

# QUEMADO INDEPENDENT SCHOOLS

## AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

JUNE 30, 2011

*Woodard, Cowen & Co.*

Certified Public Accountants

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

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 QUEMADO INDEPENDENT SCHOOLS

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QUEMADO INDEPENDENT SCHOOLS

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STATE OF NEW MEXICO  
QUEMADO INDEPENDENT SCHOOLS

JUNE 30, 2011

OFFICIAL ROSTER

BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Bill Green	Superintendent
Sandra Heinsohn	Business Manager



Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Quemado Independent Schools (District) as of and for the year ended June 30, 2011, 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 the budgetary comparisons for the major capital project funds, debt service funds and all non-major and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011 as listed in the table of contents. These financial statements are the responsibility of Quemado Independent School's management. Our responsibility is to express an opinion 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 opinion.

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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison statements for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund and the fiduciary funds of Quemado Independent Schools, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons statements for the major capital projects funds, debt service funds and all non-major funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Portales: 305 S. Avenue B or PO Box 445, Portales NM 88130 – Phone 575-356-8564 Fax 575-356-2453  
Clovis: 116 E. Grand Avenue or PO Box 1874, Clovis NM 88101 – Phone 575-762-3811 Fax 575-762-3866

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2011 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 is 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. The combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Woodward, Cowan & Co.*

November 11, 2011

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT A

STATEMENT OF NET ASSETS

JUNE 30, 2011

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 897,201
Property taxes receivable	8,125
Due from other governments	22,461
Inventories	4,116
Total current assets	<u>931,903</u>
Non-current assets:	
Capital assets, net	<u>6,559,449</u>
Total non-current assets	<u>6,559,449</u>
Total assets	<u>7,491,352</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	-
Deferred revenue	67,475
Accrued interest payable	39,712
Current portion of long term debt	95,000
Total current liabilities	<u>202,187</u>
Non-current liabilities:	
Non-current portion of long term debt	<u>1,500,000</u>
Total non-current liabilities	<u>1,500,000</u>
Total liabilities	<u>1,702,187</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	4,964,449
Restricted:	
Debt Service	107,640
Unrestricted	<u>717,076</u>
Total net assets	<u>\$ 5,789,165</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, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary government:					
Governmental activities:					
Instruction	\$ 1,810,404	\$ 5,542	\$ 228,404	\$ -	\$ (1,576,458)
Support Services	-	-	-	-	-
Support Services Students	216,590	-	84,135	-	(132,455)
Support Services Instruction	102,217	-	43,540	-	(58,677)
Support Services General Administration	193,752	-	-	-	(193,752)
Support Services School Administration	102,394	-	6,595	-	(95,799)
Central Services	98,215	-	-	-	(98,215)
Operation and Maintenance of Plant	387,667	1,855	12,828	-	(372,984)
Student Transportation	421,980	-	401,485	-	(20,495)
Other Support Services	570	-	-	-	(570)
Food Services Operations	153,180	18,238	63,699	-	(71,243)
Bond Interest Paid	86,740	-	-	-	(86,740)
Unallocated	-	9,240	939,839	-	949,079
Total governmental activities	\$ 3,573,709	\$ 34,875	\$ 1,780,525	\$ -	(1,758,309)
General revenues:					
Property Taxes:					
					32,265
					181,819
					162,472
					1,281,420
					-
					6,175
					41,736
					<u>1,705,887</u>
					(52,422)
					5,846,256
					(4,669)
					<u>5,841,587</u>
					<u>\$ 5,789,165</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, 2011

	<u>GENERAL</u>	<u>MEDICAID TITLE XIX</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 329,204	\$ 49,820
Investments	-	-
Accounts Receivable		
Property Taxes Receivable	675	-
Federal	-	-
State	-	-
Due from Other Governments	-	-
Inventories	-	-
Due from Other Funds	22,461	-
<b>TOTAL ASSETS</b>	<u>\$ 352,340</u>	<u>\$ 49,820</u>
<b>LIABILITIES AND OTHER CREDITS</b>		
Accounts Payable	\$ -	\$ -
Deferred Revenue	-	49,820
Due to Other Funds	-	-
Accrued Interest Payable	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>49,820</u>
<b>FUND BALANCE</b>		
Nonspendable	-	-
Restricted	16,807	-
Committed	-	-
Assigned		
Unassigned	335,533	-
<b>TOTAL FUND BALANCE</b>	<u>352,340</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 352,340</u>	<u>\$ 49,820</u>

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

EXHIBIT C

<u>SB-9</u>	<u>DEBT SERVICE</u>	<u>NON MAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 291,032	\$ 143,419	\$ 83,726	\$ 897,201
-	-	-	-
3,517	3,933	-	8,125
-	-	22,461	22,461
-	-	-	-
-	-	-	-
-	-	4,116	4,116
-	-	-	22,461
<u>\$ 294,549</u>	<u>\$ 147,352</u>	<u>\$ 110,303</u>	<u>\$ 954,364</u>
-	-	-	-
-	-	17,655	67,475
-	-	22,461	22,461
-	39,712	-	39,712
<u>-</u>	<u>39,712</u>	<u>40,116</u>	<u>129,648</u>
-	-	4,116	4,116
294,549	107,640	66,071	485,067
-	-	-	-
-	-	-	335,533
<u>294,549</u>	<u>107,640</u>	<u>70,187</u>	<u>824,716</u>
<u>\$ 294,549</u>	<u>\$ 147,352</u>	<u>\$ 110,303</u>	<u>\$ 954,364</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, 2011

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

Fund Balances - total governmental funds	\$ 824,716
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	6,559,449
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(1,595,000)</u>
Net assets of governmental activities	<u>\$ 5,789,165</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, 2011

	GENERAL	MEDICAID TITLE XIX
REVENUE		
Federal Programs	\$ 938,426	\$ 3,215
State Programs	583,901	-
Local Programs	33,098	-
State Equalization	1,105,372	-
Service Revenues	818	-
Taxes	32,265	-
Interest	497	41
Other revenue sources	9,473	-
TOTAL REVENUES	<u>2,703,850</u>	<u>3,256</u>
EXPENDITURES		
Current		
Instruction	1,332,345	-
Support Services	-	-
Support Services Students	128,925	3,256
Support Services Instruction	58,677	-
Support Services General Administration	180,726	-
Support Services School Administration	94,178	-
Central Services	97,639	-
Operation and Maintenance of Plant	342,284	-
Student Transportation	421,980	-
Other Support Services	570	-
Food Services Operations	25,926	-
Capital Outlay	-	-
Debt Service		
Principal	-	-
Interest and Fiscal Charge	-	-
TOTAL EXPENDITURES	<u>2,683,250</u>	<u>3,256</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	20,600	-
Other Financial Sources (Uses)		
Transfer In/Transfers (Out)	(4,669)	-
Total Other Financial Sources	<u>(4,669)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	15,931	-
FUND BALANCE		
June 30, 2010	336,409	-
Restatements	-	-
June 30, 2010 as restated	<u>336,409</u>	<u>-</u>
FUND BALANCE		
June 30, 2011	<u>\$ 352,340</u>	<u>\$ -</u>

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

EXHIBIT E

SB-9	DEBT SERVICE	NON MAJOR GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 353,773	\$ 1,295,414
-	-	77,258	661,159
-	-	1,000	34,098
-	-	-	1,105,372
-	-	32,202	33,020
162,472	181,819	-	376,556
207	62	5,368	6,175
-	-	20	9,493
<u>162,679</u>	<u>181,881</u>	<u>469,621</u>	<u>3,521,287</u>
-	-	228,998	1,561,343
-	-	-	-
-	-	80,929	213,110
-	-	43,540	102,217
1,623	1,821	-	184,170
-	-	6,599	100,777
-	-	-	97,639
-	-	12,828	355,112
-	-	-	421,980
-	-	-	570
-	-	84,998	110,924
32,176	-	-	32,176
-	85,000	-	85,000
-	86,740	-	86,740
<u>33,799</u>	<u>173,561</u>	<u>457,892</u>	<u>3,351,758</u>
128,880	8,320	11,729	169,529
-	-	4,669	-
<u>-</u>	<u>-</u>	<u>4,669</u>	<u>-</u>
128,880	8,320	16,398	169,529
165,669	99,320	58,458	659,856
-	-	(4,669)	(4,669)
<u>165,669</u>	<u>99,320</u>	<u>53,789</u>	<u>655,187</u>
<u>\$ 294,549</u>	<u>\$ 107,640</u>	<u>\$ 70,187</u>	<u>\$ 824,716</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

For the Year Ended June 30, 2011

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

Net change in fund balance - total governmental funds	\$ 169,529
<p>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</p>	
Capital Outlay	21,713
Depreciation	(328,664)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds</p>	
<p>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</p>	
	-
<p>Expenses in Statement of Activities which do not require use of current financial resources      i.e. Compensated Absences</p>	
	-
Bond Principal	<u>85,000</u>
Change in Net Assets	<u>\$ (52,422)</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, 2011

