

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

TABLE OF CONTENTS

JUNE 30, 2009

	<u>Exhibit</u>	<u>Page Number</u>
Table of Contents.....		i-iii
Official Roster.....		iv
Independent Auditor’s Report.....		1-2
Basic Financial Statements:		
Statement of Net Assets	A	3
Statement of Activities	B	4
Balance Sheet – Governmental Funds	C	5-6
Reconciliation of the Balance Sheet		
All Governmental Funds to the		
Statement of Net Assets	D	7
Statement of Revenue, Expenditures and		
Changes in Fund Balance – All Governmental Funds	E	8-9
Reconciliation of the Statement of Revenues,		
Expenditures, and Changes in Fund Balance- All		
Governmental Funds to the Statement of Activities	F	10
Combined Statement of Revenue and Expenditures – Budget		
(Non-GAAP) and Actual – General Fund	G	11
Statement of Revenue and Expenditures		
Budget (Non-GAAP) and Actual		
--Special Revenue Fund-SB-9	H	12
Statement of Fiduciary Assets & Liabilities	I	13
Statement of Changes In Fiduciary		
--Net Assets.....	J	14
Notes to Financial Statements		15-37
Non-Major Governmental Funds:		
General Fund Description		38
Combining Balance Sheet—General Fund	A-1	39
Combining Statement of Revenue, Expenditures and		
Changes in Fund Balance—General Fund	A-2	40
Statement of Revenue and Expenditures		
Budget (Non-GAAP) and Actual		
--General Fund – Operational	A-3	41
--General Fund- Teacherage	A-4	42
--General Fund - Transportation	A-5	43
--General Fund - Instructional Materials.....	A-6	44
Special Revenue Fund Description.....		45-46
Combining Balance Sheet		
Non-Major Governmental Funds		
--Special Revenue Funds.....	B-1	47-51
Combining Statement of Revenues, Expenses and Changes		
In Fund Balance – Non-major Governmental Funds		
--Special Revenue Funds.....	B-2	52-56

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

TABLE OF CONTENTS, continued

JUNE 30, 2009

Statement of Revenue and Expenditures		
Budget (Non-GAAP) and Actual		
Special Revenue Fund		
--Cafeteria	B-3	57
--Athletics	B-4	58
--Non Instructional Support	B-5	59
--Title I	B-6	60
--IDEA-B Entitlement	B-7	61
--IDEA-B Preschool.....	B-8	62
--Tech E2T2-F	B-9	63
--Tech E2T2-C	B-10	64
--Title V Innovation Ed Program Strategies.....	B-11	65
--Teacher/Principal Training.....	B-12	66
--Safe & Drug Free Schools.....	B-13	67
--Reading First	B-14	68
--Title I Federal Stimulus	B-15	69
-- Medicaid Title XIX.....	B-16	70
-- REAP	B-17	71
--Technology for Education.....	B-18	72
--Incentives for School Improvement	B-19	73
--Library GO Bond Law 2004	B-20	74
--Breakfast for Elementary Students	B-21	75
--Library SB 301 GO Bonds	B-22	76
--Rural Revitalization.....	B-23	77
--Library Book Fund	B-24	78
--Private Direct Grants	B-25	79
--School Based Health Center	B-26	80
Capital Project Fund Description.....		81
Combining Balance Sheet		
Non-Major Governmental Funds		
--Capital Projects Funds.....	C-1	82-83
Combining Statement of Revenue, Expenditures and		
Changes in Fund Balance		
Non-Major Governmental Funds		
--Capital Projects Fund	C-2	84-85
Statement of Revenue and Expenditures		
Budget (Non-GAAP) and Actual		
--Capital Projects Fund--Bond Building	C-3	86
--Energy Efficiency Act.....	C-4	87
Agency Fund Description.....		88
Schedule of Changes in		
Assets and Liabilities		
--Agency Funds.....	D-1	89
Other Major Fund Information.....		90
Statement of Revenue and Expenditures		
Budget (Non-GAAP) and Actual		
-- Debt Service Fund.....	E-1	91

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

TABLE OF CONTENTS, continued

JUNE 30, 2009

	<u>Schedule</u>	
Other Supplementary Information		92
Bank Summary	1	93
Schedule of Pledged Collateral.....	2	94
Bank Reconciliation	3	95-97
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.....		98-99
Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program And Internal Control Over Compliance in Accordance OMB Circular		100-101
Single Audit Section.....		102
Schedule of Findings and Questioned Costs.....		103-104
Schedule of Expenditures of Federal Awards.....		105
Other Disclosures		106

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

JUNE 30, 2009

OFFICIAL ROSTER

BOARD OF EDUCATION

Mike Candelaria	President
Denny Carver	Vice President
Elena Farr	Secretary
Polly Pierson	Member
Gary Roberts	Member

SCHOOL OFFICIALS

Bill Green	Superintendent
Sandra Heinsohn	Business Manager

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Board of Education
Quemado Independent Schools
Estancia, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons for the general and major special revenue funds, and the aggregate remaining fund information of Quemado Independent Schools (District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Quemado Independent School's non-major governmental and fiduciary funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of Quemado Independent 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Quemado Independent Schools, as of June 30, 2009, and the respective changes in financial position, thereof and the respective budgetary comparison statements for the General and SB-9 funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund and the fiduciary funds of Quemado Independent Schools, as of June 30, 2009, and the respective changes in financial position thereof and the respective budgetary comparison statements for the Debt Service fund, each non-major governmental 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 October 30, 2009, on our consideration of Quemado Independent 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.

Quemado Independent Schools have not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States of America has determined necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was performed for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons of Quemado Independent Schools. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Quemado Independent Schools. This information, the schedule of change in assets and liabilities agency funds and the Schedule of Expenditures of Federal Awards are not required parts of the basic financial statements of Quemado Independent Schools. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements.

October 30, 2009

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT A

STATEMENT OF NET ASSETS

JUNE 30, 2009

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 655,328
Property taxes receivable	8,645
Due from other governments	90,487
Inventories	3,856
Total current assets	<u>758,316</u>
Non-current assets:	
Capital assets, net	<u>7,066,948</u>
Total non-current assets	<u>7,066,948</u>
Total assets	<u>7,825,264</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	21,016
Deferred revenue	52,176
Accrued interest payable	43,580
Current portion of long term debt	75,000
Total current liabilities	<u>191,772</u>
Non-current liabilities:	
Non-current portion of long term debt	<u>1,680,000</u>
Total non-current liabilities	<u>1,680,000</u>
Total liabilities	<u>1,871,772</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	5,311,948
Restricted:	
Debt Service	90,904
Unrestricted	<u>550,640</u>
Total net assets	<u>\$ 5,953,492</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Assets
					Primary Governmental Activities
Primary government:					
Governmental activities:					
Instruction	\$ 1,648,683	\$ 13,554	\$ 168,282	\$ -	\$ (1,466,847)
Support Services	9,270	-	5,505	-	(3,765)
Support Services Students	241,940	-	64,975	-	(176,965)
Support Services Instruction	118,739	-	49,237	-	(69,502)
Support Services General Administration	187,215	-	-	1,491	(185,724)
Support Services School Administration	114,775	-	14,207	-	(100,568)
Central Services	118,818	-	-	-	(118,818)
Operation and Maintenance of Plant	523,854	-	-	-	(523,854)
Student Transportation	552,547	-	496,662	-	(55,885)
Other Support Services	99,865	-	-	-	(99,865)
Food Services Operations	16,625	19,651	72,209	-	75,235
Bond Interest Paid	95,132	-	-	-	(95,132)
Depreciation-unallocated	-	1,519	1,516,336	4,210	1,522,065
Total governmental activities	\$ 3,727,463	\$ 34,724	\$ 2,387,413	\$ 5,701	(1,299,625)
General revenues:					
Property Taxes:					
					29,491
					168,370
					149,232
					805,552
					213
					1,141
					45,326
					<u>1,199,325</u>
					(100,300)
					<u>6,053,792</u>
					<u>\$ 5,953,492</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

JUNE 30, 2009

	<u>GENERAL</u>	<u>SB-9</u>
ASSETS		
Cash and cash equivalents	\$ 223,292	\$ 199,372
Accounts Receivable	-	-
Property Taxes Receivable	759	3,694
Inventories	-	-
Due from Other Funds	81,398	-
TOTAL ASSETS	<u>\$ 305,449</u>	<u>\$ 203,066</u>
LIABILITIES		
Accounts Payable	\$ -	\$ -
Deferred Revenue	-	-
Accrued Interest Payable	-	-
Due to Other Funds	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCE		
Fund Balance		
Reserved for Debt Service	-	-
Reserved for Inventory	-	-
Undesignated, reported in:		
General Funds	305,449	-
Special Revenue Funds	-	203,066
Capital Projects Funds	-	-
TOTAL FUND BALANCE	<u>305,449</u>	<u>203,066</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 305,449</u>	<u>\$ 203,066</u>

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

EXHIBIT C

<u>DEBT SERVICE</u>	<u>NON MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 130,292	\$ 102,372	\$ 655,328
-	90,487	90,487
4,192	-	8,645
-	3,856	3,856
-	-	81,398
<u>\$ 134,484</u>	<u>\$ 196,715</u>	<u>\$ 839,714</u>
\$ -	\$ 21,016	\$ 21,016
-	52,176	52,176
43,580	-	43,580
-	81,398	81,398
<u>43,580</u>	<u>154,590</u>	<u>198,170</u>
90,904	-	90,904
-	3,856	3,856
-	-	305,449
-	38,269	241,335
-	-	-
<u>90,904</u>	<u>42,125</u>	<u>641,544</u>
<u>\$ 134,484</u>	<u>\$ 196,715</u>	<u>\$ 839,714</u>

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

EXHIBIT D

RECONCILIATION OF THE BALANCE SHEET
ALL GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS

June 30, 2009

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

Fund Balances - total governmental funds	\$	641,544
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		7,066,948
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		<u>(1,755,000)</u>
Net assets of governmental activities	\$	<u><u>5,953,492</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

STATEMENT OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCE-- GOVERNMENTAL FUNDS

Year Ended June 30, 2009

	<u>GENERAL</u>	<u>SB-9</u>
REVENUE		
Federal Programs	\$ 1,513,545	\$ -
State Programs	514,300	5,701
Local Programs	45,955	-
State Equalization	805,552	-
Service Revenues	-	-
Taxes	29,491	149,232
Interest	811	162
Other revenue sources	892	-
TOTAL REVENUES	<u>2,910,546</u>	<u>155,095</u>
EXPENDITURES		
Current		
Instruction	1,297,382	-
Support Services	-	-
Support Services Students	151,810	-
Support Services Instruction	63,858	-
Support Services General Administration	166,635	1,491
Support Services School Administration	89,857	-
Central Services	107,730	-
Operation and Maintenance of Plant	474,967	-
Student Transportation	500,982	-
Other Support Services	-	-
Food Services Operations	15,073	-
Facilities Acquisition and Construction	-	120,122
Debt Service		
Principal	-	-
Interest and Fiscal Charge	-	-
TOTAL EXPENDITURES	<u>2,868,294</u>	<u>121,613</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	42,252	33,482
Other Financing Sources		
Transfers In<Out>	2,413	-
Total Other Financial Sources	<u>2,413</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	44,665	33,482
FUND BALANCE		
June 30, 2008	<u>260,784</u>	<u>169,584</u>
FUND BALANCE		
June 30, 2009	<u>\$ 305,449</u>	<u>\$ 203,066</u>

