



STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9

ANNUAL FINANCIAL REPORT
June 30, 2009

De'Aun Willoughby CPA, PC
Certified Public Accountant
Melrose, New Mexico



STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
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QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
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STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
Official Roster
June 30, 2009

BOARD OF EDUCATION

David Zimmerman	President
Bernie Torres	Vice President
Robert Herman Medina	Secretary
Jose Cisneros	Member
Dwayne Ortega	Member
Matt Ortega	Member
Nancy Gonzalez	Member

SCHOOL OFFICIALS

Eric V. Martinez	Superintendent
Susie Martinez	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

Independent Auditor's Report

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9

Mr. Balderas and Members of the Board

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9, (District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2009, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2009, and the respective changes in financial position and the respective budgetary comparisons for the major capital projects funds, debt service fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 6, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The District has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements and the combining and individual financial statements and budgetary comparisons presented as supplemental information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by US 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 financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

De'Aun Willoughby CPA PC

November 6, 2009

FINANCIAL SECTION

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
Statement of Net Assets
June 30, 2009

	<u>Governmental Activities</u>	<u>Red River Valley Charter School</u>	<u>Roots & Wings Charter School</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 6,236,059	\$ 6,365	\$ 91,976
Investment	22,683	0	0
Taxes Receivable	62,235	0	0
Due from Grantor	92,429	58,319	6,749
Other Receivables	11,650	0	0
Inventory	5,545	0	0
Total Current Assets	<u>6,430,601</u>	<u>64,684</u>	<u>98,725</u>
Noncurrent Assets			
Capital Assets	18,996,855	285,268	95,784
Less: Accumulated Depreciation	<u>(7,633,280)</u>	<u>(242,711)</u>	<u>(55,311)</u>
Total Noncurrent Assets	<u>11,363,575</u>	<u>42,557</u>	<u>40,473</u>
Total Assets	<u>17,794,176</u>	<u>107,241</u>	<u>139,198</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	30,154	0	0
Accrued Interest	28,679	0	0
Current Amount Due for Bonds	175,000	0	0
Deferred Revenue	27,382	0	0
Total Current Liabilities	<u>261,215</u>	<u>0</u>	<u>0</u>
Noncurrent Liabilities			
Bonds and Notes, Net	4,462,787	0	0
Compensated Absences	38,876	0	0
Total Noncurrent Liabilities	<u>4,501,663</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>4,762,878</u>	<u>0</u>	<u>0</u>
NET ASSETS			
Invested in Capital Assets, net of Related Debt	6,725,788	42,557	40,473
Restricted for:			
Capital Projects	5,619,163	0	0
Debt Service	45,165	0	0
Unrestricted	641,182	64,684	98,725
Total Net Assets	<u>\$ 13,031,298</u>	<u>\$ 107,241</u>	<u>\$ 139,198</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
Statement of Activities
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit's
Governmental Activities						
Instruction	\$ 3,258,272	\$ 34,237	\$ 336,290	\$ 0	\$ (2,887,745)	\$ 0
Support Services-Students	325,706	10,948	0	0	(314,758)	0
Support Services-Instruction	134,608	0	8,869	0	(125,739)	0
General Administration	373,727	0	4,925	0	(368,802)	0
School Administration	583,401	0	28,122	0	(555,279)	0
Central Services	180,839	0	0	0	(180,839)	0
Operation of Plant	834,077	0	0	0	(834,077)	0
Student Transportation	355,916	0	351,444	0	(4,472)	0
Food Services Operations	319,161	6,376	237,467	0	(75,318)	0
Other Support Services	0	0	0	0	0	0
Interest on Long-Term Obligations	20,051	0	0	0	(20,051)	0
Depreciation	78,654	0	0	0	(78,654)	0
Total Governmental Activities	<u>\$ 6,464,412</u>	<u>\$ 51,561</u>	<u>\$ 967,117</u>	<u>\$ 0</u>	<u>(5,445,734)</u>	<u>0</u>
Component Units						
Red River Valley Charter	\$ 722,621	\$ 9,120	\$ 93,798	\$ 0	0	(619,703)
Roots & Wings Charter	500,681	0	7,531	0	0	(493,150)
Total Component Units	<u>1,223,302</u>	<u>\$ 9,120</u>	<u>\$ 101,329</u>	<u>\$ 0</u>	<u>0</u>	<u>(1,112,853)</u>
General Revenues						
Taxes						
Property Taxes, Levied for General Purposes					71,289	0
Property Taxes, Levied for Debt Service					193,308	0
Property Taxes, Levied for Capital Projects					346,588	0
Federal and State aid not restricted to specific purpose						
General					4,698,862	1,143,669
Capital					0	0
Interest and investment earnings					16,753	155
Miscellaneous					404,874	874
Subtotal, General Revenues					<u>5,731,674</u>	<u>1,144,698</u>
Change in Net Assets					<u>285,940</u>	<u>31,845</u>
Net Assets - beginning					12,745,358	206,231
Restatement					0	8,363
Restated Beginning Net Assets					<u>12,745,358</u>	<u>214,594</u>
Net Assets - ending					<u>\$ 13,031,298</u>	<u>\$ 246,439</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2009

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
ASSETS			
Cash and Cash Equivalents	\$ 196,583	\$ 31,446	\$ 2,137
Investment	22,683	0	0
Receivables			
Taxes	7,536	0	0
Due From Grantor	0	0	0
Other	0	0	0
Interfund Balance	92,414	0	0
Inventory	0	0	0
Total Assets	<u>\$ 319,216</u>	<u>\$ 31,446</u>	<u>\$ 2,137</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	22,202	0	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Deferred Revenue	6,038	0	0
Total Liabilities	<u>28,240</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
General Fund	290,976	31,446	2,137
Special Revenue Funds	0	0	0
Total Fund Balances	<u>290,976</u>	<u>31,446</u>	<u>2,137</u>
Total Liabilities and Fund Balances	<u>\$ 319,216</u>	<u>\$ 31,446</u>	<u>\$ 2,137</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2009

	<u>General Fund</u>		
	Instructional	Bond	Ed Tech
	Materials	Building	Debt Service
	14000	31100	43000
ASSETS			
Cash and Cash Equivalents	\$ 33,107	\$ 4,715,847	\$ 225,200
Investment	0	0	0
Receivables			
Taxes	0	0	10,987
Due From Grantor	0	0	0
Other	0	0	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 33,107</u>	<u>\$ 4,715,847</u>	<u>\$ 236,187</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	7,362	0	0
Current Portion Due			
Principal	0	0	175,000
Interest	0	0	14,012
Deferred Revenue	0	0	6,507
Total Liabilities	<u>7,362</u>	<u>0</u>	<u>195,519</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Capital Improvements	0	4,715,847	0
Debt Service	0	0	40,668
Unreserved, Undesignated, reported in:			
General Fund	25,745	0	0
Special Revenue Funds	0	0	0
Total Fund Balances	<u>25,745</u>	<u>4,715,847</u>	<u>40,668</u>
Total Liabilities and Fund Balances	<u>\$ 33,107</u>	<u>\$ 4,715,847</u>	<u>\$ 236,187</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2009

	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 1,031,739	\$ 6,236,059
Investment	0	22,683
Receivables		
Taxes	43,712	62,235
Due From Grantor	92,429	92,429
Other	11,650	11,650
Interfund Balance	0	92,414
Inventory	5,545	5,545
Total Assets	<u>\$ 1,185,075</u>	<u>\$ 6,523,015</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Interfund Balance	\$ 92,414	\$ 92,414
Accounts Payable	590	30,154
Current Portion Due		
Principal	0	175,000
Interest	0	14,012
Deferred Revenue	63,634	76,179
Total Liabilities	<u>156,638</u>	<u>387,759</u>
 Fund Balances		
Reserved For:		
Inventory	5,545	5,545
Capital Improvements	903,316	5,619,163
Debt Service	4,497	45,165
Unreserved, Undesignated, reported in:		
General Fund	0	350,304
Special Revenue Funds	115,079	115,079
Total Fund Balances	<u>1,028,437</u>	<u>6,135,256</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,185,075</u>	 <u>\$ 6,523,015</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2009

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

Total Fund Balance - Governmental Funds		\$	6,135,256
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.			
	The cost of capital assets	\$	18,996,855
	Accumulated depreciation is	<u>(7,633,280)</u>	11,363,575
Property taxes receivable will be collected during the year ended June 30, 2008 but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.			
			48,797
Bond issue costs are amortized in the Statement of Activities but are expensed in the year of issue on the Statement of Revenues, Expenditures and Changes in Fund Balances.			
	Issue Costs	107,896	
	Amortization Bond issue costs	<u>(20,683)</u>	87,213
Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :			
	Bond payable	(4,550,000)	
	Accrued interest on bonds	(14,667)	
	Compensated Absences	<u>(38,876)</u>	<u>(4,603,543)</u>
Total net assets - governmental activities		\$	<u>13,031,298</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2009