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 1,409,583	\$ 1,409,583	\$ 938,426	\$ (471,157)
State Programs	1,417,576	1,337,682	1,689,273	351,591
Local Programs	45,430	45,430	76,059	30,629
TOTAL REVENUE	<u>2,872,589</u>	<u>2,792,695</u>	<u>\$ 2,703,758</u>	<u>\$ (88,937)</u>
BUDGETED CASH BALANCE	<u>131,439</u>	<u>343,952</u>		
TOTAL REVENUE & CASH	<u>\$ 3,004,028</u>	<u>\$ 3,136,647</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 1,497,898	\$ 1,486,244	\$ 1,332,345	\$ 153,899
Support Services	-	-	-	-
Support Services Students	146,733	157,893	135,855	22,038
Support Services Instruction	75,948	83,123	58,677	24,446
Support Services General Administration	186,827	193,178	180,726	12,452
Support Services School Administration	103,566	109,066	94,178	14,888
Central Services	108,882	114,482	97,639	16,843
Operation and Maintenance of Plant	390,729	525,659	342,284	183,375
Student Transportation	459,725	433,282	421,980	11,302
Other Support Services	3,080	3,080	570	2,510
Food Services Operations	28,640	28,640	25,926	2,714
Capital Outlay	2,000	2,000	-	2,000
TOTAL EXPENDITURES	<u>\$ 3,004,028</u>	<u>\$ 3,136,647</u>	<u>\$ 2,690,180</u>	<u>\$ 446,467</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--MEDICAID TITLE XIX

Year Ended June 30, 2011

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 4,025	\$ 4,025	\$ 16,350	\$ 12,325
State Programs	-	-	-	-
Local Programs	-	-	41	41
<b>TOTAL REVENUE</b>	<u>4,025</u>	<u>4,025</u>	<u>\$ 16,391</u>	<u>\$ 12,366</u>
BUDGETED CASH BALANCE	<u>29,919</u>	<u>36,685</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 33,944</u>	<u>\$ 40,710</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 12,500	\$ 12,500	\$ -	\$ 12,500
Support Services	-	-	-	-
Support Services Students	21,444	28,210	3,256	24,954
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	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 33,944</u>	<u>\$ 40,710</u>	<u>\$ 3,256</u>	<u>\$ 37,454</u>

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

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT I

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

Year Ended June 30, 2011

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	5,560	-	(5,560)
Local Programs	171,365	171,365	162,114	(9,251)
<b>TOTAL REVENUE</b>	<u>171,365</u>	<u>176,925</u>	<u>\$ 162,114</u>	<u>\$ (14,811)</u>
<b>BUDGETED CASH BALANCE</b>	<u>182,789</u>	<u>162,718</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 354,154</u>	<u>\$ 339,643</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	1,660	1,660	1,623	37
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	352,494	337,983	32,176	305,807
<b>TOTAL EXPENDITURES</b>	<u>\$ 354,154</u>	<u>\$ 339,643</u>	<u>\$ 33,799</u>	<u>\$ 305,844</u>

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

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT J

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2011

	<u>Employee Retirement Plan</u>	<u>Agency Funds</u>
ASSETS		
Cash on Deposit	\$ -	\$ 36,706
Investments, at fair value		
Mutual Funds	120,286	-
TOTAL ASSETS	<u>\$ 120,286</u>	<u>\$ 36,706</u>
LIABILITIES		
Due To Student Groups	<u>\$ -</u>	<u>\$ 36,706</u>
TOTAL LIABILITIES	<u>-</u>	<u>\$ 36,706</u>
Net Assets		
Held in trust for pension benefits and other purposes	<u>120,286</u>	
TOTAL NET ASSETS	<u>\$ 120,286</u>	

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

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT K

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended June 30, 2011

	Employee Retirement Plan
ADDITIONS:	
Contributions:	
Plan Members	\$ 9,390
Total contributions	<u>9,390</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	20,003
Total investment earnings	<u>20,003</u>
Less investment expense	<u>-</u>
Net investment earnings	<u>20,003</u>
TOTAL ADDITIONS	<u>29,393</u>
DEDUCTIONS	
Benefits	-
Refunds of contributions	-
Administrative expenses	-
TOTAL DEDUCTIONS	<u>-</u>
CHANGE IN NET ASSETS	29,393
Net Assets -- beginning of the year	90,893
Net Assets -- end of the year	<u>\$ 120,286</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, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Implementation of New Accounting Policies

For the fiscal year 2004 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, 2011

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.

**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.

**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.

STATE OF NEW MEXICO  
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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."

STATE OF NEW MEXICO  
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2. Receivables and payables (continued)

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 2011 fiscal year was \$87,080,955. 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.

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



STATE OF NEW MEXICO  
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

6. Long-term obligations

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

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

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 \$107,640 is comprised of Debt Service \$107,640.

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.

STATE OF NEW MEXICO  
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 \$1,105,372 in state equalization guarantee distributions during the year ended June 30, 2011.

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 \$401,485 in transportation distributions during the year ended June 30, 2011.

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 \$1,595,000 difference are as follows:

Bonds Payable	<u>\$ 1,595,000</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 1,595,000</u>

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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.

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 \$(306,951) difference are as follows:

Capital Outlay	\$ 21,713
Depreciation expense	<u>( 328,664 )</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	<u>\$ ( 306,951 )</u>

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 \$85,000 difference are as follows:

Principal repayments:	
General obligation debt	<u>\$ 85,000</u>
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 85,000</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.

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

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

A. Budgetary information (continued)

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
- 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, 2011 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:

	Original Budget	Final Budget
General Fund	\$ 3,004,028	\$ 3,136,647
Special Revenue Funds	839,393	980,806
Debt Service Funds	302,418	311,522
	<u>\$ 4,145,839</u>	<u>\$ 4,428,975</u>

B. Deficit fund equity

There were not any deficit fund balances at June 30, 2011.

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and temporary investments

At June 30, 2011, the carrying amount of the District's deposits was \$933,797 and the bank balance was \$1,080,404. Of this balance \$250,000 was covered by federal depository insurance and \$939,166 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	\$	1,080,404
	Less: FDIC coverage		<u>(250,000)</u>
	Uninsured Public Funds		830,404
Pledged collateral held by pledging bank's agent in the District's name			<u>939,166</u>
Uninsured and un-collateralized			<u><u>-</u></u>

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.

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

IV. DETAILED NOTES ON ALL FUNDS (continued)

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, 2011, the government bank balance was 100% collateralized. As of June 30, 2011, none of the government's bank balance of \$1,080,404 were exposed to custodial credit risk.

Uninsured and un-collateralized \$ -0 -

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	\$ 675	\$ 3,517	\$ 3,933	\$ -	\$ 8,125
Intergovernmental					
Grants:					
Federal	-	-	-	22,461	22,461
State	-	-	-	-	-
Other:	-	-	-	-	-
	<u>\$ 675</u>	<u>\$ 3,517</u>	<u>\$ 3,933</u>	<u>\$ 22,461</u>	<u>\$ 30,586</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	<u>\$ 67,475</u>
Total deferred/unearned revenue for government funds	<u>\$ 67,475</u>

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

IV. DETAILED NOTES ON ALL FUNDS (continued)

D. Capital Assets

Capital asset activity for the year ended June 30, 2011 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	786,957	-	-	786,957
Buildings & building improvements	9,765,710	-	-	9,765,710
Furniture & Fixtures	419,562	-	2,829	416,733
Vehicles	416,954	21,713	-	438,667
Equipment	244,332	-	-	244,332
Total Capital Assets being depreciated	11,633,515	21,713	2,829	11,652,399
Less accumulated depreciation for:				
Land improvements	393,254	72,785	-	466,039
Buildings & building improvements	3,661,624	196,100	-	3,857,724
Furniture & Fixtures	311,591	21,447	2,523	330,515
Vehicles	253,061	36,988	-	290,049
Equipment	238,399	1,038	-	239,437
Total accumulated depreciation	4,857,929	328,358	2,523	5,183,764
Total Capital assets, being depreciated, net	6,775,586	(306,645)	306	6,468,635
Governmental activities capital assets, net	\$ 6,866,400	\$ (306,645)	\$ 306	\$ 6,559,449

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

Instruction	\$ 238,292
Support Services	-
Support Services Students	3,480
Support Services Instruction	-
Support Services General Administration	9,582
Support Services School Administration	1,617
Central Services	576
Operation and Maintenance of Plant	32,555
Student Transportation	-
Other Support Services	-
Food Services Operations	42,256
Total	\$ 328,358

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

IV. DETAILED NOTES ON ALL FUNDS (continued)

E. Long-Term Debt

Governmental Activities  
 Bonds Payable

A summary in changes in long-term obligations follows:

	Balance 7-1-2010	Bonds Issued	Bonds Redeemed	Balance 6-30-2011	Amounts due within One Year
\$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%	\$ 1,680,000	\$ -	\$ 85,000	\$ 1,595,000	\$ 95,000
Total	<u>\$ 1,680,000</u>	<u>\$ -</u>	<u>\$ 85,000</u>	<u>\$ 1,595,000</u>	<u>\$ 95,000</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, 2011, including interest of \$505,936 are shown below:

	Governmental Activities	
	General Obligation	
	Principal	Interest
6/30/2012	\$ 95,000	\$ 84,328
6/30/2013	110,000	79,043
6/30/2014	120,000	72,660
6/30/2015	130,000	65,690
6/30/2016	150,000	57,850
2017-2021	990,000	146,365
TOTAL	<u>\$ 1,595,000</u>	<u>\$ 505,936</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, 2011

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, 2011.