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

EXHIBIT E

<u>DEBT SERVICE</u>	<u>NON MAJOR GOVERNMENTAL FUNDS</u>	<u>Total GOVERNMENTAL FUNDS</u>
\$ -	\$ 257,906	\$ 1,771,451
-	95,666	615,667
-	39,377	85,332
-	-	805,552
-	-	-
168,370	-	347,093
61	104	1,138
-	38	930
<u>168,431</u>	<u>393,091</u>	<u>3,627,163</u>
-	167,686	1,465,068
-	8,405	8,405
-	67,552	219,362
-	43,800	107,658
1,618	-	169,744
-	14,207	104,064
-	-	107,730
-	-	474,967
-	-	500,982
-	90,545	90,545
-	-	15,073
-	2,791	122,913
65,000	-	65,000
95,132	-	95,132
<u>161,750</u>	<u>394,986</u>	<u>3,546,643</u>
6,681	(1,895)	80,520
-	(2,413)	-
-	(2,413)	-
6,681	(4,308)	80,520
<u>84,223</u>	<u>46,433</u>	<u>561,024</u>
<u>\$ 90,904</u>	<u>\$ 42,125</u>	<u>\$ 641,544</u>

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT F

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

Year Ended June 30, 2009

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

Net change in fund balance - total governmental funds	\$ 80,520
---	-----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year

Capital Outlay	93,156
Depreciation	(338,976)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds

The issuance of long-term debt (e.g., bonds) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items

-

Expenses in Statement of Activities which do not require use of current financial resources i.e. Compensated Absences

-

Bond Principal	<u>65,000</u>
----------------	---------------

Change in Net Assets	<u>\$ (100,300)</u>
----------------------	---------------------

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT G

COMBINED STATEMENT OF REVENUE, EXPENDITURES--BUDGET
 (NON-GAAP) AND ACTUAL--GENERAL FUND

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 209,037	\$ 1,562,023	\$ 1,513,545	\$ (48,478)
State Revenue	2,473,340	1,322,029	1,319,852	(2,177)
Local Revenue	36,290	36,290	76,901	40,611
TOTAL REVENUE	<u>2,718,667</u>	<u>2,920,342</u>	<u>\$ 2,910,298</u>	<u>\$ (10,044)</u>
BUDGETED CASH BALANCE	<u>258,729</u>	<u>260,075</u>		
TOTAL REVENUE & CASH	<u>\$ 2,977,396</u>	<u>\$ 3,180,417</u>		
EXPENDITURES				
Current				
Instruction	\$ 1,361,135	\$ 1,382,015	\$ 1,297,382	\$ 84,633
Support Services	-	-	-	-
Support Services Students	141,142	154,134	151,810	2,324
Support Services Instruction	73,507	74,507	63,857	10,650
Support Services General Administration	173,308	178,308	166,635	11,673
Support Services School Administration	94,654	94,654	89,857	4,797
Central Services	110,321	113,321	107,730	5,591
Operation and Maintenance of Plant	474,724	557,122	474,967	82,155
Student Transportation	535,016	505,767	500,982	4,785
Other Support Services	2,089	2,089	-	2,089
Food Services Operations	11,500	118,500	15,073	103,427
Facilities Acquisition and Construction	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charge	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 2,977,396</u>	<u>\$ 3,180,417</u>	<u>\$ 2,868,293</u>	<u>\$ 312,124</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT H

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--SB-9

Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	5,850	5,701	(149)
Local Revenue	137,599	137,599	149,288	11,689
TOTAL REVENUE	<u>137,599</u>	<u>143,449</u>	<u>\$ 154,989</u>	<u>\$ 11,540</u>
BUDGETED CASH BALANCE	<u>164,887</u>	<u>165,997</u>		
TOTAL REVENUE & CASH	<u>\$ 302,486</u>	<u>\$ 309,446</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	1,500	1,500	1,491	9
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	300,986	307,946	120,122	187,824
TOTAL EXPENDITURES	<u>\$ 302,486</u>	<u>\$ 309,446</u>	<u>\$ 121,613</u>	<u>\$ 187,833</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT I

STATEMENT OF FIDUCIARY ASSETS & LIABILITIES

June 30, 2009

	Employee Retirement Plan	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash on Deposit	\$ -	\$ 39,656
Investments, at fair value		
Mutual Funds	73,411	-
TOTAL ASSETS	<u>\$ 73,411</u>	<u>\$ 39,656</u>
LIABILITIES		
Due To Student Groups	\$ -	\$ 39,656
TOTAL LIABILITIES	<u>-</u>	<u>\$ 39,656</u>
Net Assets		
Held in trust for pension benefits and other purposes	73,411	
TOTAL NET ASSETS	<u>\$ 73,411</u>	

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT J

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended June 30, 2009

	<u>Employee Retirement Plan</u>
ADDITIONS:	
Contributions:	
Plan Members	\$ 12,200
Total contributions	<u>12,200</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	<u>(16,336)</u>
Total investment earnings	(16,336)
Less investment expense	-
Net investment earnings	<u>(16,336)</u>
TOTAL ADDITIONS	<u>(4,136)</u>
DEDUCTIONS	
Benefits	1,470
Refunds of contributions	-
Administrative expenses	-
TOTAL DEDUCTIONS	<u>1,470</u>
CHANGE IN NET ASSETS	(5,606)
Net Assets -- beginning of the year	79,017
Net Assets -- end of the year	<u>\$ 73,411</u>

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

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Implementation of New Accounting Policies

For the fiscal year 2009 the Quemado Independent Schools has implemented GASB Statements No. 33 (GASB 33), Accounting and Financial Reporting for Non-exchange Transactions, GASB Statement No. 34 (GASB 34), Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments, GASB Statement No. 37 (GASB 37), Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus and GASB Statement No. 38 (GASB 38), Certain Financial Statements Disclosure. At July 1, 2000, there was no effect on fund balance as a result of implementing GASB 33, GASB 34, GASB 37 and GASB 38.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the School District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10 following the levy and become delinquent after thirty (30) days.

GASB – 34 creates new basic financial statements for reporting on the School District's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column.

B. Reporting Entity

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

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Quemado Independent School District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

The District does not have any component units required to be disclosed.

C. Government-wide and fund financial statements

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

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

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated un-collectable amounts, in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all the qualifying expenditure is made and eligibility requirements imposed by the provider have been met.

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

Property taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Grant revenues and deferrals are recognized in accordance with GASB33.

The government reports the following major governmental funds:

GENERAL FUNDS - The general fund is the government's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund. It includes Operational, Teacherage, Transportation and Instructional Materials.

SB-9 – Special Revenue- 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. Authority for the creation of this fund is NMSA 22-25-1 to 22-25-10.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements.

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

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

E. Assets, liabilities, and net assets or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

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

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

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

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

Investments for the District are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

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

The School District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. The assessed valuation for the 2009 fiscal year was \$84,660,599. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB - 9 Capital Improvements Fund and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

3. Inventories

The food inventories are valued at cost using the first-in/first-out (FIFO) method. USDA Commodities are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$ 5,000.00 (amount not rounded) and an estimated useful life in excess of two years. The District is capitalizing qualifying software, library books, and assets constructed by district personnel as required. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are to be capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	50
Land Improvements	50
Equipment	10

5. Compensated absences

It is the policy of Quemado Independent Schools to permit certain employees to accumulate a limited amount of earned but unused vacation, which will not be paid to employees upon separation from the school districts' service. In governmental funds, the cost of vacations is recognized when payments are made to employees. No accrual for accumulated compensated absences has been made.

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

6. Long-term obligations

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

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

6. Long-term obligations (continued)

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

7. Fund equity

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; 2) imposed by law through constitutional provisions or enabling legislation. Total restricted net assets of \$90,904 is comprised of Debt Service \$90,904.

8. Indirect Costs

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

9. Salaries and Wages

The School District pays all salaries and wages due teachers on or before June 30th of each year.

10. Estimates

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

11. Revenues

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$805,552 in state equalization guarantee distributions during the year ended June 30, 2009.

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, liabilities, and net assets or equity (continued)

11 Revenues (continued)

Transportation Distribution: School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$496,662 in transportation distributions during the year ended June 30, 2009.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between fund *balance total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains, "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of the \$1,755,000 difference are as follows:

Bonds Payable	<u>\$ 1,755,000</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 1,755,000</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$ (124,820) difference are as follows:

Capital Outlay	\$ 93,156
Depreciation expense	<u>(338,976)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	<u>\$ (245,820)</u>

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

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

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities. (continued)

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$65,000 difference are as follows:

Principal repayments:	
General obligation debt	\$ <u>65,000</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	\$ <u>65,000</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

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

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

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

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

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

- In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
- In May or June, the budget is approved by the Board of Education

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, (continued)

A. Budgetary information (continued)

- The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
- The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
- The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
- Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.
- The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2009 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 2,977,396	\$ 3,180,417
Special Revenue Fund	620,441	851,438
Debt Service Fund	272,520	272,520
Capital Projects Fund	<u>125</u>	<u>125</u>
	<u>\$ 3,870,482</u>	<u>\$ 4,304,500</u>

B. Deficit fund equity

There were not any deficit fund balances at June 30, 2009.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and temporary investments

At June 30, 2009, the carrying amount of the District's deposits was \$694,876 and the bank balance was \$896,309. Of this balance \$250,000 was covered by federal depository insurance and \$646,309 was covered by collateral held in joint safekeeping by a third party in the entities name.

Collateral requirements are as follows:

First State Bank	Total Deposits	\$ 896,309
	Less: FDIC coverage	<u>250,000</u>
	Uninsured Public Funds	646,309
	Pledged collateral held by pledging bank's trust department in the District's name	<u>900,000</u>
	Uninsured and un-collateralized	<u><u>-0-</u></u>

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

IV. DETAILED NOTES ON ALL FUNDS (continued)

A. Cash and temporary investments (continued)

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The collateral pledged is listed on page 94 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing Now accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the unlimited coverage for public unit demand deposits at the same institution under the FDIC Temporary Liquidity Guarantee Program.

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

The State Treasurer issues a separate, publicly available audited financial report that includes disclosure of the collateral pledged to secure State Treasurer cash and investments.

B. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2009, the government bank balance was 100% collateralized. As of June 30, 2009, none of the government's bank balance of \$896,309 were exposed to custodial credit risk.

Uninsured and un-collateralized \$ -0 -

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

C. Receivables

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

	<u>General</u>	<u>SB-9</u>	<u>Debt Service</u>	<u>Non Major Governmental</u>	<u>TOTAL</u>
Taxes:					
Property	\$ 759	\$ 3,694	\$ 4,192	\$ -	\$ 8,645
Intergovernmental					-
Grants:					-
Federal	-	-	-	71,188	71,188
State	-	-	-	19,299	19,299
Other:	-	-	-	-	-
	<u>\$ 759</u>	<u>\$ 3,694</u>	<u>\$ 4,192</u>	<u>\$ 90,487</u>	<u>\$ 99,132</u>

Receivables are considered fully collectible.