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Revenues			
Property Taxes	\$ 71,990	\$ 0	\$ 0
Investment Income	1,249	60	0
Fees	0	0	0
State & Local Grants	4,644,509	0	351,444
Federal Grants	38,215	0	0
Miscellaneous	52,302	3,150	0
Total Revenues	4,808,265	3,210	351,444
Expenditures			
Current			
Instruction	2,400,981	0	0
Support Services-Students	319,529	0	0
Support Services-Instruction	100,728	0	0
Support Services-General Administration	349,834	0	0
Support Services-School Administration	532,056	0	0
Central Services	182,425	0	0
Operation & Maintenance of Plant	693,776	7,868	0
Student Transportation	0	0	351,443
Food Services Operations	50,365	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Capital Outlay	96,149	0	0
Total Expenditures	4,725,843	7,868	351,443
Excess (Deficiency) of Revenues Over Expenditures	82,422	(4,658)	1
Other Financing Sources			
Transfers In (Out)	77,832	0	0
Sale of Bonds	0	0	0
Total Other Sources	77,832	0	0
Net Change in Fund Balances	160,254	(4,658)	1
Fund Balances at Beginning of Year	130,722	36,104	2,136
Fund Balances End of Year	\$ 290,976	\$ 31,446	\$ 2,137

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2009

	<u>General Fund</u>		
	<u>Instructional Materials 14000</u>	<u>Bond Building 31100</u>	<u>Ed Tech Debt Service 43000</u>
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 193,055
Investment Income	0	8,283	0
Fees	0	0	0
State & Local Grants	42,400	0	0
Federal Grants	0	0	0
Miscellaneous	119	203,720	0
Total Revenues	<u>42,519</u>	<u>212,003</u>	<u>193,055</u>
Expenditures			
Current			
Instruction	27,001	5,283	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	1,934
Support Services-School Administration	1,349	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services Operations	0	0	0
Debt Service	0	0	0
Principal	0	0	175,000
Interest	0	0	28,025
Bond Issue Costs	0	64,216	0
Capital Outlay	0	108,412	0
Total Expenditures	<u>28,350</u>	<u>177,911</u>	<u>204,959</u>
Excess (Deficiency) of Revenues Over Expenditures	14,169	34,092	(11,904)
Other Financing Sources			
Transfers In (Out)	0	0	0
Sale of Bonds	0	4,000,000	0
Total Other Sources	<u>0</u>	<u>4,000,000</u>	<u>0</u>
Net Change in Fund Balances	14,169	4,034,092	(11,904)
Fund Balances at Beginning of Year	<u>11,576</u>	<u>681,755</u>	<u>52,572</u>
Fund Balances End of Year	<u>\$ 25,745</u>	<u>\$ 4,715,847</u>	<u>\$ 40,668</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2009

	Other Governmental Funds	Total Governmental Funds
Revenues		
Property Taxes	\$ 345,024	\$ 610,069
Investment Income	7,161	16,753
Fees	51,561	51,561
State & Local Grants	111,964	5,150,317
Federal Grants	477,447	515,662
Miscellaneous	145,583	404,874
Total Revenues	<u>1,138,740</u>	<u>6,749,236</u>
Expenditures		
Current		
Instruction	562,034	2,995,299
Support Services-Students	6,177	325,706
Support Services-Instruction	7,565	108,293
Support Services-General Administration	12,541	364,309
Support Services-School Administration	50,572	583,977
Central Services	0	182,425
Operation & Maintenance of Plant	132,231	833,875
Student Transportation	4,473	355,916
Food Services Operations	266,571	316,936
Debt Service		
Principal	0	175,000
Interest	0	28,025
Bond Issue Costs	0	64,216
Capital Outlay	165,479	370,040
Total Expenditures	<u>1,207,643</u>	<u>6,704,017</u>
Excess (Deficiency) of Revenues Over Expenditures	(68,903)	45,219
Other Financing Sources		
Transfers In (Out)	(77,832)	0
Sale of Bonds	0	4,000,000
Total Other Sources	<u>(77,832)</u>	<u>4,000,000</u>
Net Change in Fund Balances	(146,735)	4,045,219
Fund Balances at Beginning of Year	<u>1,175,172</u>	<u>2,090,037</u>
Fund Balances End of Year	<u>\$ 1,028,437</u>	<u>\$ 6,135,256</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2009

Net Change in Fund Balance-Governmental Funds \$ 4,045,219

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

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities. 6,536

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

Depreciation expense	\$ (382,777)	
Capital Outlays	<u>370,040</u>	(12,737)

The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net assets. (4,000,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 175,000

Bond issue costs are amortized in the Statement of Activities but are netted with proceeds of bond issues in the year of issue on the Statement of Revenues, Expenditures and Changes in Fund Balances. This the amount of the amortized bond issue costs this year.

Current Issue Costs	64,216	
Amortization of Issue Costs	<u>(3,355)</u>	60,861

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 5,909

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in Compensated Absences		<u>5,152</u>
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Changes in Net Assets of Governmental Activities	\$	<u><u>285,940</u></u>
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The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Taxes	\$ 62,829	\$ 61,829	\$ 71,676	\$ 9,847
Investment Income	2,000	2,000	1,249	(751)
State & Local Grants	4,596,937	4,598,408	4,644,509	46,101
Federal Grants	7,492	7,492	38,215	30,723
Miscellaneous	24,416	24,416	52,302	27,886
Total Revenues	<u>4,693,674</u>	<u>4,694,145</u>	<u>4,807,951</u>	<u>113,806</u>
Expenditures				
Instruction				
Personnel Services	1,758,176	1,715,984	1,680,455	35,529
Employee Benefits	605,413	579,957	562,049	17,908
Professional & Tech Services	4,836	12,836	11,061	1,775
Other Purchased Services	114,674	104,557	93,456	11,101
Supplies	33,593	38,898	37,907	991
Property	16,701	16,701	15,325	1,376
Total Instruction	<u>2,533,393</u>	<u>2,468,933</u>	<u>2,400,253</u>	<u>68,680</u>
Support Services-Students				
Personnel Services	166,475	158,761	152,863	5,898
Employee Benefits	66,209	66,210	60,719	5,491
Professional & Tech Services	117,612	117,527	103,954	13,573
Purchased Services	639	724	590	134
Supplies	2,248	2,248	1,403	845
Total Support Services-Students	<u>353,183</u>	<u>345,470</u>	<u>319,529</u>	<u>25,941</u>
Support Services-Instruction				
Personnel Services	80,281	80,283	80,283	0
Employee Benefits	22,765	22,438	17,645	4,793
Professional & Tech Services	1,233	1,233	724	509
Purchased Services	510	510	271	239
Supplies	3,937	4,262	1,534	2,728
Property	138,915	32,180	0	32,180
Total Support Services-Instruction	<u>247,641</u>	<u>140,906</u>	<u>100,457</u>	<u>40,449</u>
Support Services-General Administration				
Personnel Services	111,756	135,424	135,399	25
Employee Benefits	36,707	45,270	45,266	4
Professional & Tech Services	58,468	116,053	115,847	206
Purchased Services	26,164	35,676	35,669	7
Supplies	8,036	11,229	11,162	67
Property	1,000	1,000	588	412

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Total Support Services-General Administration	\$ 242,131	\$ 344,652	\$ 343,931	\$ 721
Support Services-School Administration				
Personnel Services	406,644	379,865	378,306	1,559
Employee Benefits	151,914	142,918	141,080	1,838
Professional & Tech Services	1,377	1,877	1,224	653
Purchased Services	5,000	5,000	4,942	58
Supplies	2,000	5,844	5,756	88
Property	1,834	1,834	719	1,115
Total Support Services-School Administration	568,769	537,338	532,027	5,311
Central Services				
Personnel Services	132,712	118,369	118,369	0
Employee Benefits	53,656	52,481	50,621	1,860
Professional & Tech Services	1,026	3,098	3,098	0
Purchased Services	1,500	2,641	2,640	1
Supplies	7,995	7,995	7,070	925
Property	1,300	1,300	679	621
Total Central Services	198,189	185,884	182,477	3,407
Operation & Maintenance of Plant				
Personnel Services	188,262	189,717	186,127	3,590
Employee Benefits	75,133	75,702	70,909	4,793
Purchased Property Services	304,655	308,911	270,113	38,798
Purchased Services	161,408	163,350	163,349	1
Supplies	1,500	1,500	1,078	422
Property	0	96	96	0
Total Operation & Maintenance of Plant	730,958	739,276	691,672	47,604
Student Transportation				
Property	0	97,276	96,149	1,127
Total Student Transportation	0	97,276	96,149	1,127