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.

C. Pension Plan – Educational Retirement Board

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, disability 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 87502-6129. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

Funding Policy – Effective July 1, 2009 through June 30, 2011, plan members were required by statute to contribute 7.90% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.40% of their gross salary. Quemado Independent School District was required to contribute 12.40% of the gross covered salary for employees earning \$20,000 or less, and 10.90% of the gross covered salary of employees earning more than \$20,000 annually. Effective July 1, 2011 plan members are required by statute to contribute 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. Quemado Independent School District is required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the Quemado Independent School District are established in State statute under 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 fiscal years ended June 30, 2011, 2010 and 2009 were: \$169,696, \$171,165, and \$153,093, respectively, which equal the amount of the required contributions for the year.

STATE OF NEW MEXICO  
QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

V. OTHER INFORMATION (continued)

D. Post-retirement health care benefits

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

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

The RHCA issues a publicly available stand-alone financial report that 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](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute requires each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee is required to contribute .833% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

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

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

JUNE 30, 2011

V. OTHER INFORMATION (continued)

D. Post-retirement health care benefits (continued)

Also, 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 District's contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$25,568, \$20,143 and \$19,180 respectively, which equal the required contributions for each year.

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, 2011 were \$9,390.

F. 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, 2011, they consisted of the following:

Due to Operational	<u>\$ 22,461</u>
Due From	
Title I	\$ 4,127
IDEA-B Entitlement	1,158
IDEA-B Preschool	329
Teacher Principal Training	1,681
IDEA-B Entitlement Stimulus	12,252
IDEA-B Preschool Stimulus	1,239
R.E.A.P,	163
SEG Stimulus	1,312
Education Job Fund	200
	<u>\$ 22,461</u>

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

JUNE 30, 2011

V. OTHER INFORMATION (continued)

G. Permanent Transfers

Transfers are used to move revenue from the fund that statute or budget requires them to be collected in, to the fund that statute or budget requires them to be expend in. These transfers are not routine in nature and are not consistent with the activities of the fund making transfer. At June 30, 2011 the permanent transfers consisted of the following:

Transferred From:	
Operational	\$ 4,669
Total Transfers	<u>\$ 4,669</u>
Transferred To:	
Enhancing Ed Thru Tech (E2T2-C)	\$ 4,669
Total Transfers	<u>\$ 4,669</u>

H. Restatement of Beginning Net Assets for Governmental Funds

	Governmental
	Activities
Net Assets at June 30, 2010	\$ 5,846,256
Prior Period Adjustments	
Correction to Enhancing Ed Thru Tech (E2T2-C) Fund Balance	(4,669)
Net Assets at June 30, 2010 as Restated	<u>\$ 5,841,587</u>

I. Restatements of Beginning Fund Balances

Adjustments made to the District's prior year fund balances consisted of the following:

Enhancing Ed Thru Tech (E2T2-C) - to write off uncollectable receivable	\$ (4,669)
---	------------

J. Central Regional Educational Cooperative #5

Certain special revenue (federal) funds of the district were administered by the Central Region Educational Cooperative, in Albuquerque, New Mexico. These funds are audited separately by another IPA. That report may be obtained by writing to: Central Regional Educational Cooperative, 5321-A Menaul Blvd. NE, Albuquerque, New Mexico 87110.

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS – CONTINUED

JUNE 30, 2011

V. OTHER INFORMATION (continued)

K. Fund Balances Classified

Fund Balance is classified as non-spendable, restricted, committed, assigned and unassigned upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are as follows:

Fund Balances	General Fund	SB-9	Debt Service	Non-Major Governmental Funds	Total
<b>Nonspendable:</b>					
Inventory	\$ -	\$ -	\$ -	\$ 4,116	\$ 4,116
<b>Total Nonspendable</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,116</u>	<u>4,116</u>
<b>Restricted for:</b>					
Teacherage	13,839	-	-	-	13,839
Transportation	1,009	-	-	-	1,009
Instructional Materials	1,959	-	-	-	1,959
Special Revenue Funds	-	294,549	107,640	66,071	468,260
Debt Service	-	-	-	-	-
<b>Total Restricted</b>	<u>16,807</u>	<u>294,549</u>	<u>107,640</u>	<u>66,071</u>	<u>485,067</u>
<b>Unassigned</b>	<u>335,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335,533</u>
<b>Total Fund Balances</b>	<u>\$ 352,340</u>	<u>\$ 294,549</u>	<u>\$ 107,640</u>	<u>\$ 70,187</u>	<u>\$ 824,716</u>

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2011

V. OTHER INFORMATION (continued)

L. Reconciliation of Budgetary and GAAP Basis Amounts

	<u>Operational</u>	<u>Teacherage</u>	<u>Transportation</u>	<u>Instructional Materials</u>
REVENUES				
Budgetary Basis	\$ 2,289,036	\$ 6,713	\$ 401,636	\$ 6,373
Add:				
Current Year Receivables & Other Credits	675	-	-	-
Deduct:				
Prior Year Receivables & Other Debits	<u>583</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUE --GAAP BASIS	<u>\$ 2,289,128</u>	<u>\$ 6,713</u>	<u>\$ 401,636</u>	<u>\$ 6,373</u>
EXPENDITURES				
Budgetary Basis	\$ 2,280,979	\$ 1,855	\$ 402,391	\$ 4,955
Add:				
Current Year Payables & Other Debits	-	-	-	-
Deduct:				
Prior Year Payables & Other Credits	<u>6,930</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ 2,274,049</u>	<u>\$ 1,855</u>	<u>\$ 402,391</u>	<u>\$ 4,955</u>

<u>Cafeteria</u>	<u>Athletics</u>	<u>Non Instructional</u>	<u>Title I</u>	<u>Entitlement</u>	<u>Preschool</u>	<u>Early Intervention</u>
\$ 80,005	\$ 6,285	\$ 8,719	\$ 132,397	\$ 53,771	\$ 2,956	\$ 289
-	-	-	4,127	1,158	329	-
-	-	-	19,283	27,339	1,436	-
<u>\$ 80,005</u>	<u>\$ 6,285</u>	<u>\$ 8,719</u>	<u>\$ 117,241</u>	<u>\$ 27,590</u>	<u>\$ 1,849</u>	<u>\$ 289</u>
\$ 79,658	\$ 1,631	\$ 3,911	\$ 117,241	\$ 27,590	\$ 1,849	\$ 289
-	-	-	-	-	-	-
1,920	-	-	-	-	-	-
<u>\$ 77,738</u>	<u>\$ 1,631</u>	<u>\$ 3,911</u>	<u>\$ 117,241</u>	<u>\$ 27,590</u>	<u>\$ 1,849</u>	<u>\$ 289</u>

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2011

V. OTHER INFORMATION (continued)

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

	<u>Fresh Fruits</u>	<u>Teacher/ Principal Training</u>	<u>Title IV Drug Free Schools</u>
REVENUES			
Budgetary Basis	\$ 5,017	\$ 10,797	\$ 2,536
Add:			
Current Year Receivables & Other Credits	-	1,681	-
Deduct:			
Prior Year Receivables & Other Debits	<u>357</u>	<u>4,747</u>	<u>1,431</u>
REVENUE --GAAP BASIS	<u>\$ 4,660</u>	<u>\$ 7,731</u>	<u>\$ 1,105</u>
EXPENDITURES			
Budgetary Basis	\$ 4,660	\$ 7,731	\$ 1,105
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES --GAAP BASIS	<u>\$ 4,660</u>	<u>\$ 7,731</u>	<u>\$ 1,105</u>



<u>Title I Stimulus</u>	<u>Entitlement Stimulus</u>	<u>Preschool Stimulus</u>	<u>Title XIX Medicaid</u>	<u>Elementary School Breakfast Stimulus</u>	<u>REAP</u>	<u>SEG Stimulus</u>
\$ 52,659	\$ 25,710	\$ 824	\$ 16,391	\$ 2,600	\$ 10,895	\$ 51,613
-	12,252	1,239	-	-	163	1,312
<u>29,335</u>	<u>9,770</u>	<u>804</u>	<u>13,135</u>	<u>-</u>	<u>2,577</u>	<u>32,261</u>
<u>\$ 23,324</u>	<u>\$ 28,192</u>	<u>\$ 1,259</u>	<u>\$ 3,256</u>	<u>\$ 2,600</u>	<u>\$ 8,481</u>	<u>\$ 20,664</u>
\$ 23,324	\$ 28,192	\$ 1,259	\$ 3,256	\$ 2,600	\$ 8,481	\$ 20,664
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 23,324</u>	<u>\$ 28,192</u>	<u>\$ 1,259</u>	<u>\$ 3,256</u>	<u>\$ 2,600</u>	<u>\$ 8,481</u>	<u>\$ 20,664</u>

