>		
Cash Balance at end of year	<u>\$ 18,288</u>	<u>\$ 182,880</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Change in Due from Other Governments			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

**State of New Mexico**  
**Hondo Valley Public Schools**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual (Non-GAAP)**  
**Capital Projects Fund-Public Schools Capital Outlay State 20%**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State Sources	\$ -	\$ -	\$ -	\$ -
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Operation Maintenance Plant	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	-	-	-	<u>\$ -</u>
Cash Balance at beginning of year	<u>3,292</u>	<u>3,292</u>		
Fund balance at end of year	<u>\$ 3,292</u>	<u>\$ 3,292</u>		
Reconciliation to GAAP Basis				
Changes in Receivables			-	
Change in Due from Other Govt.			<u>-</u>	
Excess (Deficiency) of revenues over expenditures			<u>\$ -</u>	

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

## **Fiduciary Fund**

**AGENCY FUND** – To account for assets held by the school district in a trustee capacity for individuals, private organizations, other governments and/or other funds.

State of New Mexico  
Hondo Valley Public Schools  
Statement of Changes in Account Balances-Agency Funds  
For the Year Ended June 30, 2010

	Balance 6/30/2009	Additions	Deductions	Balance 6/30/2010
Glencoe Rural Events	\$ 310	\$ -	\$ 310	\$ -
Elementary	892	448	534	806
Kindergarten	-	-	-	-
First Grade	-	-	-	-
Second Grade	67	60	117	10
Third Grade	4	-	-	4
Fourth Grade	165	-	-	165
Fifth Grade	264	-	114	150
Sixth Grade	236	-	-	236
Seventh Grade	409	12	115	306
Eight Grade	889	403	192	1,100
Fiesta	7,362	7,257	1,375	13,244
Fiesta Decorating	62	-	-	62
Cheerleaders	1,288	-	20	1,268
Senior Class	1,525	8,362	9,887	-
Junior Class	2,070	2,767	2,175	2,662
Sophomore Class	890	1,887	1,031	1,746
Freshman Class	511	669	-	1,180
Yearbook	834	1,216	935	1,115
National Honor Society	734	-	734	-
Student Council	11	-	-	11
Football	352	172	524	-
FFA	37	3	40	-
H-Club	3,270	17,253	20,354	169
Shop	175	-	-	175
Rodeo Club	241	-	-	241
Art	2,850	-	2,850	-
Knowledge Bowl	595	-	-	595
Clement Scholarship	11,391	38	300	11,129
Clement School Int	404	58	-	462
Counselors Fund	417	-	-	417
Qualls Scholarship	123	-	-	123
Sunshine Committee	-	140	109	31
Library Fund	859	1,932	1,550	1,241
General Fund	282	2,961	2,090	1,153
Drivers Ed	330	-	-	330
Girls Basketball	179	-	-	179
Halloween Carnival	-	-	-	-
Boys Basketball	446	-	-	446
JH Girls Basketball	74	-	-	74
Film Class	213	-	213	-
Girls Volleyball	49	-	-	49
Character Counts	102	-	-	102
Soldier Care Packages	1,116	1,055	361	1,810
	<u>\$ 42,028</u>	<u>\$ 46,693</u>	<u>\$ 45,930</u>	<u>\$ 42,791</u>



## **Other Reports**

State of New Mexico  
Hondo Valley Public Schools  
Schedule of Deposits and Pledged Collateral Under State Requirements  
June 30, 2010

Financial Institution	Account Name	Account Type	Reconciled Balance	O/S	O/S	Balance Not On Deposit 06-30-10	FDIC or Other Insurance	Not Insured By FDIC	Required Collateral	FMV of Collateral	Pledged Over(Short)
				Deposits Balance	Checks Balance						
Wells Fargo	Operations	Checking	\$ 319,960	-	178,253	\$ 498,213	250,000				
	Federal Projects	Checking	4	-	-	4	-				
	Debt Service	Checking	111,689	-	-	111,689	-				
	Activity Fund	Checking	31,542	-	776	32,318	31,781	-	-		
	Activity Fund	CD	11,250	-	-	11,250	11,250				
			<u>474,445</u>	<u>-</u>	<u>179,029</u>	<u>653,474</u>	<u>293,031</u>	<u>\$ 360,443</u>	<u>\$ 180,222</u>	<u>\$ 696,038</u>	<u>\$ 515,817</u>

Pledged Collateral

Description	Custodian	Maturity	Par	Rate	Market	SK	
					Value	Rec #	Cusip
Wells Fargo							
FGIOH 00895	WFBNW	6/1/2037	\$ 132,789	5.50%	\$ 142,404	4501	3128MS7G9
FNMA 256349	WFBNW	7/1/2036	133,105	6.00%	144,864	2232	31371MWJ2
FNMA 867437	WFBNW	5/1/2036	365,699	6.00%	398,006	4552	31409CV69
FNMA 545274	WFBNW	11/1/2031	9,751	6.00%	10,764	7623	31385HXB3
			<u>\$ 641,344</u>		<u>\$ 696,038</u>		

State of New Mexico  
Hondo Valley Public Schools  
Bank Reconciliation  
June 30, 2010