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Food Service				
Professional & Tech Services	0	1,471	1,471	0
Supplies	40,000	53,529	48,895	4,634
Total Food Service	<u>40,000</u>	<u>55,000</u>	<u>50,366</u>	<u>4,634</u>
 Total Expenditures	 \$ <u>4,914,264</u>	 \$ <u>4,914,735</u>	 \$ <u>4,716,861</u>	 \$ <u>196,747</u>
 Excess (Deficiency) of Revenues Over Expenditures	 \$ (220,590)	 \$ (220,590)	 \$ 91,090	 \$ (82,941)
 Other Financing Sources (Uses)				
Transfer from 31400	<u>77,832</u>	<u>77,832</u>	<u>77,832</u>	<u>0</u>
Total Other Sources (Uses)	<u>77,832</u>	<u>77,832</u>	<u>77,832</u>	<u>0</u>
 Net Change in Fund Balance	 (142,758)	 (142,758)	 168,922	 (82,941)
 Cash Balance Beginning of Year	 <u>142,758</u>	 <u>142,758</u>	 <u>142,758</u>	 <u>0</u>
 Cash Balance End of Year	 \$ <u><u>0</u></u>	 \$ <u><u>0</u></u>	 \$ <u><u>311,680</u></u>	 \$ <u><u>(82,941)</u></u>
 Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 168,922	
Net change in Taxes Receivable-Current			313	
Net change in Taxes Receivable-Delinquent			59	
Net change in Accounts Payable			(8,981)	
Net change in Deferred Taxes			<u>(59)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>160,254</u></u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
GENERAL FUND-TEACHERAGE-12000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment Income	\$ 121	\$ 121	\$ 60	\$ (61)
Miscellaneous	4,735	4,735	3,150	(1,585)
Total Revenues	<u>4,856</u>	<u>4,856</u>	<u>3,210</u>	<u>(1,646)</u>
Total Revenues	<u>4,856</u>	<u>4,856</u>	<u>3,210</u>	<u>(1,646)</u>
Expenditures				
Operation & Maintenance of Plant				
Purchased Property Services	5,000	8,010	5,579	2,431
Other Purchased Services	0	719	718	1
Supplies	1,042	1,104	1,103	1
Property	<u>5,000</u>	<u>1,209</u>	<u>468</u>	<u>741</u>
Total Operation & Maintenance of Plant	<u>11,042</u>	<u>11,042</u>	<u>7,868</u>	<u>3,174</u>
Total Expenditures	<u>11,042</u>	<u>11,042</u>	<u>7,868</u>	<u>3,174</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,186)	(6,186)	(4,658)	1,528
Cash Balance Beginning of Year	<u>36,104</u>	<u>36,104</u>	<u>36,104</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 29,918</u>	<u>\$ 29,918</u>	<u>\$ 31,446</u>	<u>\$ 1,528</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,658)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (4,658)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 342,464	\$ 351,444	\$ 351,444	\$ 0
Total Revenues	<u>342,464</u>	<u>351,444</u>	<u>351,444</u>	<u>0</u>
Total Revenues	<u>342,464</u>	<u>351,444</u>	<u>351,444</u>	<u>0</u>
Expenditures				
Student Transportation				
Personnel Services	64,610	63,603	63,603	0
Employee Benefits	56,700	45,635	45,634	1
Purchased Property Services	0	40,626	40,626	0
Other Purchased Services	192,914	197,006	197,006	0
Property	<u>3,734</u>	<u>4,574</u>	<u>4,574</u>	<u>0</u>
Total Student Transportation	<u>317,958</u>	<u>351,444</u>	<u>351,443</u>	<u>1</u>
Total Expenditures	<u>317,958</u>	<u>351,444</u>	<u>351,443</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	24,506	0	1	1
Cash Balance Beginning of Year	<u>2,136</u>	<u>2,136</u>	<u>2,136</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 26,642</u>	<u>\$ 2,136</u>	<u>\$ 2,137</u>	<u>\$ 1</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
GENERAL FUND-INSTRUCTIONAL MATERIALS-14000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 39,681	\$ 39,681	\$ 42,400	\$ 2,719
Miscellaneous	0	0	119	119
Total Revenues	<u>39,681</u>	<u>39,681</u>	<u>42,519</u>	<u>2,838</u>
Total Revenues	<u>39,681</u>	<u>39,681</u>	<u>42,519</u>	<u>2,838</u>
Expenditures				
Instruction				
Supplies	<u>37,316</u>	<u>37,316</u>	<u>19,639</u>	<u>17,677</u>
Total Instruction	<u>37,316</u>	<u>37,316</u>	<u>19,639</u>	<u>17,677</u>
Support Services-Instruction				
Supplies	<u>2,365</u>	<u>2,365</u>	<u>1,349</u>	<u>1,016</u>
Total Support Services-Instruction	<u>2,365</u>	<u>2,365</u>	<u>1,349</u>	<u>1,016</u>
Total Expenditures	<u>39,681</u>	<u>39,681</u>	<u>20,988</u>	<u>18,693</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	21,531	21,531
Cash Balance Beginning of Year	<u>11,576</u>	<u>11,576</u>	<u>11,576</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 11,576</u>	<u>\$ 11,576</u>	<u>\$ 33,107</u>	<u>\$ 21,531</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 21,531	
Net Change in Accounts Payables			<u>(7,363)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 14,168</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
Statement of Fiduciary Net Assets and Liabilities-Agency Funds
For the Year Ended June 30, 2009

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 74,226
Total Assets	<u>\$ 74,226</u>
Liabilities	
Deposits Held for Others	\$ 74,226
Total Liabilities	<u>\$ 74,226</u>

The notes to the financial statements are an integral part of this statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued prior to November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

A. Financial Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The District has two discretely presented component units, Red River Charter School, Box 742, Red River, NM 87558 and Roots and Wings Charter School, Box 22, Questa, NM 87556 as defined by GASB Statement No. 14. The Charter Schools are responsible for separate elementary and secondary education within the Questa Independent School District No. 9 jurisdiction. Questa Independent School District is accountable for the Charter Schools because the school district approves their charter. The Charter Schools are presented as a governmental fund type.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (GWFS) consist of the Statement of Net Assets and the Statement of Activities. They report information on all of the non fiduciary activities of the primary government as a whole. The interfund activity among funds has been removed from these statements. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

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

C. 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. Grants and similar items are recognized as revenue as soon as all 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. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

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

Governmental Funds

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

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

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

Debt Service Fund - The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Fiduciary Fund Type

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

Major Funds

Under the requirements of GASB #34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements are as follows:

General Fund (11000)(12000)(13000)(14000)

The General Fund consist of four sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Teacherage Fund is to provide teachers affordable housing to entice them to teach there. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

Capital Project Funds

Bond Building (31100)

The revenues are derived from a School Building Bond Issue. The expenditures are restricted to major capital improvements.

Debt Service Fund

Education Technology Bonds (43000)

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values. Expenditures are restricted to Debt Reduction.

D. Assets, Liabilities and Net Assets or Equity

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

State statutes also authorize the District to invest in Certificates of Deposit, obligations of the US Government, and the State Treasurer's Investment Pool.

Investments

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

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or

(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "interfund balances." In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Receivables include property taxes and amount due from state or federal government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Food Service Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

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

Buildings & Improvements	20-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 Years

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

Deferred Revenue

The District reports deferred revenues on its Statement of Net Assets and Fund Balance Sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

Short -Term Debt

Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans. The District does not have any activity in short-term debt.

Long-Term Liabilities

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

Compensated Absences

The annual leave with pay policy is only applicable for full-time (12 month) employees and is based on the following scale:

Years of Service	Days accrued per year
0-1	10
2-10	15
11-20	20
21-over	25

Years of service will be based on the number of years employed with the District. Unused annual leave may be accumulated to a total of not more than ten (10) working days. Upon termination of employment, no payment will be made for more than ten (10) days of unused annual leave.

The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both the following conditions are met:

- (a) The employees' right to receive compensation is attributable to services already rendered.

(b) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

Restricted Net Assets

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

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

Imposed by law through constitutional provisions or enabling legislation.

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.

Fund Balances of Fund Financial Statements

Reserved fund balance indicates that portion of fund equity which has been segregated for specific purposes.

Unreserved fund balance indicates that portion of fund equity which is available for budgeting in future periods.

E. Revenues, Expenditures and Other Financing Resources and Uses

Revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from outside parties, as a whole; program revenues reduce the cost of the function to be financed from general revenues. Program revenues are categorized as 1) charges for services (if applicable), 2) program-specific operating grants specified for educational purposes such as IDEA-B grants, and 3) program-specific capital grants and contributions (if applicable). Internally dedicated resources are reported as general revenues rather than as program revenues.