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

JUNE 30, 2011

V. OTHER INFORMATION (continued)

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

	Education Job Fund	Technology for Education	Incentives for School Improvement
REVENUES			
Budgetary Basis	\$ 52,149	\$ 4	\$ 7
Add:			
Current Year Receivables & Other Credits	200	3,672	4,562
Deduct:			
Prior Year Receivables & Other Debits	-	-	-
REVENUE --GAAP BASIS	<u>\$ 52,349</u>	<u>\$ 3,676</u>	<u>\$ 4,569</u>
EXPENDITURES			
Budgetary Basis	\$ 52,349	\$ 3,676	\$ 4,569
Add:			
Current Year Payables & Other Debits	-	-	-
Deduct:			
Prior Year Payables & Other Credits	-	-	-
EXPENDITURES --GAAP BASIS	<u>\$ 52,349</u>	<u>\$ 3,676</u>	<u>\$ 4,569</u>

<u>Libraries SB301 GO Bonds</u>	<u>School Based Health Center</u>	<u>SB - 9</u>	<u>Debt Service</u>
\$ 3,604	\$ 55,009	\$ 162,114	\$ 181,239
-	14,024	3,517	3,933
<u>3,604</u>	<u>-</u>	<u>2,952</u>	<u>3,291</u>
<u>\$ -</u>	<u>\$ 69,033</u>	<u>\$ 162,679</u>	<u>\$ 181,881</u>
\$ -	\$ 69,033	\$ 33,799	\$ 175,570
-	-	-	39,712
<u>-</u>	<u>-</u>	<u>-</u>	<u>41,721</u>
<u>\$ -</u>	<u>\$ 69,033</u>	<u>\$ 33,799</u>	<u>\$ 173,561</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

Year Ended June 30, 2011

	Operational	Teacherage	Transportation	Instructional Materials	TOTALS
<b>ASSETS</b>					
Cash and cash equivalents	\$ 312,397	\$ 13,839	\$ 1,009	\$ 1,959	\$ 329,204
Investments	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Property Taxes Receivable	675	-	-	-	675
Federal	-	-	-	-	-
State	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventories	-	-	-	-	-
Due from Other Funds	22,461	-	-	-	22,461
<b>TOTAL ASSETS</b>	<u>\$ 335,533</u>	<u>\$ 13,839</u>	<u>\$ 1,009</u>	<u>\$ 1,959</u>	<u>\$ 352,340</u>
<b>LIABILITIES AND OTHER CREDITS</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	-	-
Restricted	-	13,839	1,009	1,959	16,807
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	335,533	-	-	-	335,533
<b>TOTAL FUND BALANCE</b>	<u>335,533</u>	<u>13,839</u>	<u>1,009</u>	<u>1,959</u>	<u>352,340</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 335,533</u>	<u>\$ 13,839</u>	<u>\$ 1,009</u>	<u>\$ 1,959</u>	<u>\$ 352,340</u>

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, 2011

	Operational	Teacherege	Transportation	Instructional Materials	TOTALS
<b>REVENUE</b>					
Federal Programs	\$ 938,426	\$ -	\$ -	\$ -	\$ 938,426
State Programs	176,048	-	401,485	6,368	583,901
Local Programs	28,898	4,200	-	-	33,098
State Equalization	1,105,372	-	-	-	1,105,372
Service Revenues	818	-	-	-	818
Taxes	32,265	-	-	-	32,265
Interest	413	11	68	5	497
Other revenue sources	6,888	2,502	83	-	9,473
<b>TOTAL REVENUES</b>	<b>2,289,128</b>	<b>6,713</b>	<b>401,636</b>	<b>6,373</b>	<b>2,703,850</b>
<b>EXPENDITURES</b>					
Current					
Instruction	1,327,390	-	-	4,955	1,332,345
Support Services	-	-	-	-	-
Support Services Students	128,925	-	-	-	128,925
Support Services Instruction	58,677	-	-	-	58,677
Support Services General Administration	180,726	-	-	-	180,726
Support Services School Administration	94,178	-	-	-	94,178
Central Services	97,639	-	-	-	97,639
Operation and Maintenance of Plant	340,429	1,855	-	-	342,284
Student Transportation	19,589	-	402,391	-	421,980
Other Support Services	570	-	-	-	570
Food Services Operations	25,926	-	-	-	25,926
Capital Outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,274,049</b>	<b>1,855</b>	<b>402,391</b>	<b>4,955</b>	<b>2,683,250</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>15,079</b>	<b>4,858</b>	<b>(755)</b>	<b>1,418</b>	<b>20,600</b>
Other Financial Sources (Uses)					
Transfer In/Transfers (Out)	(4,669)	-	-	-	(4,669)
<b>Total Other Financial Sources</b>	<b>(4,669)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,669)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>10,410</b>	<b>4,858</b>	<b>(755)</b>	<b>1,418</b>	<b>15,931</b>
<b>FUND BALANCE</b>					
June 30, 2010	325,123	8,981	1,764	541	336,409
Restatements	-	-	-	-	-
June 30, 2010 as restated	325,123	8,981	1,764	541	336,409
<b>FUND BALANCE June 30, 2011</b>	<b>\$ 335,533</b>	<b>\$ 13,839</b>	<b>\$ 1,009</b>	<b>\$ 1,959</b>	<b>\$ 352,340</b>

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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 32,594	\$ 32,594	\$ 32,173	\$ (421)
Fees - Users	990	990	63	(927)
Fees - Activities	200	200	275	75
Fees - Educational	1,000	1,000	480	(520)
Rent and Leases	735	735	-	(735)
Fees-Summer School	-	-	-	-
Interest Income	300	300	413	113
Royalties	-	-	-	-
Refunds Prior Year	-	-	6,888	6,888
State Equalization	831,717	779,147	1,105,372	326,225
Emergency Supplemental	150,000	150,000	176,048	26,048
Sale of Fixed Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Donations	-	-	28,898	28,898
Fees-Govt Agencies	-	-	-	-
Forrest Reserve	1,373,583	1,373,583	938,426	(435,157)
Indirect Cost - (Flow Through Grants)	-	-	-	-
Access Board E-Rate	36,000	36,000	-	(36,000)
<b>TOTAL REVENUE</b>	<u>2,427,119</u>	<u>2,374,549</u>	<u>\$ 2,289,036</u>	<u>\$ (85,513)</u>
BUDGETED CASH BALANCE	119,060	333,550		
TOTAL REVENUE & CASH	<u>\$ 2,546,179</u>	<u>\$ 2,708,099</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 1,491,167	\$ 1,480,010	\$ 1,327,390	\$ 152,620
Support Services	-	-	-	-
Support Services Students	146,733	157,893	135,855	22,038
Support Services Instruction	75,471	82,646	58,677	23,969
Support Services General Administration	186,827	193,178	180,726	12,452
Support Services School Administration	103,566	109,066	94,178	14,888
Central Services	108,882	114,482	97,639	16,843
Operation and Maintenance of Plant	371,779	509,070	340,429	168,641
Student Transportation	30,034	30,034	19,589	10,445
Other Support Services	3,080	3,080	570	2,510
Food Services Operations	28,640	28,640	25,926	2,714
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,546,179</u>	<u>\$ 2,708,099</u>	<u>\$ 2,280,979</u>	<u>\$ 427,120</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	9,608	9,608	6,713	(2,895)
<b>TOTAL REVENUE</b>	<u>9,608</u>	<u>9,608</u>	<u>\$ 6,713</u>	<u>\$ (2,895)</u>
BUDGETED CASH BALANCE	<u>11,342</u>	<u>8,981</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 20,950</u>	<u>\$ 18,589</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	18,950	16,589	1,855	14,734
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	2,000	2,000	-	2,000
<b>TOTAL EXPENDITURES</b>	<u>\$ 20,950</u>	<u>\$ 18,589</u>	<u>\$ 1,855</u>	<u>\$ 16,734</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	429,691	402,367	401,485	(882)
Local Programs	-	-	151	151
<b>TOTAL REVENUE</b>	<u>429,691</u>	<u>402,367</u>	<u>\$ 401,636</u>	<u>\$ (731)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>881</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 429,691</u>	<u>\$ 403,248</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	429,691	403,248	402,391	857
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 429,691</u>	<u>\$ 403,248</u>	<u>\$ 402,391</u>	<u>\$ 857</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	6,168	6,168	6,368	200
Local Programs	3	3	5	2
<b>TOTAL REVENUE</b>	<u>6,171</u>	<u>6,171</u>	<u>\$ 6,373</u>	<u>\$ 202</u>
BUDGETED CASH BALANCE	<u>1,037</u>	<u>540</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 7,208</u>	<u>\$ 6,711</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 6,731	\$ 6,234	\$ 4,955	\$ 1,279
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	477	477	-	477
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 7,208</u>	<u>\$ 6,711</u>	<u>\$ 4,955</u>	<u>\$ 1,756</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.

IDEA B EARLY INTERVENTION SERVICES (TITLE VI IASA) – To account for a program funded by a Federal grant to assist the District to make improvements in elementary and secondary education. Funding authorized by Elementary and Secondary Education Act of 1965, as amended, Title I, Chapter 2, Part A; Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvements of 1988, Public Law 100-297, 20 U.S.C. 2911-2952, 2971-2976.