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

	<u>Unavailable</u>
Grant draw downs prior to meeting all eligibility requirements	\$ 52,176
Total deferred/unearned revenue for government funds	\$ 52,176

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 90,814	\$ -	\$ -	\$ 90,814
Capital assets, being depreciated:				
Land improvements	779,236	7,721	-	786,957
Buildings & building improvements	9,617,914	77,595	-	9,695,509
Furniture & Fixtures	372,341	7,840	-	380,181
Vehicles	490,435	-	-	490,435
Equipment	251,146	-	-	251,146
Software	-	-	-	-
Total Capital Assets being depreciated	11,511,072	93,156	-	11,604,228
Less accumulated depreciation for:				
Land improvements	248,458	71,240	-	319,698
Buildings & building improvements	3,275,383	192,703	-	3,468,086
Furniture & Fixtures	257,896	36,886	-	294,782
Vehicles	265,679	35,700	-	301,379
Equipment	241,702	2,447	-	244,149
Total accumulated depreciation	4,289,118	338,976	-	4,628,094
Total Capital assets, being depreciated, net	7,221,954	(245,820)	-	6,976,134
Governmental activities capital assets, net	<u>\$ 7,312,768</u>	<u>\$ (245,820)</u>	<u>\$ -</u>	<u>\$ 7,066,948</u>

Depreciation expense was charged to function/programs of the School District as follows:

Instruction	\$ 153,858
Support Services	865
Support Services Students	22,578
Support Services Instruction	11,081
Support Services General Administration	17,471
Support Services School Administration	10,711
Central Services	11,088
Operation and Maintenance of Plant	48,887
Student Transportation	51,565
Other Support Services	9,320
Food Services Operations	1,552
Total	<u>338,976</u>

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

IV. DETAILED NOTES ON ALL FUNDS (continued)

E. Long-Term Debt

Governmental Activities
 Bonds Payable

A summary in changes in long-term obligations follows:

	<u>Balance 7-1-2008</u>	<u>Bonds Issued</u>	<u>Bonds Redeemed</u>	<u>Balance 6-30-2009</u>	<u>Amounts due within One Year</u>
\$2,000,000 2002 GO Building Bonds due in annual installments of \$40,000 to \$235,000 through July 2021, interest at 4.70% to 6.25%	\$ 1,820,000	\$ -	\$ 65,000	\$ 1,755,000	\$ 75,000
Total	<u>\$ 1,820,000</u>	<u>\$ -</u>	<u>\$ 65,000</u>	<u>\$ 1,755,000</u>	<u>\$ 75,000</u>

Go Bond indebtedness typically has been liquidated using Deb Service Funds. The annual requirements to amortize all bonded debt outstanding as of June 30, 2009, including interest of \$687,647 are shown below:

	<u>Governmental Activities</u>	
	<u>General Obligation</u>	
	<u>Principal</u>	<u>Interest</u>
6/30/2010	\$ 75,000	\$ 92,962
6/30/2011	85,000	88,749
6/30/2012	95,000	84,328
6/30/2013	110,000	79,043
6/30/2014	120,000	72,660
2015-2019	815,000	244,115
2020-2021	475,000	25,790
TOTAL	<u>\$ 1,775,000</u>	<u>\$ 687,647</u>

V. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico.

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

V. OTHER INFORMATION (continued)

A. Risk Management (continued)

The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions.

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

B. Contingent liabilities

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

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

C. Employee retirement plan

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

Funding Policy - Plan members are required to contribute 7.9% of their gross salary. Quemado Independent School District is required to contribute 11.65% of the gross covered salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the Quemado Independent School District are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The Quemado Independent School District's contributions to the ERB for the years ended June 30, 2009, 2008 and 2007 were: \$171,881, \$153,093 and \$136,253 respectively, which equal the amount of the required contributions for each fiscal year.

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

V. OTHER INFORMATION (continued)

D. Post-retirement health care benefits

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

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post employment 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.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The Quemado Independent School's contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$19,180, \$18,258 and \$17,451 respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

JUNE 30, 2009

V. OTHER INFORMATION (continued)

E. Deferred Compensation Plan

Quemado Independent School District has adopted a deferred compensation plan under code section 457. Employees can contribute up to 25% of their salary. The plan is managed by First Administrators Inc. with One America being the transfer agent holding the funds. Employee Contributions to this plan for June 30, 2009 were \$12,200.

F. Prior Period Adjustments

No adjustments were made to the district's prior year fund balances.

G. Interfund Receivables

Cash overdrafts are interfund receivables and considered to be short-term borrowings from general funds to cover current year operating expenditures and will be paid back within the next year. At June 30, 2009, they consisted of the following:

Due to Operational	<u>\$ 81,398</u>
Due From	
Title I	\$ 17,199
IDEA-B Entitlement	24,177
IDEA-B Preschool	2,014
Enhancing Ed Thru Ed (E2T2-C)	4,669
Teacher Principal Training	3,227
Title IV Safe & Drug Free	175
Reading First	9,360
REAP	10,367
Libraries GO Bond Laws	2,779
Libraries SB 301 GO Bonds	5,437
Rural Revitalization	1,994
	<u>\$ 81,398</u>

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

JUNE 30, 2009

V. OTHER INFORMATION (continued)

H. Permanent Transfers

During the 2008-09 year several funds were closed out and small residual cash accounts were transferred to the Operational fund. At June 30, 2009 permanent transfers consisted of the following:

Transfer from:

Private Direct Grants	\$ 213
Bond Building	125
Energy efficiency Act	<u>2,075</u>
	<u>\$ 2,413</u>

Transfer to:

Operational	<u>\$ 2,413</u>
-------------	-----------------

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2009

V. OTHER INFORMATION (continued)

I. Reconciliation of Budgetary and GAAP Basis Amounts

	<u>Operational</u>	<u>Teacherage</u>	<u>Transportation</u>	<u>Instructional Materials</u>
REVENUES				
Budgetary Basis	\$ 2,395,599	\$ 301	\$ 496,752	\$ 17,646
Add:				
Current Year Receivables & Other Credits	758	-	-	-
Deduct:				
Prior Year Receivables & Other Debits	<u>512</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUE --GAAP BASIS	<u>\$ 2,395,845</u>	<u>\$ 301</u>	<u>\$ 496,752</u>	<u>\$ 17,646</u>
EXPENDITURES				
Budgetary Basis	\$ 2,333,095	\$ 12,161	\$ 496,523	\$ 26,514
Add:				
Current Year Payables & Other Debits	-	-	-	-
Deduct:				
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ 2,333,095</u>	<u>\$ 12,161</u>	<u>\$ 496,523</u>	<u>\$ 26,514</u>

Cafeteria	Athletics	Non Instructional	Title I	Entitlement	Preschool	Enhancing Ed thru Tech E2T2- F
\$ 79,105	\$ 8,285	\$ 5,524	\$ 140,123	\$ 34,460	\$ -	\$ 363
5,931	-	-	17,199	24,177	2,014	-
-	-	-	42,510	18,353	-	363
<u>\$ 85,036</u>	<u>\$ 8,285</u>	<u>\$ 5,524</u>	<u>\$ 114,812</u>	<u>\$ 40,284</u>	<u>\$ 2,014</u>	<u>\$ -</u>
\$ 78,819	\$ 8,634	\$ 8,628	\$ 114,811	\$ 40,284	\$ 2,014	\$ -
5,931	-	-	-	-	-	-
1,059	-	-	-	-	-	-
<u>\$ 83,691</u>	<u>\$ 8,634</u>	<u>\$ 8,628</u>	<u>\$ 114,811</u>	<u>\$ 40,284</u>	<u>\$ 2,014</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2009

V. OTHER INFORMATION (continued)

I. Reconciliation of Budgetary and GAAP Basis Amounts (continued)

	Enhancing Ed thru Tech E2T2- C	Title V Innovative Ed	Teacher/ Principal Training	Title IV Drug Free Schools
REVENUES				
Budgetary Basis	\$ -	\$ 458	\$ 21,968	\$ 1,121
Add:				
Current Year Receivables & Other Credits	-	-	3,227	175
Deduct:				
Prior Year Receivables & Other Debits	-	458	11,777	155
REVENUE --GAAP BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,418</u>	<u>\$ 1,141</u>
EXPENDITURES				
Budgetary Basis	\$ -	\$ -	\$ 13,418	\$ 1,141
Add:				
Current Year Payables & Other Debits	-	-	-	-
Deduct:				
Prior Year Payables & Other Credits	-	-	-	-
EXPENDITURES --GAAP BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,418</u>	<u>\$ 1,141</u>

<u>Reading First</u>	<u>Title I Stimulus</u>	<u>Title XIX Medicaid</u>	<u>REAP</u>	<u>Technology for Education</u>	<u>Incentives for School Improvement</u>	<u>Library Bonds</u>	<u>GO</u>
\$ 1,269	\$ -	\$ 14,825	\$ 6,343	\$ 4,396	\$ 12	\$ -	
-	9,360	-	10,367	2,280	6,714	-	
<u>1,269</u>	<u>-</u>	<u>9,287</u>	<u>4,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>\$ -</u>	<u>\$ 9,360</u>	<u>\$ 5,538</u>	<u>\$ 11,984</u>	<u>\$ 6,676</u>	<u>\$ 6,726</u>	<u>\$ -</u>	
\$ -	\$ 9,360	\$ 5,538	\$ 11,984	\$ 6,675	\$ 6,726	\$ -	
-	-	-	-	-	-	-	
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>\$ -</u>	<u>\$ 9,360</u>	<u>\$ 5,538</u>	<u>\$ 11,984</u>	<u>\$ 6,675</u>	<u>\$ 6,726</u>	<u>\$ -</u>	

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2009

V. OTHER INFORMATION (continued)

I. Reconciliation of Budgetary and GAAP Basis Amounts (continued)

	<u>Breakfast for Elementary</u>	<u>Libraries SB301 GO Bonds</u>	<u>Rural Revitalization</u>
REVENUES			
Budgetary Basis	\$ 3,039	\$ -	\$ 7,798
Add:			
Current Year Receivables & Other Credits	3,816	5,437	1,993
Deduct:			
Prior Year Receivables & Other Debits	<u>-</u>	<u>-</u>	<u>-</u>
REVENUE --GAAP BASIS	\$ <u>6,855</u>	\$ <u>5,437</u>	\$ <u>9,791</u>
EXPENDITURES			
Budgetary Basis	\$ 6,854	\$ 5,437	\$ 9,791
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	\$ <u>6,854</u>	\$ <u>5,437</u>	\$ <u>9,791</u>