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation. Taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Revenue Recognition for Grants

Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.
4. Contingencies. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Expenditures

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Basis of Budgeting

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

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

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

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1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBFAU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBFAU.
7. Legal budget control for expenditures is by function.
8. Appropriations lapse at fiscal year end. Funds unexpended during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

Centinel Bank	Balance		Reconciled	Type
	Per Bank	06-30-09		
<u>Name of Account</u>				
Payroll Clearing	\$	328,987	0	Checking
Accounts Payable Clearing		262,521	0	Checking
Payroll Account		0	0	Checking

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Cafeteria	39,927	39,927	Checking
Teacherage	31,446	31,446	Checking
General Operational	459,336	323,250	Checking
Debt Service	4,305	4,305	Checking
Ed Technology	624,074	624,074	Checking
Federal Projects	14,671	36,880	Checking
Athletics	1,233	1,233	Checking
Activity-non budgeted	54,663	54,663	Checking
Capital Projects	5,174,508	5,174,508	Checking
Questa Ind Schools	10,000	10,000	Savings
Questa Ind Schools	10,000	10,000	Savings
TOTAL Deposited	<u>7,015,671</u>	<u>\$ 6,310,286</u>	
Less: FDIC Coverage	<u>(7,015,671)</u>		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	<u>\$ 0</u>		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 7,015,671
Collateralized:	
Collateral held by the pledging bank in District's name	0
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 7,015,671</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2009 none of the District's bank balance of \$ 7,015,671 was exposed to custodial credit risk.

New Mexico State Treasurer

<u>Name of Account</u>	<u>Balance 6-30-09</u>	<u>Reconciled Balance</u>	<u>Type</u>
Questa Independent School	\$ 14,326	\$ 14,326	Investment
Questa Independent School	8,357	8,357	Investment
TOTAL Deposited	<u>\$ 22,683</u>	<u>\$ 22,683</u>	

The investments with the State Treasurer are valued at fair value based on quoted market prices as of valuation date.

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GASB Statement No. 40, Deposit and Investment Risk Disclosures, relates to how deposits and investments are reported in the annual financial statements of governmental entities. GASB Statement No. 40 disclosures inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 requires governments to disclose deposit and investment risks related to credit risk (including custodial credit risk), concentration of credit risk, interest rate risk, and foreign currency risk. The State Treasurer's Office provides the following information regarding the LGIP:

1. With respect to credit risk, the LGIP, a government investment pool, is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.

2. GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as the LGIP, are excluded from the requirement of disclosing concentration of credit risk. Therefore, the LGIP is exempt from this disclosure.

3. GASB Statement No. 40 defines interest rate risk as the risk that interest rate variations may adversely affect the fair value of an investment. According to GASB Statement No. 40, an acceptable method for reporting interest rate risk is weighted average maturity ("WAM"). The State Treasurer's Office uses this method for reporting purposes for the LGIP. The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer's Office website at www.stonm.org. As of June 30, 2009, the LGIP WAM is 43 days.

4. Finally, with respect to foreign currency risk, all investments in the LGIP are in U.S. dollar denominated assets. Therefore, the LGIP has no foreign currency risk.

B. Receivables

Following is a schedule of receivables as of June 30, 2009:

	General Fund 11000	Ed Tech Debt Service 43000	Other Governmental	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Property Taxes				
Available	\$ 1,498	\$ 4,480	\$ 7,460	\$ 13,438
Unavailable	\$ 6,038	\$ 6,507	\$ 36,252	\$ 48,797
Due From Grantors:				
State	\$ 0	\$ 0	\$ 48,286	\$ 48,286
Federal	0	0	44,143	44,143
	<u>\$ 7,536</u>	<u>10,987</u>	<u>\$ 43,712</u>	<u>\$ 154,664</u>

C. Interfund Receivables, Payables and Transfers

Interfund Balances during the year ending June 30, 2009 were as follows:

Due to General Fund from:	
Other Governmental Funds	\$ <u>92,414</u>
Totals	\$ <u><u>92,414</u></u>

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Interfund Transfers during the year ending June 30, 2009 were as follows:

From General Fund:	
To Other Governmental Funds	\$ <u>77,832</u>
Totals	\$ <u><u>77,832</u></u>

Loans were made from the General fund to above funds to cover the cash balances while awaiting reimbursements from PED. All loans are expected to be repaid within one year.

D. Capital Assets

Capital Assets Balances and Activity for the Year Ended June 30, 2009 is as follows:

	Balance 6/30/08	Additions	Deletions	Balance 6/30/09
Capital Assets, not being Depreciated				
Land	\$ 17,411	\$ 0	\$ 0	\$ 17,411
Total Capital Assets, not being Depreciated	<u>\$ 17,411</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,411</u>
Capital Assets, being Depreciated				
Buildings & Improvements	\$ 17,005,658	\$ 273,891	\$ 0	\$ 17,279,549
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,603,747</u>	<u>96,149</u>	<u>0</u>	<u>1,699,896</u>
Total Capital Assets, being Depreciated	<u>18,609,405</u>	<u>370,040</u>	<u>0</u>	<u>18,979,445</u>
Total Capital Assets	<u>18,626,816</u>	<u>370,040</u>	<u>0</u>	<u>18,996,856</u>
Less Accumulated Depreciation				
Buildings & Improvements	6,084,754	298,566	0	6,383,320
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,165,749</u>	<u>84,211</u>	<u>0</u>	<u>1,249,960</u>
Total Accumulated Depreciation	<u>7,250,503</u>	<u>382,777</u>	<u>0</u>	<u>7,633,280</u>
Capital Assets, net	<u>\$ 11,376,313</u>	<u>\$ (12,737)</u>	<u>\$ 0</u>	<u>\$ 11,363,576</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 262,973
Support Instruction	26,315
General Administration	9,609
Operation of Plant	3,001
Food Services	2,225
Non-Categories	<u>78,654</u>
Total depreciation expenses	<u>\$ 382,777</u>

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Component Units:

Red River Charter School

Capital Assets Balances and Activity for the Year Ended June 30, 2009, is as follows:

	Balance 6/30/08	Additions	Deletions	Balance 6/30/09
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 0	\$ 0	\$ 0	\$ 0
Total Capital Assets not being Depreciated	\$ 0	\$ 0	\$ 0	\$ 0
Capital Assets, being Depreciated				
Buildings & Improvements	\$ 79,052	\$ 0	\$ 0	\$ 79,052
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	206,215	0	0	206,215
Total Capital Assets, being Depreciated	285,268	0	0	285,268
Total Capital Assets	285,268	0	0	285,268
Less Accumulated Depreciation				
Buildings & Improvements	31,955	5,789	0	37,744
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	186,523	18,445	0	204,968
Total Accumulated Depreciation	218,478	24,234	0	242,712
Capital Assets, net	\$ 66,790	\$ (24,234)	\$ 0	\$ 42,556

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 24,234
Total depreciation expenses	\$ 24,234

Roots & Wings Charter School

Capital Assets Balances and Activity for the Year Ended June 30, 2009, is as follows:

	Balance 6/30/08	Additions	Deletions	Balance 6/30/09
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 0	\$ 0	\$ 0	\$ 0
Total Capital Assets not being Depreciated	0	0	0	0
Capital Assets, being Depreciated				
Buildings & Improvements	7,860	0	0	7,860
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	87,924	0	0	87,924

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Total Capital Assets, being Depreciated	95,784	0	0	95,784
Total Capital Assets	95,784	0	0	95,784
Less Accumulated Depreciation				
Buildings & Improvements	11,479	2,244	0	13,723
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	36,267	5,321	0	41,588
Total Accumulated Depreciation	47,746	7,565	0	55,311
Capital Assets, net	\$ 48,038	\$ (7,565)	\$ 0	\$ 40,474

E. Deferred Revenue

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. The following deferred revenues are measurable but do not represent available expendable resources for the Fund Financial Statements for the fiscal year ended June 30, 2009:

	General Fund 11000	Ed Tech Debt Service 43000	Other Governmental
Property Taxes	\$ 6,038	\$ 6,507	\$ 36,252
Federal Grants	0	0	15,732
Other Receivable	0	0	11,650
TOTAL Deferred Revenues	\$ 6,038	\$ 6,507	\$ 63,634

F. Long-Term Debt

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/08	Additions	Reductions	Balance 6/30/09	Amounts Due Within One Year
Governmental Activities					
Education Technology					
Notes	\$ 725,000	\$ 4,000,000	\$ 175,000	\$ 4,550,000	\$ 175,000
Total Notes	725,000	4,000,000	175,000	4,550,000	175,000
Other Liabilities					
Compensated Absences	44,028	32,557	37,709	38,876	0
Total Other Liabilities	44,028	32,557	37,709	38,876	0
Long-Term	\$ 769,028	\$ 4,032,557	\$ 212,709	\$ 4,588,876	\$ 175,000

The current portion of the compensated absences is estimated at zero since there are no anticipated retirements or terminations.