USDA FRUIT & VEGETABLE – to account for the expenditures and revenue for a Fresh Fruit and Vegetable Program as authorized by Public Law 109-97 and Section 120 of the Child Nutrition and WIC Reauthorization Act 2004. The FFVP provides all children in participating schools with a variety of free fresh fruits and vegetables throughout the school day as a means of introducing fresh fruits and vegetables as healthy snack alternatives. CFDA #10.582.

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.

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.

IDEA-B ENTITLEMENT FEDERAL STIMULUS – fund to supplement state and local funding for students with disabilities. Fund and authority provided under the American Recovery and Reinvestment Act.

IDEA-B PRESCHOOL STIMULUS – To provide grants to States to assist them in providing special education and related services to children with disabilities ages 3 through 5 years, and at a State's discretion, to 2-year-old children with disabilities who will reach age three during the school year. Fund and authority provided under the Individuals with Disabilities Education Act (IDEA), as amended, , Part B, Section 619, 20 U.S.C 1419; American Recovery and Reinvestment Act of 2009 (ARRA), Public Law 111-5.

Elementary School Breakfast Stimulus – To assist States in providing a nutritious nonprofit breakfast service for elementary school children, through cash grants and food donations. Authority for the creation of this fund is under the Child Nutrition Act of 1966, as amended, 42 U.S.C. 1773, 1779, Public Laws 104-193, 100-435, 99-661, 97-35; and the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

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.

State Equalization Guarantee Stimulus – Special Revenue – Authorized by the ARRA of 2009, Division A, Title XIV, Public Law 111-5 the primary objective of this fund is to support and restore funding for elementary, secondary and postsecondary education and, as applicable, early child hood education programs and services in States and local educational agencies.

EDUCATION JOB FUND – To provide funds to States to assist local educational agencies (LEAs) in saving or creating education jobs during the 2010-2011 school year. Authority for the creation of this fund is Title I, Public Law 111-126.

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.

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.

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.

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, 2011

	Cafeteria	Athletics	Non Instructional	TITLE I
<b>ASSETS</b>				
Cash and cash equivalents	\$ 39,142	\$ 9,022	\$ 17,907	\$ -
Investments	-	-	-	-
Accounts Receivable				
Property Taxes Receivable	-	-	-	-
Federal	-	-	-	4,127
State	-	-	-	-
Due from Other Governments	-	-	-	-
Inventories	4,116	-	-	-
Due from Other Funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 43,258</b>	<b>\$ 9,022</b>	<b>\$ 17,907</b>	<b>\$ 4,127</b>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
Due to Other Funds	-	-	-	4,127
Accrued Interest Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,127</b>
<b>FUND BALANCE</b>				
Nonspendable	4,116	-	-	-
Restricted	39,142	9,022	17,907	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>43,258</b>	<b>9,022</b>	<b>17,907</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 43,258</b>	<b>\$ 9,022</b>	<b>\$ 17,907</b>	<b>\$ 4,127</b>

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

EXHIBIT B-1

IDEA- B Entitlement	IDEA- B Preschool	IDEA- B Early Intervention Services	Fresh Fruits & Vegetables	Enhancing Ed Thru Technology (E2T2-C)	Innovative Education Program	Teacher/ Principal Training
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,158	329	-	-	-	-	1,681
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,158</u>	<u>\$ 329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,681</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
1,158	329	-	-	-	-	1,681
-	-	-	-	-	-	-
<u>1,158</u>	<u>329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,681</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,158</u>	<u>\$ 329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,681</u>

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

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

JUNE 30, 2011

	Title IV Safe & Drug Free Schools	Title I Stimulus	IDEA- B Entitlement Stimulus	IDEA- B Prechool Stimulus
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Accounts Receivable				
Property Taxes Receivable	-	-	-	-
Federal	-	-	12,252	1,239
State	-	-	-	-
Due from Other Governments	-	-	-	-
Inventories	-	-	-	-
Due from Other Funds	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,252</b>	<b>\$ 1,239</b>
<b>LIABILITIES AND OTHER CREDITS</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-
Due to Other Funds	-	-	12,252	1,239
Accrued Interest Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>12,252</b>	<b>1,239</b>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,252</b>	<b>\$ 1,239</b>

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

EXHIBIT B-1  
CONTINUED

Elementary School Breakfast Stimulus	R.E.A.P.	SEG Stimulus	Education Job Fund	Technology for Education	Incentives for School Improvement	Breakfast for Elementary Students
\$ -	\$ -	\$ -	\$ -	\$ 2,176	\$ 3,532	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	163	1,312	200	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 163</u>	<u>\$ 1,312</u>	<u>\$ 200</u>	<u>\$ 2,176</u>	<u>\$ 3,532</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	2,176	3,532	-
-	163	1,312	200	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>163</u>	<u>1,312</u>	<u>200</u>	<u>2,176</u>	<u>3,532</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 163</u>	<u>\$ 1,312</u>	<u>\$ 200</u>	<u>\$ 2,176</u>	<u>\$ 3,532</u>	<u>\$ -</u>



STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-1  
 CONTINUED

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

JUNE 30, 2011

	Libraries SB 301 GO Bonds	Library Book Fund	School Based Health Center	Total Non-Major Special Revenue Funds	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 11,947	\$ 83,726	\$ 83,726
Investments	-	-	-	-	-
Accounts Receivable					
Property Taxes Receivable	-	-	-	-	-
Federal	-	-	-	22,461	22,461
State	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventories	-	-	-	4,116	4,116
Due from Other Funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,947</u>	<u>\$ 110,303</u>	<u>\$ 110,303</u>
<b>LIABILITIES AND OTHER CREDITS</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	11,947	17,655	17,655
Due to Other Funds	-	-	-	22,461	22,461
Accrued Interest Payable	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>11,947</u>	<u>40,116</u>	<u>40,116</u>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	4,116	4,116
Restricted	-	-	-	66,071	66,071
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,187</u>	<u>70,187</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,947</u>	<u>\$ 110,303</u>	<u>\$ 110,303</u>

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, 2011

	Cafeteria	Athletics	Non Instructional	TITLE I
<b>REVENUE</b>				
Federal Programs	\$ 56,439	\$ -	\$ -	\$ 117,241
State Programs	-	-	-	-
Local Programs	-	-	1,000	-
State Equalization	-	-	-	-
Service Revenues	18,238	6,259	7,705	-
Taxes	-	-	-	-
Interest	5,328	6	14	-
Other revenue sources	-	20	-	-
<b>TOTAL REVENUES</b>	<b>80,005</b>	<b>6,285</b>	<b>8,719</b>	<b>117,241</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	-	1,631	3,911	70,506
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	43,540
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	3,195
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	77,738	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>77,738</b>	<b>1,631</b>	<b>3,911</b>	<b>117,241</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>2,267</b>	<b>4,654</b>	<b>4,808</b>	<b>-</b>
<b>Other Financial Sources (Uses)</b>				
Transfer In/Transfers (Out)	-	-	-	-
<b>Total Other Financial Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,267</b>	<b>4,654</b>	<b>4,808</b>	<b>-</b>
<b>FUND BALANCE</b>				
June 30, 2010	40,991	4,368	13,099	-
Restatements	-	-	-	-
June 30, 2010 as restated	40,991	4,368	13,099	-
<b>FUND BALANCE</b>	<b>43,258</b>	<b>9,022</b>	<b>17,907</b>	<b>-</b>

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

EXHIBIT B-2

IDEA- B Entitlement	IDEA- B Preschool	IDEA- B Early Intervention Services	Fresh Fruits & Vegetables	Enhancing Ed Thru Technology (E2T2-C)	Innovative Education Program	Teacher/ Principal Training
\$ 27,590	\$ 1,849	\$ 289	\$ 4,660	\$ -	\$ -	\$ 7,731
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
27,590	1,849	289	4,660	-	-	7,731
16,506	1,849	-	-	-	-	7,731
-	-	-	-	-	-	-
11,084	-	289	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4,660	-	-	-
-	-	-	-	-	-	-
27,590	1,849	289	4,660	-	-	7,731
-	-	-	-	-	-	-
-	-	-	-	4,669	-	-
-	-	-	-	4,669	-	-
-	-	-	-	4,669	-	-
-	-	-	-	-	-	-
-	-	-	-	(4,669)	-	-
-	-	-	-	(4,669)	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2011