<u>Library Book Fund</u>	<u>School Based Health Center</u>	<u>Private Direct Grants</u>	<u>SB - 9</u>	<u>Bond Building</u>
\$ 541	\$ 54,271	\$ 213	\$ 154,989	\$ -
-	9,089	-	3,694	-
<u>541</u>	<u>3,361</u>	<u>-</u>	<u>3,588</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 59,999</u>	<u>\$ 213</u>	<u>\$ 155,095</u>	<u>\$ -</u>
\$ -	\$ 38,984	\$ -	\$ 121,613	\$ -
-	21,016	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 121,613</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2009

V. OTHER INFORMATION (continued)

I. Reconciliation of Budgetary and GAAP Basis Amounts (continued)

	<u>Energy Efficiency Act</u>	<u>Debt Service</u>
REVENUES		
Budgetary Basis	\$ -	\$ 166,984
Add:		
Current Year Receivables & Other Credits	-	4,191
Deduct:		
Prior Year Receivables & Other Debits	<u>-</u>	<u>2,744</u>
REVENUE --GAAP BASIS	<u>\$ -</u>	<u>\$ 168,431</u>
EXPENDITURES		
Budgetary Basis	\$ -	\$ 163,361
Add:		
Current Year Payables & Other Debits	-	43,580
Deduct:		
Prior Year Payables & Other Credits	<u>-</u>	<u>45,190</u>
EXPENDITURES --GAAP BASIS	<u>\$ -</u>	<u>\$ 161,751</u>

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
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT A-1

COMBINING BALANCE SHEET -- GENERAL FUND

June 30, 2009

	OPERATIONAL	TEACHERAGE	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TOTALS
ASSETS					
Cash and cash equivalents	\$ 176,999	\$ 42,036	\$ 491	\$ 3,766	\$ 223,292
Investments	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Property Taxes Receivable	759	-	-	-	759
Interest Receivable	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventories	-	-	-	-	-
Due from Other Funds	81,398	-	-	-	81,398
Prepaid expenditures	-	-	-	-	-
TOTAL ASSETS	\$ 259,156	\$ 42,036	\$ 491	\$ 3,766	\$ 305,449
LIABILITIES AND OTHER CREDITS					
Deferred Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Interest Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCE					
Fund Balance					
Reserved for Text Books	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-
Reserved for Inventory	-	-	-	-	-
Undesignated, reported in:					
General Funds	259,156	42,036	491	3,766	305,449
Special Revenue Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
TOTAL FUND BALANCE	259,156	42,036	491	3,766	305,449
TOTAL LIABILITIES AND FUND BALANCE	\$ 259,156	\$ 42,036	\$ 491	\$ 3,766	\$ 305,449

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT A-2

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
 IN FUND BALANCE -- GENERAL FUND

Year Ended June 30, 2009

	OPERATIONAL	TEACHERAGE	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TOTALS
REVENUE					
Federal Programs	\$ 1,513,545	\$ -	\$ -	\$ -	\$ 1,513,545
State Programs	-	-	496,662	17,638	514,300
Local Programs	45,696	250	-	9	45,955
State Equalization	805,552	-	-	-	805,552
Service Revenues	-	-	-	-	-
Taxes	29,491	-	-	-	29,491
Interest	670	51	90	-	811
Other revenue sources	892	-	-	-	892
TOTAL REVENUES	2,395,846	301	496,752	17,647	2,910,546
EXPENDITURES					
Current					
Instruction	1,271,816	-	-	25,566	1,297,382
Support Services	-	-	-	-	-
Support Services Students	151,810	-	-	-	151,810
Support Services Instruction	62,909	-	-	949	63,858
Support Services General Administration	166,635	-	-	-	166,635
Support Services School Administration	89,857	-	-	-	89,857
Central Services	107,730	-	-	-	107,730
Operation and Maintenance of Plant	462,806	12,161	-	-	474,967
Student Transportation	4,459	-	496,523	-	500,982
Other Support Services	-	-	-	-	-
Food Services Operations	15,073	-	-	-	15,073
Facilities Acquisition and Construction	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest and Fiscal Charge	-	-	-	-	-
TOTAL EXPENDITURES	2,333,095	12,161	496,523	26,515	2,868,294
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	62,751	(11,860)	229	(8,868)	42,252
Other Financial Sources (Uses)					
Transfer In/Transfers (Out)	2,413	-	-	-	2,413
Total Other Financial Sources	2,413	-	-	-	2,413
NET CHANGE IN FUND BALANCE	65,164	(11,860)	229	(8,868)	44,665
FUND BALANCE					
June 30, 2008	193,992	53,896	262	12,634	260,784
Prior Period Adjustment	-	-	-	-	-
June 30, 2008 as restated	193,992	53,896	262	12,634	260,784
FUND BALANCE June 30, 2009	\$ 259,156	\$ 42,036	\$ 491	\$ 3,766	\$ 305,449

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT A-3

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--GENERAL FUND--OPERATIONAL

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Residential/Non-Residential Taxes	\$ 25,706	\$ 25,706	\$ 29,245	\$ 3,539
Fees - Users	65	65	41	(24)
Fees - Activities	2,300	2,300	195	(2,105)
Fees - Educational	1,100	1,100	1,283	183
Rent and Leases	3,000	3,000	1,130	(1,870)
Fees-Summer School	-	-	-	-
Interest Income	1,000	1,000	670	(330)
Royalties	-	-	-	-
Refunds Prior Year	-	-	85	85
State Equalization	1,810,199	808,203	805,552	(2,651)
Emergency Supplemental	120,000	-	-	-
Sale of Fixed Assets	-	-	-	-
Insurance Recoveries	-	-	892	892
Donations	-	-	42,961	42,961
Fees-Govt Agencies	-	-	-	-
Forrest Reserve	160,559	1,513,545	1,513,545	-
Indirect Cost - (Flow Through Grants)	-	-	-	-
Access Board E-Rate	48,478	48,478	-	(48,478)
TOTAL REVENUE	<u>2,172,407</u>	<u>2,403,397</u>	<u>\$ 2,395,599</u>	<u>\$ (7,798)</u>
BUDGETED CASH BALANCE	<u>191,671</u>	<u>193,480</u>		
TOTAL REVENUE & CASH	<u>\$ 2,364,078</u>	<u>\$ 2,596,877</u>		
EXPENDITURES				
Current				
Instruction	\$ 1,331,710	\$ 1,353,241	\$ 1,271,816	\$ 81,425
Support Services	-	-	-	-
Support Services Students	141,142	154,134	151,810	2,324
Support Services Instruction	72,484	73,484	62,909	10,575
Support Services General Administration	173,308	178,308	166,635	11,673
Support Services School Administration	94,654	94,654	89,857	4,797
Central Services	110,321	113,321	107,730	5,591
Operation and Maintenance of Plant	417,831	500,107	462,806	37,301
Student Transportation	9,039	9,039	4,459	4,580
Other Support Services	2,089	2,089	-	2,089
Food Services Operations	11,500	118,500	15,073	103,427
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 2,364,078</u>	<u>\$ 2,596,877</u>	<u>\$ 2,333,095</u>	<u>\$ 263,782</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT A-4

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--GENERAL FUND--TEACHERAGE

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	3,119	3,119	301	(2,818)
TOTAL REVENUE	<u>3,119</u>	<u>3,119</u>	<u>\$ 301</u>	<u>\$ (2,818)</u>
BUDGETED CASH BALANCE	<u>53,774</u>	<u>53,896</u>		
TOTAL REVENUE & CASH	<u>\$ 56,893</u>	<u>\$ 57,015</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	56,893	57,015	12,161	44,854
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 56,893</u>	<u>\$ 57,015</u>	<u>\$ 12,161</u>	<u>\$ 44,854</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT A-5

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--GENERAL FUND--TRANSPORTATION

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	525,977	496,662	496,662	-
Local Revenue	-	-	90	90
TOTAL REVENUE	<u>525,977</u>	<u>496,662</u>	<u>\$ 496,752</u>	<u>\$ 90</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>66</u>		
TOTAL REVENUE & CASH	<u>\$ 525,977</u>	<u>\$ 496,728</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	525,977	496,728	496,523	205
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 525,977</u>	<u>\$ 496,728</u>	<u>\$ 496,523</u>	<u>\$ 205</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT A-6

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--GENERAL FUND--INSTRUCTIONAL MATERIALS

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	17,164	17,164	17,638	474
Local Revenue	-	-	8	8
TOTAL REVENUE	<u>17,164</u>	<u>17,164</u>	<u>\$ 17,646</u>	<u>\$ 482</u>
BUDGETED CASH BALANCE	<u>13,284</u>	<u>12,633</u>		
TOTAL REVENUE & CASH	<u>\$ 30,448</u>	<u>\$ 29,797</u>		
EXPENDITURES				
Current				
Instruction	\$ 29,425	\$ 28,774	\$ 25,566	\$ 3,208
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	1,023	1,023	948	75
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 30,448</u>	<u>\$ 29,797</u>	<u>\$ 26,514</u>	<u>\$ 3,283</u>

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

SPECIAL REVENUE FUNDS

CAFETERIA - 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, New Mexico Statutes Annotated, State Law 22-13-13.

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. Authority for this fund is the New Mexico Administrative Code 6.20.2.

NON-INSTRUCTIONAL STUDENT SUPPORT – to account for the monies received as fees associated with class projects and/or lab classes.

TITLE I – Special Revenue - to provide 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 Education Act of 1965, Title 1, Chapter 1, Part A, 20 U.S.C. 2701 et seq.

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

IDEA B PRE-SCHOOL--to account for revenue received under the Preschool Public Act P.L. 99-457 for the purpose of providing special educational services to the developmentally delayed preschool children. This fund is federally funded and is restricted to expenditure by grant application. 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.

ENHANCING EDUCATION THROUGH TECHNOLOGY – F - to provide grants to State Education Agencies on a formula basis to improve student academic achievement through the use of technology in schools, assist all students in becoming technologically literate by the end of the eighth grade and encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title II, Part D, Subparts 1 and 2, as amended.

ENHANCING EDUCATION THROUGH TECHNOLOGY – C - to provide grants to State Education Agencies on a formula basis to improve student academic achievement through the use of technology in schools, assist all students in becoming technologically literate by the end of the eighth grade and encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title II, Part D, Subparts 1 and 2, as amended.

TITLE V INNOVATIVE EDUCATION PROGRAM - to assist State and local educational agencies in the reform of elementary and secondary education. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title VI, as amended, 20U.S.C. 7301-7373.

TEACHER/PRINCIPAL TRAINING -- to provide grants to State Education Agencies on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, as amended, Title II, Part A, Public Law 107-110.

TITLE IV - DRUG FREE SCHOOLS AND COMMUNITIES – 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 Elementary and Secondary Education Act of 1965, Title IV, Part A, as amended, 20 USC 7112-7143.

READING FIRST – to account for resources received to ensure that every student can read at grade level or above by the end of third grade, by establishing a reading programs for students in Kindergarten through third grade that are based on scientifically based reading research. Reading First also focuses on teacher development and ensuring that all teachers, including special education teachers, have the tools they need to effectively help their students learn to read. Funding authorized by Elementary and Secondary Education Act of 1965, as amended, Title I, Part B, Subpart 1.

TITLE I FEDERAL STIMULUS – fund to supplement State and local funding for low-achieving children, especially in high-poverty schools. The program finances the additional academic support and learning opportunities that are often required to help disadvantaged students progress along with their classmates. Fund and authority provided under the American Recovery and Reinvestment Act.