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Payments on the general obligation bonds are made by the Debt Service Funds. The compensated absences liability will ultimately be liquidated by several of the District's governmental funds, with most being paid by the General Fund, Transportation Fund, Cafeteria Fund and Title I Fund.

General Obligation Bonds.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

Series	Date of Issue	Original Amount	Interest Rate	Balance
2007	7/15/2007			\$ 550,000
2009	5/26/2009	4,000,000	4.80%	4,000,000
				<u>\$ 4,550,000</u>

The annual requirements to amortize the general obligation bonds as of June 30, 2009, including interest payments are as follows:

	Principal	Interest	Total
2010	\$ 175,000	\$ 164,760	\$ 339,760
2011	175,000	203,312	378,312
2012	200,000	195,950	395,950
2013	0	192,000	192,000
2014	170,000	187,920	357,920
2015-2019	995,000	804,120	1,799,120
2020-2024	1,255,000	535,080	1,790,080
2025-2029	1,580,000	196,320	1,776,320
	<u>\$ 4,550,000</u>	<u>\$ 2,479,462</u>	<u>\$ 7,029,462</u>

NOTE 4: OTHER INFORMATION

A. Retirement Plan

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

Plan members are required to contribute 7.9% of their gross salary. The District is required to contribute 11.65% of the gross covered salary. Effective July 1, 2008, plan members are required to contribute 7.9% of their gross salary. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9%. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2009, 2008, and 2007, were \$590,428, \$632,339 and \$589,443 respectively, which equal the amount of the required contributions for each fiscal year.

B. Post-Employment Benefits

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

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which 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 postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary.

Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The District's contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$59,156, \$65,868 and \$64,358 respectively, which equal the required contributions for each year.

C. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District is insured with the New Mexico Public School Insurance Authority (NMPSIA), a public entity currently operating as a common risk management and insurance program for member school districts. Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

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

D. Contingent Liabilities

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

E. Reconciliation of Budgetary Basis to GAAP Basis Statements

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures,

Reconciliations are located at the bottom of each budget actual.

F. Surety Bond

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

G. Construction Commitments

There are no construction commitments for the year ending June 30, 2009.

H. Estimates

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

I. Joint Powers Agreements

The District is part of the Northwest Regional Center Cooperative No. 2 (REC) Joint Powers Agreement. The Cooperative was formed to establish and maintain a cooperative program of special educational services funded by each participating district's available IDEA-B Entitlement, Discretionary and Preschool funds. In addition to the District, there are six other districts participating, including Chama Valley Schools, Cuba Independent Schools, Dulce Independent Schools, Jemez Mountain Schools, Penasco Schools, and Mesa Vista Consolidated Schools.

The REC passed-through \$23,882, to the District for salaries and fringe benefits. As required by SAO 2.2.2.12 C (3) (d), the funds were reported as revenues and expenditures in the following special revenue funds:

24106	IDEA, Part B Entitlement
24107 & 27200	IDEA, Part B Discretionary
24109	IDEA, Part B Preschool

A policy council, which consists of Superintendents of each school and the REC director, comprise the responsible parties for the operations of the Cooperative. The agreement runs from July 1st to June 30th of each year until a participating district or institution gives Notice of Intent to Terminate pursuant to the agreement.

The REC reports revenues and expenditures to the New Mexico State Department of Education. The Cooperative is required to have an annual audit conducted according to the Independent Audit Requirements for Regional Education Cooperatives.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
 CAPITAL PROJECTS FUND-BOND BUILDING-31100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment Income	\$ 29,800	\$ 29,800	\$ 8,283	\$ (21,517)
Premium	0	0	5,191	5,191
Sale of Bonds	4,000,000	4,000,000	4,000,000	0
Revenue Bond Proceeds	746,165	746,165	198,530	(547,635)
Total Revenues	<u>4,775,965</u>	<u>4,775,965</u>	<u>4,212,004</u>	<u>(563,961)</u>
Expenditures				
Instruction				
Software	0	2,946	2,946	0
Supply Assets	35,000	33,500	2,337	31,163
Total Instruction	<u>35,000</u>	<u>36,446</u>	<u>5,283</u>	<u>31,163</u>
Capital Outlay				
Purchased Property Services	1,407,330	1,391,582	108,412	1,283,170
Total Capital Outlay	<u>1,407,330</u>	<u>1,391,582</u>	<u>108,412</u>	<u>1,283,170</u>
Debt Service				
Bond Issue Costs	50,000	64,302	64,217	85
Total Debt Service	<u>50,000</u>	<u>64,302</u>	<u>64,217</u>	<u>85</u>
Total Expenditures	<u>1,492,330</u>	<u>1,492,330</u>	<u>177,912</u>	<u>1,283,170</u>
Excess (Deficiency) of Revenues Over Expenditures	3,283,635	3,283,635	4,034,092	719,209
Cash Balance Beginning of Year	<u>681,755</u>	<u>681,755</u>	<u>681,755</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,965,390</u>	<u>\$ 3,965,390</u>	<u>\$ 4,715,847</u>	<u>\$ 719,209</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,034,092	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 4,034,092	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
DEBT SERVICE FUND-EDUCATION TECHNOLOGY BONDS-43000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Taxes	\$ 223,600	\$ 223,600	\$ 193,390	\$ (30,210)
Total Revenues	<u>223,600</u>	<u>223,600</u>	<u>193,390</u>	<u>(30,210)</u>
Expenditures				
Support Services- General Administration				
Professional & Tech Services	2,236	2,236	1,934	302
Total Support Services- General Administration	<u>2,236</u>	<u>2,236</u>	<u>1,934</u>	<u>302</u>
Debt Service				
Principal	175,000	175,000	175,000	0
Interest	48,600	48,600	48,600	0
Total Debt Service	<u>223,600</u>	<u>223,600</u>	<u>223,600</u>	<u>0</u>
Total Expenditures	<u>225,836</u>	<u>225,836</u>	<u>225,534</u>	<u>302</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,236)	(2,236)	(32,144)	(29,908)
Cash Balance Beginning of Year	<u>257,344</u>	<u>257,344</u>	<u>257,344</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 255,108</u>	<u>\$ 255,108</u>	<u>\$ 225,200</u>	<u>\$ (29,908)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (32,144)	
Net change in Taxes Receivable			(265)	
Net change in Interest			20,575	
Net change in Deferred Taxes			(70)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (11,904)</u>	

The notes to the financial statements are an integral part of this statement.

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

NONMAJOR FUNDS

Food Service (21000). To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Athletics (22000). To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

Title I (24101). To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

IDEA Part B, Entitlement (24106). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

Idea Part B-Discretionary (24107). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

IDEA Preschool (24109). To provide grants to States to assist them in providing a free appropriate public education to all children with disabilities. Individuals with Disabilities Education Act (IDEA), Part B, Section 611-617, and part D, Section 674 as amended, 20 U. S. C. 1411-1417 and 1420. The fund was created by the authority of federal grant provisions.

Title V (24150). To account for monies received to improve elementary and secondary education for children attending both public and private schools. The fund was created by grant provisions. (PL 103-382).

English Language Acquisition (24153). To account for revenues and expenditures received from a federal grant provided to develop school-wide programs for limited English proficient students that reform, restructure, and upgrade all relevant programs. The fund was created by the Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A.

Title II (24154). To provide grants to State Education Agencies (SEAs) 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. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

NONMAJOR FUNDS

Safe & Drug Free (24157). To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and coordinated with related Federal, State, and community efforts and resources. Elementary and Secondary Education Act , Title IV, Part A, Subpart 1, as amended. 20 USC 7111-7118.

Reading First (24167). The purpose of this grant is to ensure that all children can read at grade level or above by the end of third grade. The Reading First program is authorized by Title I, Part B, Subpart 1 of the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001 (20 USC 6361 *et seq.*).

Medicaid (25153). To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. The fund was created by the authority of federal grant provisions. (Title XIX Social Security Act).

Rural Education Achievement Program (25233). To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

Technology for Education (27117). To account for funds received from the Technology for Education Grant created by the 1994 State Legislation to establish funding of any costs associated with educational technology. Funding provided by the State of New Mexico. (NMSA 22-15A-1-10).

Incentives for School Improvements (27138). To account for revenues and expenditures from a state grant as part of the Incentives for School Improvement Act: awarded based on the improvement in CTBS 5/Terra Nova or New Mexico High School Competency Examination scores. The fund was created by state grant provisions. (NMSA 22-13 A-1).

Pre K Initiative (27149). To account for revenues and expenditures from a state grant provided for the running of the Pre K program.. The fund was created by state grant provisions.

Mentoring (27154). To account for revenues and expenditures from a state grant provided for beginning teacher mentoring programs. The fund was created by state grant provisions.

Breakfast in Elementary (27155). To account for revenues and expenditures from a state grant for the purpose of providing a free breakfast to elementary students. The fund was created by state grant provisions.