	Operational	Transport	Instructional Materials	Food Serv.	Athletics	Non Instruction	Federal Flow through	Federal Direct	Local	State Flow through	State Direct	Bond Building	Special Capital Outlay State	Capital Imp. SB-9	PSCOC 20%	Debt Service	Total
Audited Net Cash 6-30-09	\$ 54,693	\$ 79,601	\$ 22,393	\$ 1,099	\$ 2,472	\$ 42,031	\$ (36,361)	\$ 1,000	\$ 1,925	\$ (10,482)	\$ 5,742	\$ 359,109	\$ 18,288	\$ 64,525	\$ 2,498	\$ 88,234	\$ 696,767
Outstanding Loans (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash 6-30-10	54,693	79,601	22,393	1,099	2,472	42,031	(36,361)	1,000	1,925	(10,482)	5,742	359,109	18,288	64,525	2,498	88,234	696,767
Revenues to Date	1,924,337	242,112	9,938	72,943	12,628	42,587	187,505	165,490	800	22,944	-	250,284	-	54,285	-	205,156	3,191,009
Loan Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior Year Warrants Voided	1,542	-	-	-	66	-	35	-	-	-	-	-	-	-	794	-	2,437
Total Resources to Date Current Year	1,980,572	321,713	32,331	74,042	15,166	84,618	151,179	166,490	2,725	12,462	5,742	609,393	18,288	118,810	3,292	293,390	3,890,213
Expenditures to Date	1,852,150	224,700	18,191	81,110	13,931	41,827	169,977	167,376	2,217	32,131	5,740	526,158	-	118,559	-	181,701	3,415,768
Loan Repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to Date (In) Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash	128,422	97,013	14,140	12,932	1,235	42,791	(18,798)	(886)	508	(19,669)	2	83,235	18,288	251	3,292	111,689	474,445
Outstanding Loans (Out) In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments on Hand	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash	\$ 128,422	\$ 97,013	\$ 14,140	\$ 12,932	\$ 1,235	\$ 42,791	\$ (18,798)	\$ (886)	\$ 508	\$ (19,669)	\$ 2	\$ 83,235	\$ 18,288	\$ 251	\$ 3,292	\$ 111,689	\$ 474,445
Cash In Bank	\$ 203,675	\$ 102,682	\$ 20,542	\$ 13,044	\$ 2,028	\$ 43,567	\$ 2,238	\$ 9,725	\$ 508	\$ (14,251)	\$ 2	\$ 136,194	\$ 18,288	\$ 251	\$ 3,292	\$ 111,689	653,474
Outstanding Loans	(50,229)	-	-	-	-	-	50,229	-	-	-	-	-	-	-	-	-	-
Outstanding Checks	75,253	5,669	6,402	112	793	776	21,036	10,611	-	5,418	-	52,959	-	-	-	-	179,029
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash	\$ 78,193	\$ 97,013	\$ 14,140	\$ 12,932	\$ 1,235	\$ 42,791	\$ 31,431	\$ (886)	\$ 508	\$ (19,669)	\$ 2	\$ 83,235	\$ 18,288	\$ 251	\$ 3,292	\$ 111,689	\$ 474,445

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**Dan Austin CPA, PC  
700 Mechem Drive Ste. 15  
Ruidoso, NM 88345**

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

Hector Balderas, State Auditor,  
Board of Education, Hondo Valley Public Schools  
Hondo, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the general fund and major special revenue funds budgetary comparisons, and the aggregate remaining fund information of Hondo Valley Public Schools as of and for the year ended June 30, 2010, which collectively comprise Hondo Valley Public Schools' basic financial statements and have issued our report thereon dated November 11, 2010. We have also audited the financial statements of each of the School's Nonmajor governmental funds and respective budgetary comparisons and the debt service and capital project funds budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents, and have issued our report thereon dated November 11, 2010. We conducted the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing the 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 School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis.

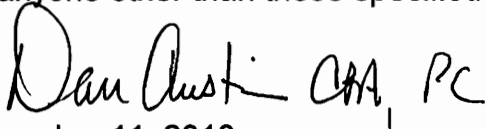
A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 the 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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, others within the organization, Board of Education, New Mexico Public Education Department, the State Auditor, the New Mexico Legislature and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dan Austin CMA, PC". The signature is written in a cursive style with a large initial "D".

November 11, 2010

**State of New Mexico  
Hondo Valley Public Schools  
Schedule of Audit Findings, Other Disclosures and Exit conference  
June 30, 2010**

**RESOLUTION OF PRIOR YEAR FINDINGS**

**07-2 Financial Statement Preparation-Resolved  
09-1 1099 Reporting-Resolved**

**CURRENT YEAR FINDINGS**

**None**

**FINANCIAL STATEMENT PREPARATION**

Although it would be preferred and desirable for the District to prepare its own GAAP-based financial statements, it is felt that the District's personnel not have the time to prepare them. Therefore, the outside auditor per the contract agreement between the auditor and the School, and approved by the Office of the State Auditor has prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report. However, the responsibility for the content of the report remains with school management.

**EXIT CONFERENCE**

On November 15, 2010, an exit conference was held at the District's administrative offices. Present were Andrea Nieto, Superintendent, Mary Prudencio, Business Manager, Corrine Prudencio, Joe Torrez, Board Member, and Dan Austin, CPA, representing the audit firm. The report for the year ended June 30, 2010, was discussed as well as other financial reporting considerations.