MEDICAID TITLE XIX -This fund is used for reimbursement of health-related services of Medicaid eligible students receiving related services, for administrative time study, and for a statement of service costs study. Authorized by the Social Security Act.

REAP – to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965, Title VI, Part B, as amended.

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.

INCENTIVES FOR SCHOOL IMPROVEMENT – to account for monies received to be used as determined by the school principal and teachers in cooperation with other school employees and the community. It shall not be used for salaries, salary increases or bonuses. Financing and authority is provided by NMSA 22-13A-5.

LIBRARY GO BONDS LAWS OF 2004 – to account for the revenue and expenditures to acquire supplementary library books, equipment and library resources for public school and juvenile detention libraries statewide.

BREAKFAST FOR ELEMENTARY STUDENTS – to account for revenues to be used to provide breakfast programs for elementary students. Authority for this fund is the New Mexico Legislature.

LIBRARIES SB301 G.O. BONDS – to account for funds received to update and to expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by election of SB301.

RURAL REVITALIZATION – to account for monies received from the Rural Education Bureau to support the vocational agricultural program. Authority for creation of this fund is New Mexico Rural Revitalization Initiative (Laws of 2008, chapter 3, section 4, item I (k)).

LIBRARY BOOK FUND – to account for monies received to be used for the purchase of School library books. Financing and authority is provided by the New Mexico State Legislature, 2008 Senate Bill 471.

PRIVATE DIRECT GRANTS (CATEGORICAL) – to account for a private direct grant received by the district Authority for this fund is the Quemado School Board and the grantor.

SCHOOL BASED HEALTH CENTER SPECIAL REVENUE – to account for funding to set up and operate a health center on school property. Authority for creation of this fund is Section 330 of the Public health Act.

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS

JUNE 30, 2009

	<u>CAFETERIA</u>	<u>ATHLETICS</u>	<u>NON INSTRUCTIONAL</u>
ASSETS			
Cash and cash equivalents	\$ 25,453	\$ 3,374	\$ 9,442
Investments	-	-	-
Accounts Receivable	-	-	-
Property Taxes Receivable	-	-	-
Due from Other Governments	-	-	-
Inventories	3,856	-	-
Due from Other Funds	-	-	-
TOTAL ASSETS	<u>\$ 29,309</u>	<u>\$ 3,374</u>	<u>\$ 9,442</u>
LIABILITIES			
Accounts Payable	-	-	-
Deferred Revenue	-	-	-
Due to Other Funds	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Reserved for Text Books	-	-	-
Reserved for Debt Service	-	-	-
Reserved for Inventory	3,856	-	-
Undesignated, reported in:			
General Funds	-	-	-
Special Revenue Funds	25,453	3,374	9,442
Capital Projects Funds	-	-	-
TOTAL FUND BALANCE	<u>29,309</u>	<u>3,374</u>	<u>9,442</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 29,309</u>	<u>\$ 3,374</u>	<u>\$ 9,442</u>

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

EXHIBIT B-1

TITLE I	IDEA- B ENTITLEMENT	IDEA- B ENTITLEMENT- PRESCHOOL	EHANCING ED. THRU TECH (E2T2-F)	EHANCING ED. THRU TECH (E2T2-C)	INNOVATIVE EDUCATION PROGRAM
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 458
-	-	-	-	-	-
17,199	24,177	2,014	-	4,669	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 17,199</u>	<u>\$ 24,177</u>	<u>\$ 2,014</u>	<u>\$ -</u>	<u>\$ 4,669</u>	<u>\$ 458</u>
-	-	-	-	-	-
-	-	-	-	-	458
17,199	24,177	2,014	-	4,669	-
<u>17,199</u>	<u>24,177</u>	<u>2,014</u>	<u>-</u>	<u>4,669</u>	<u>458</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 17,199</u>	<u>\$ 24,177</u>	<u>\$ 2,014</u>	<u>\$ -</u>	<u>\$ 4,669</u>	<u>\$ 458</u>

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS

JUNE 30, 2009

	TEACHER/ PRINCIPAL TRAINING	TITLE IV DRUG FREE	READING FIRST	TITLE I STIMULUS	MEDICAID TITLE XIX
ASSETS					
Cash on Deposit	\$ -	\$ -	\$ -	\$ -	\$ 36,008
Cash on Hand	-	-	-	-	-
Accounts Receivable	3,227	175	-	9,360	-
Property Taxes Receivable	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventories	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
TOTAL ASSETS	\$ 3,227	\$ 175	\$ -	\$ 9,360	\$ 36,008
LIABILITIES					
Accounts Payable	-	-	-	-	-
Deferred Revenue	-	-	-	-	36,008
Due to Other Funds	3,227	175	-	9,360	-
TOTAL LIABILITIES	3,227	175	-	9,360	36,008
FUND BALANCE					
Reserved for Text Books	-	-	-	-	-
Reserved for Debt Service	-	-	-	-	-
Reserved for Inventory	-	-	-	-	-
Undesignated, reported in:					
General Funds	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
TOTAL FUND BALANCE	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,227	\$ 175	\$ -	\$ 9,360	\$ 36,008

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

EXHIBIT B-1
CONTINUED

REAP	TECHNOLOGY FOR EDUCATION	INCENTIVES FOR SCHOOL IMPROVEMENT	LIBRARY GO BONDS LAWS 2004	BREAKFAST FOR ELEMENTARY STUDENTS	LIBRARIES SB 301 GO BONDS	RURAL REVITALIZATIO N
\$ -	\$ 5,922	\$ 9,172	\$ -	\$ 75	\$ -	\$ -
-	-	-	-	-	-	-
10,367	-	-	2,779	-	5,437	1,994
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 10,367</u>	<u>\$ 5,922</u>	<u>\$ 9,172</u>	<u>\$ 2,779</u>	<u>\$ 75</u>	<u>\$ 5,437</u>	<u>\$ 1,994</u>
-	-	-	-	-	-	-
-	5,922	9,172	-	75	-	-
<u>10,367</u>	<u>-</u>	<u>-</u>	<u>2,779</u>	<u>-</u>	<u>5,437</u>	<u>1,994</u>
<u>10,367</u>	<u>5,922</u>	<u>9,172</u>	<u>2,779</u>	<u>75</u>	<u>5,437</u>	<u>1,994</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 10,367</u>	<u>\$ 5,922</u>	<u>\$ 9,172</u>	<u>\$ 2,779</u>	<u>\$ 75</u>	<u>\$ 5,437</u>	<u>\$ 1,994</u>

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-1
 CONTINUED

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS

JUNE 30, 2009

	LIBRARY BOOK FUND	PRIVAT DIRECT GRANTS (CATEGORICAL)	SCHOOL BASED HEALTH CENTER	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
ASSETS				
Cash on Deposit	\$ 541	\$ -	\$ 11,927	\$ 102,372
Cash on Hand	-	-	-	-
Accounts Receivable	-	-	9,089	90,487
Property Taxes Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
Inventories	-	-	-	3,856
Due from Other Funds	-	-	-	-
TOTAL ASSETS	\$ 541	\$ -	\$ 21,016	\$ 196,715
LIABILITIES				
Accounts Payable	-	-	21,016	21,016
Deferred Revenue	541	-	-	52,176
Due to Other Funds	-	-	-	81,398
TOTAL LIABILITIES	541	-	21,016	154,590
FUND BALANCE				
Reserved for Text Books	-	-	-	-
Reserved for Debt Service	-	-	-	-
Reserved for Inventory	-	-	-	3,856
Undesignated, reported in:				
General Funds	-	-	-	-
Special Revenue Funds	-	-	-	38,269
Capital Projects Funds	-	-	-	-
TOTAL FUND BALANCE	-	-	-	42,125
TOTAL LIABILITIES AND FUND BALANCE	\$ 541	\$ -	\$ 21,016	\$ 196,715

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS

JUNE 30, 2009

	CAFETERIA	ATHLETICS	NON INSTRUCTIONAL
REVENUE			
Federal Programs	\$ 59,427	\$ -	\$ -
State Programs	-	-	-
Local Programs	25,583	8,281	5,513
State Equalization	-	-	-
Service Revenues	-	-	-
Taxes	-	-	-
Interest	26	4	11
Other revenue sources	-	-	-
TOTAL REVENUES	<u>85,036</u>	<u>8,285</u>	<u>5,524</u>
EXPENDITURES			
Current			
Instruction	-	8,634	8,628
Support Services	-	-	-
Support Services Students	-	-	-
Support Services Instruction	-	-	-
Support Services General Administration	-	-	-
Support Services School Administration	-	-	-
Central Services	-	-	-
Operation and Maintenance of Plant	-	-	-
Student Transportation	-	-	-
Other Support Services	-	-	-
Food Services Operations	83,691	-	-
Facilities Acquisition and Construction	-	-	-
TOTAL EXPENDITURES	<u>83,691</u>	<u>8,634</u>	<u>8,628</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,345	(349)	(3,104)
OTHER FINANCING SOURCES (USES)			
TRANSFERS IN/ TRANSFERS OUT	-	-	-
TOTAL OTHER FINANCIAL SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,345	(349)	(3,104)
FUND BALANCE			
June 30, 2008	27,964	3,723	12,546
Prior Year Voided Checks	-	-	-
FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2009	<u>\$ 29,309</u>	<u>\$ 3,374</u>	<u>\$ 9,442</u>

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

EXHIBIT B-2

TITLE I	IDEA- B ENTITLEMENT	IDEA- B ENTITLEMENT- PRESCHOOL	EHANCING ED. THRU TECH (E2T2-F)	EHANCING ED. THRU TECH (E2T2-C)	INNOVATIVE EDUCATION PROGRAM
\$ 114,773	\$ 40,284	\$ 2,014	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
38	-	-	-	-	-
<u>114,811</u>	<u>40,284</u>	<u>2,014</u>	<u>-</u>	<u>-</u>	<u>-</u>
75,664	28,874	-	-	-	-
-	2,968	-	-	-	-
-	-	2,014	-	-	-
35,933	-	-	-	-	-
-	-	-	-	-	-
3,214	8,442	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>114,811</u>	<u>40,284</u>	<u>2,014</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS

JUNE 30, 2009

	TEACHER/ PRINCIPAL TRAINING	TITLE IV DRUG FREE	READING FIRST	TITLE I STIMULUS	MEDICAID TITLE XIX
REVENUE					
Federal Programs	\$ 13,418	\$ 1,141	\$ -	\$ 9,360	\$ 5,505
State Programs	-	-	-	-	-
Local Programs	-	-	-	-	-
State Equalization	-	-	-	-	-
Service Revenues	-	-	-	-	-
Taxes	-	-	-	-	-
Interest	-	-	-	-	33
Other revenue sources	-	-	-	-	-
TOTAL REVENUES	<u>13,418</u>	<u>1,141</u>	<u>-</u>	<u>9,360</u>	<u>5,538</u>
EXPENDITURES					
Current					
Instruction	7,334	-	-	9,360	-
Support Services	-	-	-	-	-
Support Services Students	-	-	-	-	5,538
Support Services Instruction	6,084	1,141	-	-	-
Support Services General Administration	-	-	-	-	-
Support Services School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Other Support Services	-	-	-	-	-
Food Services Operations	-	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-	-
TOTAL EXPENDITURES	<u>13,418</u>	<u>1,141</u>	<u>-</u>	<u>9,360</u>	<u>5,538</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN/ TRANSFERS (OUT)	-	-	-	-	-
TOTAL OTHER FINANCIANG SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE					
June 30, 2008	-	-	-	-	-
Prior Year Voided Checks	-	-	-	-	-
FUND BALANCE June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT B-2
CONTINUED