Kindergarten 3-Plus (27166). To account for funds received to provide the opportunity for the district to address early literacy. The full-day kindergarten program is the first step in the implementation of a sequential early literacy approach to teaching reading. The fund was created by state grant provisions.

NONMAJOR FUNDS

Pre Kindergarten Special (27169) To account for revenues and expenditures from a state grant to provide services to prekindergarten students. The fund was created by state grant provisions.

Libraries Go Bonds (27170). To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

State Directed Activities (27200). To account for funds received from the New Mexico Public Education Department for the support and direct services, including technical assistance, preparation and professional development and training. To support capacity building activities and improve the delivery of services by local agencies to improve results for children with disabilities. The fund was created by state provisions.

Library Book Fund (27549). To account for funds received from the New Mexico Public Education Department for purchasing library books. The fund was created by state grant provisions.

Sun Safety (28146). To teach kids on safety from the sun, the effect that the sun has on them and hoe to protect themselves from further damage to their skin. The fund was created by state grant provisions.

Gear Up (28178). To encourage eligible entities to provide or maintain a guarantee to eligible low-income students who obtain a secondary diploma, of the financial assistance necessary to permit the student to attend an institution of higher education; and provide additional support services to students who are at risk of dropping out of school. The fund was created by state grant provisions.

Special Capital Outlay-State (31400). To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading buildings.

SB-9 (31700). The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

Educational Technology Act (31900). To account for proceeds received from the issuance of Educational Technology Notes to be used for the acquisition of education technology equipment for use in classrooms and library and media centers. Authority for the creation of this fund is NMSA 1978, 6-15A-1 through 6-15A-16.

Debt Service (41000). To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Food Service 21000	Athletics 22000	Title I 24101
ASSETS			
Cash and Cash Equivalents	\$ 9,927	\$ 1,233	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	7,090
Other			
Inventory	5,545	0	0
Total Assets	<u>\$ 15,472</u>	<u>\$ 1,233</u>	<u>\$ 7,090</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 7,090
Accounts Payable	79	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>79</u>	<u>0</u>	<u>7,090</u>
Fund Balances			
Reserved For:			
Inventory	5,545	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue	9,848	1,233	0
Total Fund Balance	<u>15,393</u>	<u>1,233</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 15,472</u>	<u>\$ 1,233</u>	<u>\$ 7,090</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	IDEA, Part B Entitlement 24106	IDEA, Part B Discretionary 24107	Preschool 24109
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 558	\$ 1
Receivables			
Taxes	0	0	0
Due From Grantor	19,560	0	0
Other			
Inventory	0	0	0
Total Assets	<u>\$ 19,560</u>	<u>\$ 558</u>	<u>\$ 1</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 19,560	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	558	1
Total Liabilities	<u>19,560</u>	<u>558</u>	<u>1</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 19,560</u>	<u>\$ 558</u>	<u>\$ 1</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Title V 24150	English Language Acquisition 24153	Teacher Training Title II-A 24154
ASSETS			
Cash and Cash Equivalents	\$ 166	\$ 5,038	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	17,493
Other			
Inventory	0	0	0
Total Assets	<u>\$ 166</u>	<u>\$ 5,038</u>	<u>\$ 17,493</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 17,493
Accounts Payable	0	0	0
Deferred Revenue	166	5,038	0
Total Liabilities	<u>166</u>	<u>5,038</u>	<u>17,493</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 166</u>	<u>\$ 5,038</u>	<u>\$ 17,493</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Safe & Drug Free Title IV-A 24157	Reading First 24167	Medicaid 25153
ASSETS			
Cash and Cash Equivalents	\$ 174	\$ 342	\$ 49,138
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Other			
Inventory	0	0	0
Total Assets	<u>\$ 174</u>	<u>\$ 342</u>	<u>\$ 49,138</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	189
Deferred Revenue	174	342	0
Total Liabilities	<u>174</u>	<u>342</u>	<u>189</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue	0	0	48,949
Total Fund Balance	<u>0</u>	<u>0</u>	<u>48,949</u>
Total Liabilities and Fund Balance	<u>\$ 174</u>	<u>\$ 342</u>	<u>\$ 49,138</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Rural Education Achievement Program 25233	Technology For Education 27117	Incentives for School Improvements 27138
ASSETS			
Cash and Cash Equivalents	\$ 5,690	\$ 4,726	\$ 12,658
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Other			
Inventory	0	0	0
Total Assets	<u>\$ 5,690</u>	<u>\$ 4,726</u>	<u>\$ 12,658</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	5,690	0	0
Total Liabilities	<u>5,690</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue	0	4,726	12,658
Total Fund Balance	<u>0</u>	<u>4,726</u>	<u>12,658</u>
Total Liabilities and Fund Balance	<u>\$ 5,690</u>	<u>\$ 4,726</u>	<u>\$ 12,658</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Pre K Initiative Instruction 27149	Mentoring 27154	Breakfast in Elementary 27155
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 36
Receivables			
Taxes	0	0	0
Due From Grantor	29,010	0	0
Other			
Inventory	0	0	0
Total Assets	<u>\$ 29,010</u>	<u>\$ 0</u>	<u>\$ 36</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 29,010	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>29,010</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue	0	0	36
Total Fund Balance	<u>0</u>	<u>0</u>	<u>36</u>
Total Liabilities and Fund Balance	<u>\$ 29,010</u>	<u>\$ 0</u>	<u>\$ 36</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	Kindergarten 3-Plus 27166	Pre Kindergarten Special 27169	Library GO Bonds 27170
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	5,121	10,000	4,155
Other			
Inventory	0	0	0
Total Assets	<u>\$ 5,121</u>	<u>\$ 10,000</u>	<u>\$ 4,155</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 5,106	\$ 10,000	\$ 4,155
Accounts Payable	15	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>5,121</u>	<u>10,000</u>	<u>4,155</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 5,121</u>	<u>\$ 10,000</u>	<u>\$ 4,155</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue		
	State Directed Activities 27200	Library Book Fund 27549	Sun Safety 28146
ASSETS			
Cash and Cash Equivalents	\$ 3,763	\$ 1,304	\$ 3,552
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Other	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 3,763</u>	<u>\$ 1,304</u>	<u>\$ 3,552</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	3,763	0	0
Total Liabilities	<u>3,763</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue	0	1,304	3,552
Total Fund Balance	<u>0</u>	<u>1,304</u>	<u>3,552</u>
Total Liabilities and Fund Balance	<u>\$ 3,763</u>	<u>\$ 1,304</u>	<u>\$ 3,552</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	Special Revenue	Capital Outlay	
	Gear Up 28178	Special Capital Outlay State 31400	SB-9 31700
ASSETS			
Cash and Cash Equivalents	\$ 32,773	\$ 23,352	\$ 465,772
Receivables			
Taxes	0	0	40,244
Due From Grantor	0	0	0
Other	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 32,773</u>	<u>\$ 23,352</u>	<u>\$ 506,016</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	307
Deferred Revenue	0	0	32,977
Total Liabilities	<u>0</u>	<u>0</u>	<u>33,284</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Capital Improvements	0	23,352	472,732
Debt Service	0	0	0
Unreserved, Undesignated, reported in:			
Special Revenue	32,773	0	0
Total Fund Balance	<u>32,773</u>	<u>23,352</u>	<u>472,732</u>
Total Liabilities and Fund Balance	<u>\$ 32,773</u>	<u>\$ 23,352</u>	<u>\$ 506,016</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2009