	Title IV Safe & Drug Free Schools	Title I Stimulus	IDEA- B Entitlement Stimulus	IDEA- B Prechool Stimulus
<b>REVENUE</b>				
Federal Programs	\$ 1,105	\$ 23,324	\$ 28,192	\$ 1,259
State Programs	-	-	-	-
Local Programs	-	-	-	-
State Equalization	-	-	-	-
Service Revenues	-	-	-	-
Taxes	-	-	-	-
Interest	-	-	-	-
Other revenue sources	-	-	-	-
<b>TOTAL REVENUES</b>	<b>1,105</b>	<b>23,324</b>	<b>28,192</b>	<b>1,259</b>
<b>EXPENDITURES</b>				
Current				
Instruction	1,105	23,324	28,192	736
Support Services	-	-	-	-
Support Services Students	-	-	-	523
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	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,105</b>	<b>23,324</b>	<b>28,192</b>	<b>1,259</b>
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUE OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Financial Sources (Uses)				
Transfer In/Transfers (Out)	-	-	-	-
<b>Total Other Financial Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>				
<b>FUND BALANCE</b>				
June 30, 2010	-	-	-	-
Restatements	-	-	-	-
June 30, 2010 as restated	-	-	-	-
<b>FUND BALANCE</b>				
June 30, 2011	\$ -	\$ -	\$ -	\$ -

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

EXHIBIT B-2  
CONTINUED

Elementary School Breakfast Stimulus	R.E.A.P.	SEG Stimulus	Education Job Fund	Technology for Education	Incentives for School Improvement	Breakfast for Elementary Students
\$ 2,600	\$ 8,481	\$ 20,664	\$ 52,349	\$ -	\$ -	\$ -
-	-	-	-	3,672	4,562	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	4	7	-
-	-	-	-	-	-	-
<u>2,600</u>	<u>8,481</u>	<u>20,664</u>	<u>52,349</u>	<u>3,676</u>	<u>4,569</u>	<u>-</u>
-	6,077	7,836	52,349	2,676	4,569	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,404	-	-	1,000	-	-
-	-	-	-	-	-	-
-	-	12,828	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,600	-	-	-	-	-	-
<u>2,600</u>	<u>8,481</u>	<u>20,664</u>	<u>52,349</u>	<u>3,676</u>	<u>4,569</u>	<u>-</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, 2011

	Libraries SB 301 GO Bonds	Library Book Fund	School Based Health Center	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUE</b>					
Federal Programs	\$ -	\$ -	\$ -	\$ 353,773	\$ 353,773
State Programs	-	-	69,024	77,258	77,258
Local Programs	-	-	-	1,000	1,000
State Equalization	-	-	-	-	-
Service Revenues	-	-	-	32,202	32,202
Taxes	-	-	-	-	-
Interest	-	-	9	5,368	5,368
Other revenue sources	-	-	-	20	20
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>69,033</b>	<b>469,621</b>	<b>469,621</b>
<b>EXPENDITURES</b>					
Current					
Instruction	-	-	-	228,998	228,998
Support Services	-	-	-	-	-
Support Services Students	-	-	69,033	80,929	80,929
Support Services Instruction	-	-	-	43,540	43,540
Support Services General Administration	-	-	-	-	-
Support Services School Administration	-	-	-	6,599	6,599
Central Services	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	12,828	12,828
Student Transportation	-	-	-	-	-
Other Support Services	-	-	-	-	-
Food Services Operations	-	-	-	84,998	84,998
Capital Outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>69,033</b>	<b>457,892</b>	<b>457,892</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,729</b>	<b>11,729</b>
Other Financial Sources (Uses)					
Transfer In/Transfers (Out)	-	-	-	4,669	4,669
<b>Total Other Financial Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,669</b>	<b>4,669</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,398</b>	<b>16,398</b>
<b>FUND BALANCE</b>					
June 30, 2010	-	-	-	58,458	58,458
Restatements	-	-	-	(4,669)	(4,669)
June 30, 2010 as restated	-	-	-	53,789	53,789
<b>FUND BALANCE June 30, 2011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70,187</b>	<b>\$ 70,187</b>

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, 2011

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 63,000	\$ 63,000	\$ 56,439	\$ (6,561)
State Programs	-	-	-	-
Local Programs	16,570	16,570	23,566	6,996
<b>TOTAL REVENUE</b>	<u>79,570</u>	<u>79,570</u>	<u>\$ 80,005</u>	<u>\$ 435</u>
BUDGETED CASH BALANCE	<u>35,730</u>	<u>38,796</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 115,300</u>	<u>\$ 118,366</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	115,300	118,366	79,658	38,708
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 115,300</u>	<u>\$ 118,366</u>	<u>\$ 79,658</u>	<u>\$ 38,708</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	4,103	4,103	6,285	2,182
<b>TOTAL REVENUE</b>	<u>4,103</u>	<u>4,103</u>	<u>\$ 6,285</u>	<u>\$ 2,182</u>
BUDGETED CASH BALANCE	<u>4,542</u>	<u>4,258</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 8,645</u>	<u>\$ 8,361</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 8,645	\$ 8,361	\$ 1,631	\$ 6,730
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	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 8,645</u>	<u>\$ 8,361</u>	<u>\$ 1,631</u>	<u>\$ 6,730</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	8,513	8,513	8,719	206
<b>TOTAL REVENUE</b>	<u>8,513</u>	<u>8,513</u>	<u>\$ 8,719</u>	<u>\$ 206</u>
BUDGETED CASH BALANCE	<u>13,796</u>	<u>13,099</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 22,309</u>	<u>\$ 21,612</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 22,309	\$ 21,612	\$ 3,911	\$ 17,701
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 22,309</u>	<u>\$ 21,612</u>	<u>\$ 3,911</u>	<u>\$ 17,701</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, 2011

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 114,296	\$ 126,675	\$ 132,397	\$ 5,722
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>114,296</u>	<u>126,675</u>	<u>\$ 132,397</u>	<u>\$ 5,722</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 114,296</u>	<u>\$ 126,675</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 67,355	\$ 79,734	\$ 70,506	\$ 9,228
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	43,745	43,745	43,540	205
Support Services General Administration	-	-	-	-
Support Services School Administration	3,196	3,196	3,195	1
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 114,296</u>	<u>\$ 126,675</u>	<u>\$ 117,241</u>	<u>\$ 9,434</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 52,286	\$ 52,237	\$ 53,771	\$ 1,534
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>52,286</u>	<u>52,237</u>	<u>\$ 53,771</u>	<u>\$ 1,534</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 52,286</u>	<u>\$ 52,237</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 38,223	\$ 38,174	\$ 16,506	\$ 21,668
Support Services	-	-	-	-
Support Services Students	14,063	14,063	11,084	2,979
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	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 52,286</u>	<u>\$ 52,237</u>	<u>\$ 27,590</u>	<u>\$ 24,647</u>

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

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-8

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

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 4,850	\$ 3,949	\$ 2,956	\$ (993)
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>4,850</u>	<u>3,949</u>	<u>\$ 2,956</u>	<u>\$ (993)</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 4,850</u>	<u>\$ 3,949</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 3,350	\$ 3,350	\$ 1,849	\$ 1,501
Support Services	-	-	-	-
Support Services Students	1,500	599	-	599
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	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 4,850</u>	<u>\$ 3,949</u>	<u>\$ 1,849</u>	<u>\$ 2,100</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--IDEA-B EARLY INTERVENTIONS SERVICES

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 289	\$ 289	\$ 289	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>289</u>	<u>289</u>	<u>\$ 289</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 289</u>	<u>\$ 289</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	289	289	289	-
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	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 289</u>	<u>\$ 289</u>	<u>\$ 289</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-10

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--FRESH FRUITS & VEGETABLES

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ 4,800	\$ 5,017	\$ 217
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>4,800</u>	<u>\$ 5,017</u>	<u>\$ 217</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 4,800</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	4,800	4,660	140
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 4,800</u>	<u>\$ 4,660</u>	<u>\$ 140</u>

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

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-11

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

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
 BUDGETED CASH BALANCE	 <u>-</u>	 <u>-</u>		
 TOTAL REVENUE & CASH	 <u>\$ -</u>	 <u>\$ -</u>		
 <b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
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--TITLE V INNOVATION ED PROG STRATEGIES

Year Ended June 30, 2011

	ORIGINAL ACTUAL	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<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-13

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

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 14,995	\$ 19,863	\$ 10,797	\$ (9,066)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>14,995</u>	<u>19,863</u>	<u>\$ 10,797</u>	<u>\$ (9,066)</u>
<b>BUDGETED CASH BALANCE</b>		<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 14,995</u>	<u>\$ 19,863</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 14,995	\$ 19,863	\$ 7,731	\$ 12,132
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	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 14,995</u>	<u>\$ 19,863</u>	<u>\$ 7,731</u>	<u>\$ 12,132</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--TITLE IV --SAFE & DRUG FREE SCHOOLS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ 1,105	\$ 2,536	\$ 1,431
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>1,105</u>	<u>\$ 2,536</u>	<u>\$ 1,431</u>
BUDGETED CASH BALANCE	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 1,105</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 1,105	\$ 1,105	\$ -
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	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 1,105</u>	<u>\$ 1,105</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-15