REAP	TECHNOLOGY FOR EDUCATION	INCENTIVES FOR SCHOOL IMPROVEMENT	LIBRARY GO BONDS LAWS 2004	BREAKFAST FOR ELEMENTARY STUDENTS	LIBRARIES SB 301 GO BONDS	RURAL REVITALIZATION
\$ 11,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	6,667	6,714	-	6,851	5,437	9,791
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	8	12	-	3	-	-
-	-	-	-	-	-	-
<u>11,984</u>	<u>6,675</u>	<u>6,726</u>	<u>-</u>	<u>6,854</u>	<u>5,437</u>	<u>9,791</u>
9,572	5,894	6,726	-	-	-	7,000
-	-	-	-	-	5,437	-
-	642	-	-	-	-	-
-	-	-	-	-	-	-
2,412	139	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	6,854	-	-
-	-	-	-	-	-	2,791
<u>11,984</u>	<u>6,675</u>	<u>6,726</u>	<u>-</u>	<u>6,854</u>	<u>5,437</u>	<u>9,791</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-2
 CONTINUED

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
 SPECIAL REVENUE FUNDS

JUNE 30, 2009

	LIBRARY BOOK FUND	PRIVAT DIRECT GRANTS (CATEGORICAL)	SCHOOL BASED HEALTH CENTER	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ 257,906
State Programs	-	213	59,993	95,666
Local Programs	-	-	-	39,377
State Equalization	-	-	-	-
Service Revenues	-	-	-	-
Taxes	-	-	-	-
Interest	-	-	7	104
Other revenue sources	-	-	-	38
TOTAL REVENUES	<u>-</u>	<u>213</u>	<u>60,000</u>	<u>393,091</u>
EXPENDITURES				
Current				
Instruction	-	-	-	167,686
Support Services	-	-	-	8,405
Support Services Students	-	-	60,000	67,552
Support Services Instruction	-	-	-	43,800
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	14,207
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	90,545
Facilities Acquisition and Construction	-	-	-	2,791
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>394,986</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	213	-	(1,895)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN/ TRANSFERS (OUT)	-	(213)	-	(213)
TOTAL OTHER FINANCIANG SOURCES (USES)	<u>-</u>	<u>(213)</u>	<u>-</u>	<u>(213)</u>
NET CHANGE IN FUND BALANCE	-	-	-	(2,108)
FUND BALANCE				
June 30, 2008	-	-	-	44,233
Prior Year Voided Checks	-	-	-	-
FUND BALANCE June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,125</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-3

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--CAFETERIA

Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	\$ 50,000	\$ 50,000	\$ 59,427	\$ 9,427
State Revenue	-	-	-	-
Local Revenue	<u>16,770</u>	<u>16,770</u>	<u>19,678</u>	<u>2,908</u>
TOTAL REVENUE	<u>66,770</u>	<u>\$ 66,770</u>	<u>\$ 79,105</u>	<u>\$ 12,335</u>
BUDGETED CASH BALANCE	<u>18,840</u>	<u>25,167</u>		
TOTAL REVENUE & CASH	<u>\$ 85,610</u>	<u>\$ 91,937</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	85,610	91,937	78,819	13,118
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 85,610</u>	<u>\$ 91,937</u>	<u>\$ 78,819</u>	<u>\$ 13,118</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-4

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--ATHLETICS

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	5,800	5,800	8,285	2,485
TOTAL REVENUE	<u>5,800</u>	<u>5,800</u>	<u>\$ 8,285</u>	<u>\$ 2,485</u>
BUDGETED CASH BALANCE	<u>3,668</u>	<u>3,613</u>		
TOTAL REVENUE & CASH	<u>\$ 9,468</u>	<u>\$ 9,413</u>		
EXPENDITURES				
Current				
Instruction	\$ 9,468	\$ 9,413	\$ 8,634	\$ 779
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 9,468</u>	<u>\$ 9,413</u>	<u>\$ 8,634</u>	<u>\$ 779</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-5

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--NON INSTRUCTIONAL SUPPORT

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	7,030	7,030	5,524	(1,506)
TOTAL REVENUE	<u>7,030</u>	<u>7,030</u>	<u>\$ 5,524</u>	<u>\$ (1,506)</u>
BUDGETED CASH BALANCE	<u>12,215</u>	<u>12,545</u>		
TOTAL REVENUE & CASH	<u>\$ 19,245</u>	<u>\$ 19,575</u>		
EXPENDITURES				
Current				
Instruction	\$ 19,245	\$ 19,575	\$ 8,628	\$ 10,947
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 19,245</u>	<u>\$ 19,575</u>	<u>\$ 8,628</u>	<u>\$ 10,947</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-6

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE I

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 117,292	\$ 122,451	\$ 140,123	\$ 17,672
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>117,292</u>	<u>\$ 122,451</u>	<u>\$ 140,123</u>	<u>\$ 17,672</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 117,292</u>	<u>\$ 122,451</u>		
EXPENDITURES				
Current				
Instruction	\$ 77,250	\$ 82,409	\$ 75,664	\$ 6,745
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	36,326	36,326	35,933	393
Support Services General Administration	500	500	-	500
Support Services School Administration	3,216	3,216	3,214	2
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 117,292</u>	<u>\$ 122,451</u>	<u>\$ 114,811</u>	<u>\$ 7,640</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-7

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B ENTITLEMENT

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 43,637	\$ 34,460	\$ (9,177)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>\$ 43,637</u>	<u>\$ 34,460</u>	<u>\$ (9,177)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 43,637</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 32,223	\$ 28,874	\$ 3,349
Support Services	-	-	-	-
Support Services Students	-	2,971	2,968	3
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	8,443	8,442	1
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 43,637</u>	<u>\$ 40,284</u>	<u>\$ 3,353</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B-PRESCHOOL

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 3,993	\$ -	\$ (3,993)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>3,993</u>	<u>\$ -</u>	<u>\$ (3,993)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 3,993</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 1,979	\$ -	\$ 1,979
Support Services	-	-	-	-
Support Services Students	-	2,014	2,014	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 3,993</u>	<u>\$ 2,014</u>	<u>\$ 1,979</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-9

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--ENHANCING ED THROUGH TECH E2T2-F

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ 363	\$ 363
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 363</u>	<u>\$ 363</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--ENHANCING ED THROUGH TECH E2T2-C

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE V INNOVATION ED PROG STRATEGIES

Year Ended June 30, 2009

	ORIGINAL ACTUAL	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ 458	\$ 458
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 458</u>	<u>\$ 458</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-12

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TEACHER\PRINCIPAL TRAINING

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 15,567	\$ 15,567	\$ 21,968	\$ 6,401
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>15,567</u>	<u>15,567</u>	<u>\$ 21,968</u>	<u>\$ 6,401</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 15,567</u>	<u>\$ 15,567</u>		
EXPENDITURES				
Current				
Instruction	\$ 9,409	\$ 9,409	\$ 7,334	\$ 2,075
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	6,158	6,158	6,084	74
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 15,567</u>	<u>\$ 15,567</u>	<u>\$ 13,418</u>	<u>\$ 2,149</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE IV --SAFE & DRUG FREE SCHOOLS

Year Ended June 30, 2009

	<u>ORIGINAL BUDGET</u>	<u>ADJUSTED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE Favorable (Unfavorable)</u>
REVENUE				
Federal Revenue	\$ 1,418	\$ 1,418	\$ 1,121	\$ (297)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>1,418</u>	<u>1,418</u>	<u>\$ 1,121</u>	<u>\$ (297)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 1,418</u>	<u>\$ 1,418</u>		
EXPENDITURES				
Current				
Instruction	\$ 244	\$ 244	\$ -	\$ 244
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	1,174	1,174	1,141	33
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,418</u>	<u>\$ 1,418</u>	<u>\$ 1,141</u>	<u>\$ 277</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-14

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--READING FIRST

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ 1,269	\$ 1,269
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 1,269</u>	<u>\$ 1,269</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TITLE I FEDERAL STIMULUS

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 43,136	\$ -	\$ (43,136)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>43,136</u>	<u>\$ -</u>	<u>\$ (43,136)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 43,136</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 43,136	\$ 9,360	\$ 33,776
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 43,136</u>	<u>\$ 9,360</u>	<u>\$ 33,776</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-16

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--MEDICAID TITLE XIX

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 2,798	\$ 2,798	\$ 14,792	\$ 11,994
State Revenue	-	-	-	-
Local Revenue	-	-	33	33
TOTAL REVENUE	<u>2,798</u>	<u>2,798</u>	<u>\$ 14,825</u>	<u>\$ 12,027</u>
BUDGETED CASH BALANCE	<u>22,774</u>	<u>26,721</u>		
TOTAL REVENUE & CASH	<u>\$ 25,572</u>	<u>\$ 29,519</u>		
EXPENDITURES				
Current				
Instruction	\$ 8,972	\$ 8,972	-	\$ 8,972
Support Services	-	-	-	-
Support Services Students	16,600	20,547	5,538	15,009
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 25,572</u>	<u>\$ 29,519</u>	<u>\$ 5,538</u>	<u>\$ 23,981</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-17

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--REAP

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 16,964	\$ 29,266	\$ 6,343	\$ (22,923)
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>16,964</u>	<u>29,266</u>	<u>\$ 6,343</u>	<u>\$ (22,923)</u>
 BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
 TOTAL REVENUE & CASH	<u>\$ 16,964</u>	<u>\$ 29,266</u>		
 EXPENDITURES				
Current				
Instruction	\$ 16,964	\$ 26,851	\$ 9,572	\$ 17,279
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	2,415	2,412	3
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 16,964</u>	<u>\$ 29,266</u>	<u>\$ 11,984</u>	<u>\$ 17,282</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--TECHNOLOGY FOR EDUCATION

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	4,387	4,388	1
Local Revenue	-	-	8	8
TOTAL REVENUE	<u>-</u>	<u>4,387</u>	<u>\$ 4,396</u>	<u>\$ 9</u>
BUDGETED CASH BALANCE	<u>2,692</u>	<u>8,201</u>		
TOTAL REVENUE & CASH	<u>\$ 2,692</u>	<u>\$ 12,588</u>		
EXPENDITURES				
Current				
Instruction	\$ 1,692	\$ 11,088	\$ 5,894	\$ 5,194
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	300	800	642	158
Support Services General Administration	-	-	-	-
Support Services School Administration	700	700	139	561
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 2,692</u>	<u>\$ 12,588</u>	<u>\$ 6,675</u>	<u>\$ 5,913</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--INCENTIVES FOR SCHOOL IMPROVEMENT