	<u>Capital Outlay</u>	<u>Debt Service</u>	
	Ed Tech 31900	Debt Service 41000	Total
ASSETS			
Cash and Cash Equivalents	\$ 407,232	\$ 4,304	\$ 1,031,739
Receivables			
Taxes	0	3,468	43,712
Due From Grantor	0	0	92,429
Other	11,650	0	11,650
Inventory	0	0	5,545
Total Assets	<u>\$ 418,882</u>	<u>\$ 7,772</u>	<u>\$ 1,185,075</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 92,414
Accounts Payable	0	0	590
Deferred Revenue	11,650	3,275	63,634
Total Liabilities	<u>11,650</u>	<u>3,275</u>	<u>156,638</u>
Fund Balances			
Reserved For:			
Inventory	0	0	5,545
Capital Improvements	407,232	0	903,316
Debt Service	0	4,497	4,497
Unreserved, Undesignated, reported in:			
Special Revenue	0	0	115,079
Total Fund Balance	<u>407,232</u>	<u>4,497</u>	<u>1,028,437</u>
Total Liabilities and Fund Balance	<u>\$ 418,882</u>	<u>\$ 7,772</u>	<u>\$ 1,185,075</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Food Service 21000	Athletics 22000	Title I 24101
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	40	13	0
Fees	6,376	34,237	0
State & Local Grants	0	0	0
Federal Grants	223,252	0	129,344
Micellaneous	819	0	0
Total Revenues	<u>230,487</u>	<u>34,250</u>	<u>129,344</u>
Expenditures			
Current			
Instruction	0	34,622	125,406
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	3,938
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services Operations	243,224	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>243,224</u>	<u>34,622</u>	<u>129,344</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,737)</u>	<u>(372)</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfer Out	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(12,737)	(372)	0
Fund Balances at Beginning of Year	<u>28,130</u>	<u>1,605</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 15,393</u>	<u>\$ 1,233</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	IDEA, Part B Entitlement 24106	IDEA, Part B Discretionary 24107	IDEA, Part B Preschool 24109
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	65,024	0	0
Micellaneous	0	0	0
Total Revenues	<u>65,024</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	65,024	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>65,024</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfer Out	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Title V 24150	English Language Acquisition 24153	Teacher Training Title II-A 24154
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	6,108	22,745
Micellaneous	0	0	0
Total Revenues	<u>0</u>	<u>6,108</u>	<u>22,745</u>
Expenditures			
Current			
Instruction	0	5,913	21,976
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	195	769
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>0</u>	<u>6,108</u>	<u>22,745</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfer Out	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Safe & Drug Free Title IV-A 24157	Reading First 24167	Medicaid 25153
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	10,948
State & Local Grants	0	0	0
Federal Grants	452	0	0
Micellaneous	0	0	0
Total Revenues	<u>452</u>	<u>0</u>	<u>10,948</u>
Expenditures			
Current			
Instruction	437	0	0
Support Services-Students	0	0	6,177
Support Services-Instruction	0	0	0
Support Services-General Administration	15	0	210
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>452</u>	<u>0</u>	<u>6,387</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>4,561</u>
Other Financing Sources (Uses)			
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	4,561
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>44,388</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 48,949</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Rural Education Achievement Program 25233	Technology For Education 27117	Incentives for School Improvements 27138
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	9,063	0
Federal Grants	2,400	0	0
Micellaneous	0	0	0
Total Revenues	<u>2,400</u>	<u>9,063</u>	<u>0</u>
Expenditures			
Current			
Instruction	2,392	15,443	7,278
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	8	724	0
Support Services-School Administration	0	5,458	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>2,400</u>	<u>21,625</u>	<u>7,278</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(12,562)</u>	<u>(7,278)</u>
Other Financing Sources (Uses)			
Transfer Out	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	(12,562)	(7,278)
Fund Balances at Beginning of Year	<u>0</u>	<u>17,288</u>	<u>19,936</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 4,726</u>	<u>\$ 12,658</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Pre K Initiative Instruction 27149	Mentoring 27154	Breakfast in Elementary 27155
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	29,010	5,015	14,215
Federal Grants	0	0	0
Micellaneous	0	0	0
Total Revenues	<u>29,010</u>	<u>5,015</u>	<u>14,215</u>
Expenditures			
Current			
Instruction	29,010	5,015	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services Operations	0	0	14,181
Capital Outlay	0	0	0
Total Expenditures	<u>29,010</u>	<u>5,015</u>	<u>14,181</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>34</u>
Other Financing Sources (Uses)			
Transfer Out	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	34
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>2</u>
Fund Balance End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 36</u></u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	Kindergarten 3-Plus 27166	Pre Kindergarten Special 27169	Libraries Go Bonds 27170
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	17,654	10,000	7,565
Federal Grants	0	0	0
Micellaneous	0	0	0
Total Revenues	<u>17,654</u>	<u>10,000</u>	<u>7,565</u>
Expenditures			
Current			
Instruction	58,443	10,000	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	7,565
Support Services-General Administration	3,117	0	0
Support Services-School Administration	16,992	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	4,473	0	0
Food Services Operations	9,166	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>92,191</u>	<u>10,000</u>	<u>7,565</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(74,537)</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(74,537)	0	0
Fund Balances at Beginning of Year	<u>74,537</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue		
	State Directed Activities 27200	Library Book Fund 27549	Sun Safety 28146
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	1,304	2,000
Federal Grants	28,122	0	0
Micellaneous	0	0	0
Total Revenues	<u>28,122</u>	<u>1,304</u>	<u>2,000</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	0
Support Services-School Administration	28,122	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>28,122</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>1,304</u>	<u>2,000</u>
Other Financing Sources (Uses)			
Transfer Out	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	1,304	2,000
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>1,552</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 1,304</u>	<u>\$ 3,552</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	Special Revenue	Capital Outlay	
	Gear Up 28178	Special Capital Outlay State 31400	SB-9 31700
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 344,052
Investment Income	0	0	1,814
Fees	0	0	0
State & Local Grants	0	0	16,138
Federal Grants	0	0	0
Micellaneous	0	63,295	4,914
Total Revenues	<u>0</u>	<u>63,295</u>	<u>366,918</u>
Expenditures			
Current			
Instruction	3,683	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	129	0	3,428
Support Services-School Administration	0	0	0
Operation & Maintenance of Plant	0	0	132,231
Student Transportation	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	0	165,479
Total Expenditures	<u>3,812</u>	<u>0</u>	<u>301,138</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,812)</u>	<u>63,295</u>	<u>65,780</u>
Other Financing Sources (Uses)			
Transfer Out	0	(77,832)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(77,832)</u>	<u>0</u>
Net Change in Fund Balances	(3,812)	(14,537)	65,780
Fund Balances at Beginning of Year	<u>36,585</u>	<u>37,889</u>	<u>406,952</u>
Fund Balance End of Year	<u>\$ 32,773</u>	<u>\$ 23,352</u>	<u>\$ 472,732</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2009