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

Year Ended June 30, 2011

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 23,134	\$ 23,324	\$ 52,659	\$ 29,335
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>23,134</u>	<u>23,324</u>	<u>\$ 52,659</u>	<u>\$ 29,335</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 23,134</u>	<u>\$ 23,324</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 23,134	\$ 23,324	\$ 23,324	\$ -
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	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 23,134</u>	<u>\$ 23,324</u>	<u>\$ 23,324</u>	<u>\$ -</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--IDEA-B ENTITLEMENT STIMULUS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 765	\$ 28,220	\$ 25,710	\$ (2,510)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>765</u>	<u>28,220</u>	<u>\$ 25,710</u>	<u>\$ (2,510)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 765</u>	<u>\$ 28,220</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 765	\$ 28,220	\$ 28,192	\$ 28
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	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 765</u>	<u>\$ 28,220</u>	<u>\$ 28,192</u>	<u>\$ 28</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-IDEA-B PRESCHOOL STIMULUS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ 20	\$ 1,259	\$ 824	\$ (435)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>20</u>	<u>1,259</u>	<u>\$ 824</u>	<u>\$ (435)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 20</u>	<u>\$ 1,259</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 20	\$ 736	\$ 736	\$ -
Support Services	-	-	-	-
Support Services Students	-	523	523	-
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	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 20</u>	<u>\$ 1,259</u>	<u>\$ 1,259</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-18

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

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ 2,600	\$ 2,600	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>2,600</u>	<u>\$ 2,600</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 2,600</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	2,600	2,600	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 2,600</u>	<u>\$ 2,600</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-19

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

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ 11,067	\$ 10,895	\$ (172)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>11,067</u>	<u>\$ 10,895</u>	<u>\$ (172)</u>
<b>BUDGETED CASH BALANCE</b>	<u>8,626</u>	<u>8,626</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 8,626</u>	<u>\$ 19,693</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 5,221	\$ 16,288	\$ 6,077	\$ 10,211
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	3,405	3,405	2,404	1,001
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 8,626</u>	<u>\$ 19,693</u>	<u>\$ 8,481</u>	<u>\$ 11,212</u>

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

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-20

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
 AND ACTUAL--SPECIAL REVENUE FUND--STATE EQUALIZATION GUARANTEE STIMULUS

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ 19,352	\$ 20,664	\$ 51,613	\$ 30,949
State Programs	-	-	-	-
Local Programs	-	-	-	-
TOTAL REVENUE	<u>19,352</u>	<u>20,664</u>	<u>\$ 51,613</u>	<u>\$ 30,949</u>
 BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
 TOTAL REVENUE & CASH	<u>\$ 19,352</u>	<u>\$ 20,664</u>		
 EXPENDITURES				
Current				
Instruction	\$ 6,524	\$ 7,836	\$ 7,836	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	12,828	12,828	12,828	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 19,352</u>	<u>\$ 20,664</u>	<u>\$ 20,664</u>	<u>\$ -</u>

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



STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT B-21

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

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ 52,350	\$ 52,149	\$ (201)
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>52,350</u>	<u>\$ 52,149</u>	<u>\$ (201)</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 52,350</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ 52,350	\$ 52,349	\$ 1
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	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 52,350</u>	<u>\$ 52,349</u>	<u>\$ 1</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--TECHNOLOGY FOR EDUCATION

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	168	-	(168)
Local Programs	4	4	4	-
<b>TOTAL REVENUE</b>	<u>4</u>	<u>172</u>	<u>\$ 4</u>	<u>\$ (168)</u>
<b>BUDGETED CASH BALANCE</b>	<u>6,361</u>	<u>5,848</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 6,365</u>	<u>\$ 6,020</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 3,500	\$ 3,668	\$ 2,676	\$ 992
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	1,000	1,000	-	1,000
Support Services General Administration	-	-	-	-
Support Services School Administration	1,865	1,352	1,000	352
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 6,365</u>	<u>\$ 6,020</u>	<u>\$ 3,676</u>	<u>\$ 2,344</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--INCENTIVES FOR SCHOOL IMPROVEMENT

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	7	7
TOTAL REVENUE	-	-	<u>\$ 7</u>	<u>\$ 7</u>
BUDGETED CASH BALANCE	-	8,094		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 8,094</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 8,094	\$ 4,569	\$ 3,525
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	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 8,094</u>	<u>\$ 4,569</u>	<u>\$ 3,525</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, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<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-25

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

Year Ended June 30, 2011

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	3,064	3,064
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ 3,064</u>	<u>\$ 3,064</u>
<b>BUDGETED CASH BALANCE</b>	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<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--LIBRARY BOOK FUND

Year Ended June 30, 2011

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	-	-	-	-
Local Programs	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ -</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	-	-	-	-
Support Services Instruction	-	-	-	-
Support Services General Administration	-	-	-	-
Support Services School Administration	-	-	-	-
Central Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<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-27

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

Year Ended June 30, 2011

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Programs	\$ -	\$ -	\$ -	\$ -
State Programs	60,000	55,000	55,000	-
Local Programs	2	2	9	7
<b>TOTAL REVENUE</b>	<u>60,002</u>	<u>55,002</u>	<u>\$ 55,009</u>	<u>\$ 7</u>
<b>BUDGETED CASH BALANCE</b>	<u>61</u>	<u>25,970</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 60,063</u>	<u>\$ 80,972</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-
Support Services Students	60,063	80,972	69,033	11,939
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	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 60,063</u>	<u>\$ 80,972</u>	<u>\$ 69,033</u>	<u>\$ 11,939</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.



STATE OF NEW MEXICO  
QUEMADO INDEPENDENT SCHOOLS

EXHIBIT C-1

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

Year Ended June 30, 2011

	Balance 6/30/2010	ADDITIONS	DEDUCTIONS	Balance 6/30/2011
FFA	\$ 4,711	\$ 10,205	\$ 8,708	\$ 6,208
NATIONAL FFA	1,548	2	-	1,550
FHA	875	1	-	876
STUDENT COUNCIL	2,436	1,342	1,600	2,178
COKE FUND (FFA)	172	1	-	173
ELEMENTARY FUND 06	158	748	492	414
YEARBOOK	7,973	3,789	6,449	5,313
CHEERLEADERS	937	649	575	1,011
DANCE CLUB	1,751	671	420	2,002
ART CLUB	16	-	-	16
BATTLE OF THE BOOKS	16	-	-	16
ALUMNI	297	-	-	297
GIRLS BB	228	5,531	4,720	1,039
BOYS BB	2,310	3,986	5,428	868
TRACK	335	172	150	357
GIRLS VB	2,779	2,136	4,086	829
JOURNALISM	87	-	-	87
PROM FUND	17	597	597	17
SCIENCE CLUB	295	-	-	295
NATIONAL HONOR SOCIETY	119	-	-	119
DRAMA CLUB	428	-	-	428
SR ANNOUNCEMENTS/C&G	40	105	96	49
TEEN HEALTH COUNCIL	616	161	389	388
EAGLE GRAFIX	263	221	-	484
DATIL MEMORIAL FUND	1,677	2	332	1,347
DATIL SCHOOL	3,001	7,549	9,286	1,264
CLOSE UP	316	-	-	316
SENIOR GRAD NIGHT	65	-	-	65
MATH LAB	242	-	-	242
ELEMENTARY BB CLUB	297	366	329	334
CLASS OF 2007	49	-	-	49
CLASS OF 2008	52	-	-	52
CLASS OF 2009	101	-	-	101
CLASS OF 2010	39	-	39	-
CLASS OF 2011	1,084	927	1,813	198
CLASS OF 2012	998	2,783	1,048	2,733
CLASS OF 2013	203	27	-	230
CLASS OF 2014	1,415	123	-	1,538
CLASS OF 2015	1,192	70	-	1,262
CLASS OF 2016	528	91	-	619
CLASS OF 2017	22	440	256	206
CLASS OF 2018	248	600	674	174
CLASS OF 2019	389	469	781	77
CLASS OF 2020	383	291	245	429
CLASS OF 2021	247	246	265	228
CLASS OF 2022	192	232	250	174
CLASS OF 2023	-	54	-	54
	<u>\$ 41,147</u>	<u>\$ 44,587</u>	<u>\$ 49,028</u>	<u>\$ 36,706</u>

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

OTHER MAJOR FUND INFORMATION

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

EXHIBIT D-1

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

Year Ended June 30, 2011

	Original Budget	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
District Tax Levy	\$ 173,749	\$ 173,749	\$ 181,177	\$ 7,428
Earnings from Investments	25	25	62	37
TOTAL REVENUE	<u>173,774</u>	<u>173,774</u>	<u>\$ 181,239</u>	<u>\$ 7,465</u>
 BUDGETED CASH BALANCE	 <u>128,644</u>	 <u>137,748</u>		
 'TOTAL REVENUE & CASH	 <u>\$ 302,418</u>	 <u>\$ 311,522</u>		
 EXPENDITURES				
Support Services General Administration	\$ 1,737	\$ 2,037	\$ 1,821	\$ 216
Debt Service	211,932	220,736	85,000	135,736
Debt Service - Interest	88,749	88,749	88,749	-
TOTAL EXPENDITURES	<u>\$ 302,418</u>	<u>\$ 311,522</u>	<u>\$ 175,570</u>	<u>\$ 135,952</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, 2011