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	5,738	-	(5,738)
Local Revenue	-	-	12	12
TOTAL REVENUE	<u>-</u>	<u>5,738</u>	<u>\$ 12</u>	<u>\$ (5,726)</u>
BUDGETED CASH BALANCE	<u>10,515</u>	<u>15,886</u>		
TOTAL REVENUE & CASH	<u>\$ 10,515</u>	<u>\$ 21,624</u>		
EXPENDITURES				
Current				
Instruction	\$ 10,515	\$ 21,624	\$ 6,726	\$ 14,898
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 10,515</u>	<u>\$ 21,624</u>	<u>\$ 6,726</u>	<u>\$ 14,898</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--LIBRARY GO BOND LAWS 2004

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE		-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--BREAKFAST FOR ELEMENTARY STUDENTS

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	3,036	3,036	-
Local Revenue	-	-	3	3
TOTAL REVENUE	<u>-</u>	<u>3,036</u>	<u>\$ 3,039</u>	<u>\$ 3</u>
BUDGETED CASH BALANCE	<u>3,086</u>	<u>3,890</u>		
TOTAL REVENUE & CASH	<u>\$ 3,086</u>	<u>\$ 6,926</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	3,086	6,926	6,854	72
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 3,086</u>	<u>\$ 6,926</u>	<u>\$ 6,854</u>	<u>\$ 72</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-22

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--LIBRARY SB 301 GO BONDS

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	9,306	-	(9,306)
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>9,306</u>	<u>\$ -</u>	<u>\$ (9,306)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 9,306</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	9,306	5,437	3,869
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 9,306</u>	<u>\$ 5,437</u>	<u>\$ 3,869</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-23

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--RURAL REVITALIZATION

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	10,000	7,798	(2,202)
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>10,000</u>	<u>\$ 7,798</u>	<u>\$ (2,202)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 10,000</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 7,000	\$ 7,000	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	3,000	2,791	209
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 9,791</u>	<u>\$ 209</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--LIBRARY BOOK FUND

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	541	541
Local Revenue	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 541</u>	<u>\$ 541</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--PRIVATE DIRECT GRANTS (CATEGORICAL)

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	-	-	-
Local Revenue	-	-	213	213
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ 213</u>	<u>\$ 213</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-26

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--SPECIAL REVENUE FUND--SCHOOL BASED HEALTH CENTER

Year Ended June 30, 2009

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ -	\$ -
State Revenue	-	60,000	54,264	(5,736)
Local Revenue	-	-	7	7
TOTAL REVENUE	<u>-</u>	<u>60,000</u>	<u>\$ 54,271</u>	<u>\$ (5,729)</u>
BUDGETED CASH BALANCE	<u>10,526</u>	<u>10,526</u>		
TOTAL REVENUE & CASH	<u>\$ 10,526</u>	<u>\$ 70,526</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	10,526	70,526	38,984	31,542
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 10,526</u>	<u>\$ 70,526</u>	<u>\$ 38,984</u>	<u>\$ 31,542</u>

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

CAPITAL PROJECTS FUND

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.

ENERGY EFFICIENCY ACT--To account for funds received under the Public Building Efficiency Act, 6-23-1 to 6-23-10, NMSA 1978, which is used for the purchase and installation of energy conservation measures.

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS

JUNE 30, 2009

	BOND BUILDING	ENERGY EFFICIENCY ACT
ASSETS		
Cash and cash equivalents	\$ -	\$ -
Investments	-	-
Accounts Receivable	-	-
Property Taxes Receivable	-	-
Due from Other Governments	-	-
Inventories	-	-
Due from Other Funds	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND OTHER CREDITS		
Deferred Credits	-	-
Due to Other Funds	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
FUND BALANCE		
Reserved for Text Books	-	-
Reserved for Debt Service	-	-
Reserved for Inventory	-	-
Undesignated, reported in:		
General Funds	-	-
Special Revenue Funds	-	-
Capital Projects Funds	-	-
TOTAL FUND BALANCE	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>

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

TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR SPECIAL REVENUE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ -	\$ 102,372	\$ 102,372
-	-	-
-	90,487	90,487
-	-	-
-	3,856	3,856
-	-	-
<u>\$ -</u>	<u>\$ 196,715</u>	<u>\$ 196,715</u>
-	52,176	52,176
-	81,398	81,398
<u>-</u>	<u>154,590</u>	<u>154,590</u>
-	-	-
-	-	-
-	3,856	3,856
-	-	-
-	38,269	38,269
-	-	-
<u>-</u>	<u>42,125</u>	<u>42,125</u>
<u>\$ -</u>	<u>\$ 196,715</u>	<u>\$ 196,715</u>

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
 IN FUND BALANCE --NON-MAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS

JUNE 30, 2009

	BOND BUILDING	ENERGY EFFICIENCY ACT
REVENUE		
Federal Programs	\$ -	\$ -
State Programs	-	-
Local Programs	-	-
State Equalization	-	-
Service Revenues	-	-
Taxes	-	-
Interest	-	-
Other revenue sources	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>
EXPENDITURES		
Current		
Instruction	-	-
Support Services	-	-
Support Services Students	-	-
Support Services Instruction	-	-
Support Services General Administration	-	-
Support Services School Administration	-	-
Central Services	-	-
Operation and Maintenance of Plant	-	-
Student Transportation	-	-
Other Support Services	-	-
Food Services Operations	-	-
Facilities Acquisition and Construction	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	<u>(125)</u>	<u>(2,075)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(125)</u>	<u>(2,075)</u>
NET CHANGE IN FUND BALANCE	(125)	(2,075)
FUND BALANCE		
June 30, 2008	<u>125</u>	<u>2,075</u>
FUND BALANCE		
June 30, 2009	<u>\$ -</u>	<u>\$ -</u>

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

EXHIBIT C-2

TOTAL NONMAJOR CAPITAL PROJECTS	TOTAL NONMAJOR SPECIAL REVENUE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ -	\$ 257,906	\$ 257,906
-	95,666	95,666
-	39,377	39,377
-	-	-
-	-	-
-	104	104
-	38	38
<u>-</u>	<u>393,091</u>	<u>393,091</u>
-	167,686	167,686
-	8,405	8,405
-	67,552	67,552
-	43,800	43,800
-	-	-
-	14,207	14,207
-	-	-
-	-	-
-	-	-
-	90,545	90,545
-	2,791	2,791
<u>-</u>	<u>394,986</u>	<u>394,986</u>
-	(1,895)	(1,895)
<u>(2,200)</u>	<u>(213)</u>	<u>(2,413)</u>
<u>(2,200)</u>	<u>(213)</u>	<u>(2,413)</u>
(2,200)	(2,108)	(4,308)
<u>2,200</u>	<u>44,233</u>	<u>46,433</u>
<u>\$ -</u>	<u>\$ 42,125</u>	<u>\$ 42,125</u>

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--BOND BUILDING--CAPITAL PROJECTS FUND

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Bond Proceeds	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
Earnings from Investments	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>125</u>	<u>125</u>		
TOTAL REVENUES & CASH	<u>\$ 125</u>	<u>\$ 125</u>		
EXPENDITURES				
Administration	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction	125	125	-	125
TOTAL EXPENDITURES	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ -</u>	<u>\$ 125</u>

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

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL-- ENERGY EFFICIENCY ACT--CAPITAL PROJECTS FUND

Year Ended June 30, 2009

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Taxes	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Facilities Acquisition and Construction	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

AGENCY FUNDS

AGENCY FUND--To account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -- AGENCY FUNDS

Year Ended June 30, 2009

	Balance 6/30/2008	ADDITIONS	DEDUCTIONS	Balance 6/30/2009
FFA	\$ 4,115	\$ 25,665	\$ 24,641	\$ 5,139
NATIONAL FFA	1,675	7,399	6,256	2,818
FHA	898	1	25	874
STUDENT COUNCIL	1,188	4,180	3,307	2,061
COKE FUND (FFA)	172	-	-	172
YEARBOOK	4,745	6,144	5,188	5,701
CHEERLEADERS	937	380	462	855
DANCE CLUB	1,328	1,862	1,451	1,739
ART CLUB	16	-	-	16
BATTLE OF THE BOOKS	98	8	90	16
ALUMNI	-	340	-	340
GIRLS BB	1,755	1,522	1,914	1,363
BOYS BB	381	7,645	7,178	848
TRACK	748	485	823	410
GIRLS VB	2,638	3,989	3,556	3,071
JOURNALISM	87	-	-	87
PROM FUND	52	52	-	104
SCIENCE CLUB	22	241	75	188
NATIONAL HONOR SOCIETY	27	209	217	19
DRAMA CLUB	488	111	200	399
SR ANNOUNCEMENTS/C&G	5	456	421	40
TEEN HEALTH COUNCIL	511	104	-	615
EAGLE GRAFIX	190	73	-	263
DATIL MEMORIAL FUND	1,674	2	-	1,676
DATIL SCHOOL	5,359	8,929	11,658	2,630
CLOSE UP	315	-	-	315
SENIOR GRAD NIGHT	65	1	-	66
MATH LAB	241	-	-	241
ELEMENTARY BB CLUB	244	189	-	433
CLASS OF 2007	49	-	-	49
CLASS OF 2008	52	-	-	52
CLASS OF 2009	1,022	172	1,093	101
CLASS OF 2010	123	1,324	744	703
CLASS OF 2011	1,205	735	75	1,865
CLASS OF 2012	747	91	-	838
CLASS OF 2013	57	12	-	69
CLASS OF 2014	1,195	190	-	1,385
CLASS OF 2015	591	1,205	720	1,076
CLASS OF 2016	379	526	805	100
CLASS OF 2017	27	737	757	7
CLASS OF 2018	248	711	349	610
CLASS OF 2019	173	202	140	235
CLASS OF 2020	165	54	181	38
CLASS OF 2021	-	85	56	29
	<u>\$ 36,007</u>	<u>\$ 76,031</u>	<u>\$ 72,382</u>	<u>\$ 39,656</u>

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

OTHER MAJOR FUND INFORMATION

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT E-1

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)
 AND ACTUAL--DEBT SERVICE FUND

Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
District Tax Levy	\$ 161,743	\$ 161,743	\$ 166,923	\$ 5,180
Earnings from Investments	110	110	61	(49)
TOTAL REVENUE	<u>161,853</u>	<u>\$ 161,853</u>	<u>\$ 166,984</u>	<u>\$ 5,131</u>
BUDGETED CASH BALANCE	<u>110,667</u>	<u>110,667</u>		
TOTAL REVENUE & CASH	<u>\$ 272,520</u>	<u>\$ 272,520</u>		
EXPENDITURES				
Support Services General Administration	\$ 1,618	\$ 1,618	\$ 1,618	\$ -
Debt Service	174,159	174,159	65,000	109,159
Debt Service - Interest	96,743	96,743	96,743	-
TOTAL EXPENDITURES	<u>\$ 272,520</u>	<u>\$ 272,520</u>	<u>\$ 163,361</u>	<u>\$ 109,159</u>

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

OTHER SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

SCHEDULE 1

BANK SUMMARY

JUNE 30, 2009

Bank	ACCT TYPE	FUND		BANK BALANCE	OUTSTANDING (CHECKS) DEPOSITS	NET CASH BALANCE
First State Bank	Checking	Multi Fund	*	855,453	(200,233)	655,220
	Checking	Activity	*	40,856	(1,200)	39,656
				-	-	-
				-	-	-
Total First State Bank				<u>896,309</u>	<u>(201,433)</u>	<u>694,876</u>
Total All Accounts				<u>\$ 896,309</u>	<u>\$ (201,433)</u>	<u>\$ 694,876</u>

* Interest Bearing

SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2009

		<u>Total Deposits</u>	<u>FDIC Insurance</u>	<u>Uninsured Deposits</u>	<u>Collateral Required</u>	<u>Collateral Pledged</u>	<u>Uninsured & Uncollateralize Deposits</u>
First State Bank		<u>\$ 896,309</u>	<u>\$ 250,000</u>	<u>\$ 646,309</u>	<u>\$ 323,155</u>	<u>\$ 900,000</u>	<u>\$ -</u>
Collateral	CUSIP #.	Amount	Matures				
US Treasury Notes	912810DW5	<u>\$ 900,000</u>	05/15/16				
		<u>\$ 900,000</u>					

Collateral is held at the First State Bank in Socorro, New Mexico in the name of the District.