<u>Bank</u>	<u>ACCT TYPE</u>	<u>FUND</u>	<u>BANK BALANCE</u>	<u>OUTSTANDING (CHECKS) DEPOSITS</u>	<u>NET CASH BALANCE</u>
First State Bank	Checking	Multi Fund *	\$ 1,043,143	\$ (146,052)	\$ 897,091
	Checking	Activity *	37,261	(555)	36,706
			-	-	-
			-	-	-
Total First State Bank			<u>1,080,404</u>	<u>(146,607)</u>	<u>933,797</u>
Total All Accounts			\$ <u>1,080,404</u>	\$ <u>(146,607)</u>	\$ <u>933,797</u>

\* Interest Bearing

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2011

	Total Deposits	FDIC Insurance	Uninsured Deposits	Collateral Required	Collateral Pledged	Uninsured & Uncollateralized Deposits
First State Bank	<u>\$ 1,080,404</u>	<u>\$ 250,000</u>	<u>\$ 830,404</u>	<u>\$ 415,202</u>	<u>\$ 939,166</u>	<u>\$ -</u>
Collateral	CUSIP #	Amount	Matures			
US Treasury Notes	912810DW5	<u>939,166</u>	5/15/2016			
		<u>939,166</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, 2011

	<u>OPERATIONAL</u>	<u>TEACHERAGE</u>	<u>TRANSPORTATION</u>	<u>CAFETERIA</u>
Audited Net Cash				
June30, 2010	\$ 194,397	\$ 8,981	\$ 1,764	\$ 38,795
Investments on hand/Loans	-	-	-	-
TOTAL CASH BALANCE				
June30, 2010	194,397	8,981	1,764	38,795
Add: Prior year void checks	-	-	-	-
2010-2011 Revenue	2,289,036	6,713	401,636	80,005
Transfers In & Adjustments	137,073	-	-	-
TOTAL AVAILABLE CASH	2,620,506	15,694	403,400	118,800
Net Change				
2010-2011 Expenditures	2,280,979	1,855	402,391	79,658
Transfers Out & Adjustments	27,130	-	-	-
	2,308,109	1,855	402,391	79,658
NET CASH, JUNE 30, 2011	312,397	13,839	1,009	39,142
Cash On hand	-	-	-	-
TOTAL CASH, JUNE 30, 2011	<u>\$ 312,397</u>	<u>\$ 13,839</u>	<u>\$ 1,009</u>	<u>\$ 39,142</u>

SCHEDULE 3

ATHLETICS	FEDERAL PROJECTS	LOCAL/STATE ACCOUNT	SB-9	DEBT SERVICE	NON INSTRUCTIONAL
\$ 4,368	\$ 37,143	\$ 40,009	\$ 162,718	\$ 137,749	\$ 13,099
-	-	-	-	-	-
4,368	37,143	40,009	162,718	137,749	13,099
-	-	-	-	-	-
6,285	420,604	58,084	162,114	181,239	8,719
-	27,130	-	-	1	-
10,653	484,877	98,093	324,832	318,989	21,818
1,631	300,590	77,278	33,799	175,570	3,911
110	134,467	3,160	1	-	-
1,741	435,057	80,438	33,800	175,570	3,911
8,912	49,820	17,655	291,032	143,419	17,907
110	-	-	-	-	-
<u>\$ 9,022</u>	<u>\$ 49,820</u>	<u>\$ 17,655</u>	<u>\$ 291,032</u>	<u>\$ 143,419</u>	<u>\$ 17,907</u>



STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

SCHEDULE 3  
 Continued

BANK RECONCILIATION

JUNE 30, 2011

	INSTRUCTIONAL MATERIALS	ACTIVITY
Audited Net Cash		
June30, 2010	\$ 541	\$ 41,147
Investments on hand/Loans	-	-
TOTAL CASH BALANCE		
June30, 2010	541	41,147
Add: Prior year void checks	-	-
2010-2011 Revenue	6,373	44,587
Transfers In & Adjustments	-	-
TOTAL AVAILABLE CASH	6,914	85,734
Net Change		
2010-2011 Expenditures	4,955	49,028
Transfers Out & Adjustments	-	-
	4,955	49,028
NET CASH, JUNE 30, 2011	1,959	36,706
Cash On hand	-	-
TOTAL CASH, JUNE 30, 2011	\$ 1,959	\$ 36,706

# Woodard Cowen & Co.

Certified Public Accountants

## 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 aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the Quemado Independent School District, as of and for the year ended June 30, 2011, and have issued our report thereon dated November 11, 2011. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Quemado Independent School District's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Portales: 305 S. Avenue B or PO Box 445, Portales NM 88130 – Phone 575-356-8564 Fax 575-356-2453  
Clovis: 116 E. Grand Avenue or PO Box 1874, Clovis NM 88101 – Phone 575-762-3811 Fax 575-762-3866

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 Questioned Costs as item 2008-1.

The Quemado Independent School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. 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 management, the Quemado Independent School Board, others within the District, the New Mexico Public Education Department, the Office of the State Auditor, the New Mexico Legislature, and applicable federal grantors and is not intended to be and should not be used by anyone other than these specified parties.

*Overland, Austin & Co.*

November 11, 2011

# Woodard Cowen & Co.

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Quemado Independent Schools compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Quemado Independent School's major federal programs for the year ended June 30, 2011. Quemado Independent School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Quemado Independent School's management. Our responsibility is to express an opinion on Quemado Independent School's compliance based on our audit.

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

In our opinion Quemado Independent Schools complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs, for the year ended June 30, 2011.

### 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

material effect on a major federal program, in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in Independent Schools internal control over compliance with requirements that could have a direct and

accordance with OMB Circular A-133, 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 School's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, the Quemado Independent School Board, others within the District, the New Mexico Public Education Department, the Office of the State Auditor, the New Mexico Legislature, and applicable federal grantors and is not intended to be and should not be used by anyone other than these specified parties.

November 11, 2011

*Woodward, Green & Co.*

SINGLE AUDIT SECTION

STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2011

I. SUMMARY OF AUDITORS RESULTS:

Report on Financial Statements		Unqualified
Significant Deficiencies on GAGAS		None
Other Items required to be reported		2008-1
Material Noncompliance		None
Questioned Cost		None
Type A & Type B dollar threshold		\$300,000
Entity Risk		Low Risk
Major Federal Programs	Forest Reserve Education Jobs Fund	CFDA #10.664 CFDA #84.410
Reportable Conditions on Internal Control over Major Programs		None
Material Weaknesses		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 (Other)

Condition: Three activity deposits totaling \$995.48 were not deposited within one week of being delivered to the school secretary.

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, 2011

II. FINANCIAL STATEMENT FINDINGS (Continued)

2008 – 1 Activity Deposits (continued)

Cause: The secretary in disregarded District procedures and the waiver requirements regarding the deposit of funds to the bank.

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

Recommendation: The District should retrain the secretary about procedures regarding receipt of funds and importance of depositing the funds timely to the bank.

Response: The District has a new secretary who has been trained in full on the deposit procedures required by the state and the District's policies.

III. FEDERAL FINDINGS

None

IV. PRIOR YEAR AUDIT FINDINGS

2008-1	Activity Deposits	Revised and Repeated
2010-1	Overspent Budget	Resolved
2010-2	Credit Card Expenditures	Resolved



STATE OF NEW MEXICO  
 QUEMADO INDEPENDENT SCHOOLS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2011

	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	\$ 117,241
IDEA-B Entitlement	84.027	24106	27,590
IDEA-B Preschool	84.173	24109	1,849
IDEA Early Intervention Services	84.027	24112	289
Teacher/Principal Training	84.367A	24154	7,731
Safe & Drug Free Schools	84.186	24157	1,105
Title I Stimulus (ARRA)	84.389	24201	23,324
IDEA-B Entitlement Stimulus (ARRA)	84.391	24206	28,192
IDEA-B Preshcool Stimulus (ARRA)	84.392A	24209	1,259
Title XIV State Fiscal Stabilization Fund (ARRA)	84.394	25250	20,664
<1> Education Jobs Fund	84.410	25255	52,349
TOTAL PASSTHROUGH GRANTS			<u>281,593</u>
Direct Grants			
Rural Ed Achievement Program	84.358	24333	8,482
TOTAL DIRECT GRANTS			<u>8,482</u>
TOTAL DEPARTMENT OF EDUCATION			<u>290,075</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	3,256
<u>US DEPARTMENT OF AGRICULTURE</u>			
Passed Through State Department of Education			
National School Lunch Program	10.555	21000	51,432
School Breakfast Program	10.553	24290	2,600
Fresh Fruit & Vegetables	10.582	24118	4,660
<1> Forrest Reserve	10.665	11000	938,426
			997,118
Passed Through New Mexico State Department of Human Services			
Non-Monetary Assistance	10.565	21000	5,007
TOTAL DEPARTMENT OF AGRICULTURE			<u>1,002,125</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 1,295,456</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, 2011

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, provided by and approved by management. These services are allowable under SAS 115.

EXIT CONFERENCE

An Exit Conference was held on November 11, 2011. Present were:

Bill Green  
Mike Candelaria  
Gary Roberts  
Jimbo Williams  
Lucricia Mendoza  
Sandra Heinsohn  
D. Brent Woodard

Superintendent  
Board President  
Audit Committee – Board Member  
Audit Committee – Advisory  
Audit Committee – Parent  
Business Manager  
Auditor