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

BANK RECONCILIATION

JUNE 30, 2009

	OPERATIONAL	TEACHERAGE	TRANSPORTATION	FOOD SERVICES	ATHLETICS
Audited Net Cash June30, 2008	\$ 103,519	\$ 53,896	\$ 262	\$ 25,167	\$ 3,613
Investments on hand/Loans	-	-	-	-	110
TOTAL CASH BALANCE June30, 2008	103,519	53,896	262	25,167	3,723
Add: Prior year void checks	-	-	-	-	-
2008-2009 Revenue	2,395,812	301	496,752	79,105	8,285
Transfers In & Adjustments	92,162	-	-	-	-
TOTAL AVAILABLE CASH Net Change	2,591,493	54,197	497,014	104,272	12,008
2008-2009 Expenditures	2,333,095	12,161	496,523	78,819	8,634
Transfers Out & Adjustments	81,398	-	-	-	110
	2,414,493	12,161	496,523	78,819	8,744
NET CASH, JUNE 30, 2009	177,000	42,036	491	25,453	3,264
Cash On hand	-	-	-	-	110
TOTAL CASH, JUNE 30, 2009	\$ 177,000	\$ 42,036	\$ 491	\$ 25,453	\$ 3,374

SCHEDULE 3

FEDERAL PROJECTS	LOCAL/STATE ACCOUNT	SB-9	BOND BUILDING	DEBT SERVICE	NON INSTRUCTIONAL
\$ 26,720	\$ 28,189	\$ 165,997	\$ 125	\$ 126,668	\$ 12,546
-	-	-	-	-	-
26,720	28,189	165,997	125	126,668	12,546
-	-	-	-	-	-
220,930	70,057	154,989	-	166,984	5,524
71,187	10,209	-	-	-	-
318,837	108,455	320,986	125	293,652	18,070
-	-	-	-	-	-
198,550	74,467	121,613	-	163,361	8,628
83,822	6,351	-	125	-	-
282,372	80,818	121,613	125	163,361	8,628
-	-	-	-	-	-
36,465	27,637	199,373	-	130,291	9,442
-	-	-	-	-	-
<u>\$ 36,465</u>	<u>\$ 27,637</u>	<u>\$ 199,373</u>	<u>\$ -</u>	<u>\$ 130,291</u>	<u>\$ 9,442</u>

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

SCHEDULE 3
 CONTINUED

BANK RECONCILIATION

JUNE 30, 2009

	INSTRUCTIONAL MATERIALS	ENERGY EFFICIENCY	ACTIVITY
Audited Net Cash June30, 2008	\$ 12,633	\$ 2,075	\$ 36,007
Investments on hand/Loans	-	-	-
TOTAL CASH BALANCE June30, 2008	12,633	2,075	36,007
Add: Prior year void checks	1	-	-
2008-2009 Revenue	17,646	-	76,031
Transfers In & Adjustments	-	-	-
TOTAL AVAILABLE CASH Net Change	30,280	2,075	112,038
2008-2009 Expenditures	-	-	-
2008-2009 Expenditures	26,514	-	72,382
Transfers Out & Adjustments	-	2,075	-
	26,514	2,075	72,382
NET CASH, JUNE 30, 2009	3,766	-	39,656
Cash On hand	-	-	-
TOTAL CASH, JUNE 30, 2009	\$ 3,766	\$ -	\$ 39,656



Roy Woodard & Associates

Certified Public Accountants

116 East Grand, P.O. Box 1874, Clovis, New Mexico 88102 Office (575) 762-3811 Fax (575) 762-3866

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

Hector H. Balderas
New Mexico State Auditor
The Board of Education
Quemado Independent Schools
Quemado, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the budgetary comparisons for the general and major special revenue funds, and the aggregate remaining fund information of Quemado Independent School District, as of and for the year ended June 30, 2009, which collectively comprise the Quemado Independent School District's basic financial statements as listed in the table of contents and have issued our report thereon dated October 30, 2009. We also have audited the financial statements of each of the non major governmental funds and fiduciary funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that are required to be reported under Government Auditing Standards paragraph 5.14 and 5.16, and Section 12-6-5 NMSA 1978, which are described in the accompanying Schedule of Findings and Recommendations as items 2008-1 and 2009-1.

The Quemado Independent School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Recommendations. We did not audit the Quemado Independent School District's responses and, accordingly, we express no opinion on them.

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

October 30, 2009



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

Mr. Hector H. Balderas, State Auditor
The Board of Education
Quemado Independent Schools
Quemado, New Mexico

Compliance

We have audited the compliance of Quemado Independent Schools with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2009. Quemado Independent Schools major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Quemado Independent Schools management. Our responsibility is to express an opinion on Quemado Independent Schools compliance based on our audit.

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

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

Internal Control over Compliance

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

October 30, 2009

SINGLE AUDIT SECTION

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2009

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements		Unqualified
Reportable Conditions on GAGAS		
Material weakness involving reportable condition		None
Material Noncompliance		None
Questioned Cost		None
Type A & Type B dollar threshold		\$300,000
Entity Risk		High Risk
Major Federal Programs	Forest Reserve	CFDA # 10.664
Reportable Conditions on Internal Control over Major Programs		None
Report on Compliance with Major Programs		Unqualified
Findings reportable under 510(a) of Circular A-133		None

II. FINANCIAL STATEMENT FINDINGS

Control

None

Compliance

2008 – 1 Activity Deposits

Condition: Funds received by teachers and/or sponsors are not being delivered to the school secretary timely. One receipt totaling \$ 23.00 out of seven receipts tested, totaling \$676.75, was held for a week by the sponsor before delivering the funds to the school secretary to deposit.

Criteria: Although the District has a waiver on the 24 hour deposit rule as outlined in Chapter 22 Article 8 NMSA 1978, the funds are required to be secured until the deposit can be made to the bank. District policy requires the funds to be delivered to the secretary within 24 hours of receipt, in order for the funds to be properly secured. The District is required under the waiver to have the deposit made to the bank each week.

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

JUNE 30, 2009

II. FINANCIAL STATEMENT FINDINGS (Continued)

Cause: The sponsor in question disregarded District procedures regarding receipt of funds.

Effect: The District violated the deposit requirements under the statute, therefore assets of the district were not secured properly.

Recommendation: The District should retrain personnel about procedures regarding receipt of funds and delivery of the funds to the secretary for deposit.

Response: The District will meet with all employees to discuss District procedures for receipts of funds.

2009-1 Late Audit Report

Condition: The June 30, 2009 audit report was received by the New Mexico State Auditor's Office on November 15, 2009, however, it was rejected under the review guidelines, set forth by the State Auditor.

Criteria: The New Mexico State Auditor's Office has issued 2. NMAC 2.2, Requirements for Contracting and Conducting Audits of Agencies, setting due dates for public school district audits to be submitted by November 15, 2009.

Cause: Upon completion of the report for submission, when the final copy was printed by the auditor, there were two facing pages which were incorrectly copied and therefore a blank page was submitted. This results in an automatic rejection under the review guidelines set forth by the State Auditor.

Effect: A complete report was not available for the New Mexico State Auditor and other users to review on a timely basis. Late audit reports could have an effect on future funding.

Recommendation: The auditor should change his internal control procedures to include a final check of the bound report, before its submission to the Office of the State Auditor.

Response: The District concurs that the auditor should be responsible for the final complete printed copy being submitted by the due date of the report.

III. FEDERAL FINDINGS

None

IV. PRIOR YEAR AUDIT FINDINGS

2008-1 Activity Deposits	Revised and Repeated
2008-2 Approval of Board Minutes	Resolved

STATE OF NEW MEXICO
 QUEMADO INDEPENDENT SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM EXPENDITURES
<u>US DEPARTMENT OF EDUCATION</u>			
Passed through the State Department of Education			
Title I	84.010	24101	114,811
IDEA-B Entitlement	84.352	24106	40,284
IDEA-B Preschool	84.0270	24109	2,014
Teacher/Principal Training	84.367A	24154	13,418
Safe & Drug Free Schools	84.186	24157	1,141
TOTAL PASSTHROUGH GRANTS			<u>171,668</u>
Direct Grants			
Rural Ed Achievement Program	84.358	24333	11,984
TOTAL DIRECT GRANTS			<u>11,984</u>
TOTAL DEPARTMENT OF EDUCATION			<u>183,652</u>
<u>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through the State Department of Education			
Title XIX Medicaid 3/21	93.7780	24253	5,538
<u>US DEPARTMENT OF AGRICULTURE</u>			
Passed Through State Department of Education			
National School Lunch Program	10.555	21000	59,427
<1> Forrest Reserve	10.665	11000	1,513,545
			<u>1,572,972</u>
Passed Through New Mexico State Department of Human Services			
Non-Monetary Assistance	10.565	21000	5,931
TOTAL DEPARTMENT OF AGRICULTURE			<u>1,578,903</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 1,768,093</u>

<1> Major Program

Note 1 This schedule is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Note 2 Non-Monetary assistance is reported in the schedule at the fair market value of the commodities received.

STATE OF NEW MEXICO
QUEMADO INDEPENDENT SCHOOLS

OTHER DISCLOSURES

Year Ended June 30, 2009

PREPARATION OF FINANCIAL STATEMENTS

We prepared the draft financial statements based on management's chart of accounts and trial balances and any adjusting, correcting, and closing entries have been approved by management. We also have prepared the draft footnotes based on the information determined and approved by management. These services are allowable under SAS 112.

EXIT CONFERENCE

An Exit Conference was held on October 30, 2009. Present for the district were Michael Candelaria, Board Member, Bill Green, Superintendent; Sandra Heinsohn, Business Manager, Anna Wastchak, Office Assistant, and D. Brent Woodard, CPA.

SUMMARY OF PASSED ADJUSTMENTS

Re: Quemado Independent Schools

None