	<u>Capital Outlay</u>	<u>Debt Service</u>	
	<u>Ed Tech 31900</u>	<u>Debt Service 41000</u>	<u>Total</u>
Revenues			
Property Taxes	\$ 0	\$ 972	\$ 345,024
Investment Income	5,282	12	7,161
Fees	0	0	51,561
State & Local Grants	0	0	111,964
Federal Grants	0	0	477,447
Micellaneous	76,555	0	145,583
Total Revenues	<u>81,837</u>	<u>984</u>	<u>1,138,740</u>
Expenditures			
Current			
Instruction	177,392	0	562,034
Support Services-Students	0	0	6,177
Support Services-Instruction	0	0	7,565
Support Services-General Administration	0	8	12,541
Support Services-School Administration	0	0	50,572
Operation & Maintenance of Plant	0	0	132,231
Student Transportation	0	0	4,473
Food Services Operations	0	0	266,571
Capital Outlay	0	0	165,479
Total Expenditures	<u>177,392</u>	<u>8</u>	<u>1,207,643</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(95,555)</u>	<u>976</u>	<u>(68,903)</u>
Other Financing Sources (Uses)			
Transfer Out	0	0	(77,832)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(77,832)</u>
Net Change in Fund Balances	(95,555)	976	(146,735)
Fund Balances at Beginning of Year	<u>502,787</u>	<u>3,521</u>	<u>1,175,172</u>
Fund Balance End of Year	<u>\$ 407,232</u>	<u>\$ 4,497</u>	<u>\$ 1,028,437</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-FOOD SERVICE-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment Income	\$ 45	\$ 45	\$ 40	\$ (5)
Fees	0	0	6,376	6,376
Federal Grants	245,500	245,500	213,853	(31,647)
Total Revenues	<u>245,545</u>	<u>245,545</u>	<u>220,269</u>	<u>(25,276)</u>
Expenditures				
Food Service Operations				
Personnel Services	125,527	126,901	119,360	7,541
Employee Benefits	67,935	66,561	51,261	15,300
Other Purchased Services	1,500	1,500	690	810
Supplies	71,100	71,100	61,433	9,667
Total Food Service Operations	<u>266,062</u>	<u>266,062</u>	<u>232,744</u>	<u>33,318</u>
Total Expenditures	<u>266,062</u>	<u>266,062</u>	<u>232,744</u>	<u>33,318</u>
Excess (Deficiency) of Revenues Over Expenditures	(20,517)	(20,517)	(12,475)	8,042
Cash Balance Beginning of Year	<u>22,402</u>	<u>22,402</u>	<u>22,402</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,885</u>	<u>\$ 1,885</u>	<u>\$ 9,927</u>	<u>\$ 8,042</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (12,475)	
Net change in Due from Grantor			(183)	
Net change in Inventory			(79)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (12,737)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-ATHLETICS-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment Income	\$ 24	\$ 24	13	\$ (11)
Fees	33,160	33,160	34,237	1,077
Total Revenues	<u>33,184</u>	<u>33,184</u>	<u>34,250</u>	<u>1,066</u>
Expenditures				
Instruction				
Professional & Tech Services	22,530	18,561	18,496	65
Purchased Services	9,759	13,641	13,540	101
General Supplies	2,500	2,587	2,586	1
Total Instruction	<u>34,789</u>	<u>34,789</u>	<u>34,622</u>	<u>167</u>
Total Expenditures	<u>34,789</u>	<u>34,789</u>	<u>34,622</u>	<u>167</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,605)	(1,605)	(372)	1,233
Cash Balance Beginning of Year	<u>1,605</u>	<u>1,605</u>	<u>1,605</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,233</u>	\$ <u>1,233</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(372)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(372)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-TITLE I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 231,736	231,736	\$ 203,249	\$ (28,487)
Total Revenues	<u>231,736</u>	<u>231,736</u>	<u>203,249</u>	<u>(28,487)</u>
Expenditures				
Instruction				
Personnel Services	94,852	98,541	88,160	10,381
Employee Benefits	38,785	35,096	31,922	3,174
Other Purchased Services	5,033	5,033	604	4,429
Supplies	7,360	7,360	4,720	2,640
Total Instruction	<u>146,030</u>	<u>146,030</u>	<u>125,406</u>	<u>20,624</u>
Support Services-General Administration				
Professional & Tech Services	4,711	4,711	3,938	773
Total Support Services-General Administration	<u>4,711</u>	<u>4,711</u>	<u>3,938</u>	<u>773</u>
Total Expenditures	<u>150,741</u>	<u>150,741</u>	<u>129,344</u>	<u>21,397</u>
Excess (Deficiency) of Revenues Over Expenditures	80,995	80,995	73,905	(7,090)
Cash Balance Beginning of Year	<u>(80,995)</u>	<u>(80,995)</u>	<u>(80,995)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(7,090)</u>	\$ <u>(7,090)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 73,905	
Net change in Due from Grantor			<u>(73,905)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-IDEA, ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Positive</u>
			<u>Basis)</u>	<u>(Negative)</u>
				<u>Final</u>
				<u>to Actual</u>
Revenues				
Federal Grants	\$ 55,522	55,522	\$ 45,465	\$ (10,057)
Total Revenues	<u>55,522</u>	<u>55,522</u>	<u>45,465</u>	<u>(10,057)</u>
Expenditures				
Instruction				
Personnel Services	54,792	68,046	48,741	19,305
Employee Benefits	19,009	19,009	16,284	2,725
Total Instruction	<u>73,801</u>	<u>87,055</u>	<u>65,025</u>	<u>2,725</u>
Total Expenditures	<u>73,801</u>	<u>87,055</u>	<u>65,025</u>	<u>2,725</u>
Excess (Deficiency) of Revenues Over Expenditures	(18,279)	(31,533)	(19,560)	11,973
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (18,279)</u></u>	<u><u>\$ (31,533)</u></u>	<u><u>\$ (19,560)</u></u>	<u><u>\$ 11,973</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (19,560)	
Net change in Due from Grantor			19,560	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 0</u></u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-IDEA, Discretionary-24107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 55,522	55,522	\$ 56,080	\$ 558
Total Revenues	<u>55,522</u>	<u>55,522</u>	<u>56,080</u>	<u>558</u>
Expenditures				
Support Services-School Administration				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services-School Administration	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	55,522	55,522	56,080	558
Cash Balance Beginning of Year	<u>(55,522)</u>	<u>(55,522)</u>	<u>(55,522)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 558</u>	<u>\$ 558</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 56,080	
Net change in Due from Grantor			(55,522)	
Net change in Deferred Revenue			<u>(558)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-IDEA, PRESCHOOL-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	0	\$ 0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Purchased Services	0	0	0	0
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-TITLE V-24150
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>166</u>	<u>166</u>	<u>166</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 166</u>	<u>\$ 166</u>	<u>\$ 166</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-ENGLISH LANGUAGE ACQUISITION-24153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 16,596	19,791	\$ 22,508	\$ 2,717
Total Revenues	<u>16,596</u>	<u>19,791</u>	<u>22,508</u>	<u>2,717</u>
Expenditures				
Instruction				
Supplies	5,234	8,234	5,913	2,321
Total Instruction	<u>5,234</u>	<u>8,234</u>	<u>5,913</u>	<u>2,321</u>
Support Services-General Administration				
Professional & Tech Services	0	195	195	0
Total Support Services-General Administration	<u>0</u>	<u>195</u>	<u>195</u>	<u>0</u>
Total Expenditures	<u>5,234</u>	<u>8,429</u>	<u>6,108</u>	<u>2,321</u>
Excess (Deficiency) of Revenues Over Expenditures	11,362	11,362	16,400	5,038
Cash Balance Beginning of Year	<u>(11,362)</u>	<u>(11,362)</u>	<u>(11,362)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,038</u>	<u>\$ 5,038</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 16,400	
Net change in Due from Grantor			(11,362)	
Net change in Deferred Revenue			(5,038)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-TITLE II-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 47,037	63,234	\$ 16,743	\$ (46,491)
Total Revenues	<u>47,037</u>	<u>63,234</u>	<u>16,743</u>	<u>(46,491)</u>
Expenditures				
Instruction				
Personnel Services	17,450	25,116	14,612	10,504
Employee Benefits	3,595	5,126	2,943	2,183
Professional & Tech Services	9,827	16,827	2,495	14,332
Other Purchased Services	<u>3,500</u>	<u>3,500</u>	<u>1,925</u>	<u>1,575</u>
Total Instruction	<u>34,372</u>	<u>50,569</u>	<u>21,975</u>	<u>28,594</u>
Support Services-General Administration				
Professional & Tech Services	<u>1,173</u>	<u>1,173</u>	<u>769</u>	<u>404</u>
Total Support Services-General Administration	<u>1,173</u>	<u>1,173</u>	<u>769</u>	<u>404</u>
Total Expenditures	<u>35,545</u>	<u>51,742</u>	<u>22,744</u>	<u>28,998</u>
Excess (Deficiency) of Revenues Over Expenditures	11,492	11,492	(6,001)	(17,493)
Cash Balance Beginning of Year	<u>(11,492)</u>	<u>(11,492)</u>	<u>(11,492)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(17,493)</u>	\$ <u>(17,493)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,001)	
Net change in Due from Grantor			<u>6,001</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-SAFE & DRUG FREE-24157
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 259	259	\$ 0	\$ (259)
Total Revenues	<u>259</u>	<u>259</u>	<u>0</u>	<u>(259)</u>
Expenditures				
Instruction				
Supplies	806	806	437	369
Total Instruction	<u>806</u>	<u>806</u>	<u>437</u>	<u>369</u>
Support Services-General Administration				
Professional & Tech Services	79	79	15	64
Total Support Services-General Administration	<u>79</u>	<u>79</u>	<u>15</u>	<u>64</u>
Total Expenditures	<u>885</u>	<u>885</u>	<u>452</u>	<u>433</u>
Excess (Deficiency) of Revenues Over Expenditures	(626)	(626)	(452)	174
Cash Balance Beginning of Year	<u>626</u>	<u>626</u>	<u>626</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 174</u>	<u>\$ 174</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (452)	
Net change in Deferred Revenue			<u>452</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-READING FIRST-24167
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>342</u>	<u>342</u>	<u>342</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 342</u>	<u>\$ 342</u>	<u>\$ 342</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-MEDICAID-25153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 12,202	12,202	\$ 10,947	\$ (1,255)
Total Revenues	<u>12,202</u>	<u>12,202</u>	<u>10,947</u>	<u>(1,255)</u>
Expenditures				
Support Services-Students				
Professional & Tech Services	3,173	3,173	411	2,762
Supplies	0	1,666	1,573	93
Property	0	4,016	4,015	1
Total Support Services-Students	<u>3,173</u>	<u>8,855</u>	<u>5,999</u>	<u>2,856</u>
Support Services-General Administration				
Professional & Tech Services	1,047	1,047	210	837
Total Support Services-General Administration	<u>1,047</u>	<u>1,047</u>	<u>210</u>	<u>837</u>
Total Expenditures	<u>4,220</u>	<u>9,902</u>	<u>6,209</u>	<u>3,693</u>
Excess (Deficiency) of Revenues Over Expenditures	7,982	2,300	4,738	2,438
Cash Balance Beginning of Year	<u>44,400</u>	<u>44,400</u>	<u>44,400</u>	<u>0</u>
Cash Balance End of Year	\$ <u>52,382</u>	\$ <u>46,700</u>	\$ <u>49,138</u>	\$ <u>2,438</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,738	
Net change in Accounts Payable			<u>(177)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>4,561</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO

QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9

SPECIAL REVENUE FUND-RURAL EDUCATION ACHIEVEMENT PROGRAM-25233

Statement of Revenues, Expenditures, and Changes in Cash Balance -

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	1,510	\$ 0	\$ (1,510)
Total Revenues	<u>0</u>	<u>1,510</u>	<u>0</u>	<u>(1,510)</u>
Expenditures				
Instruction				
Personnel Services	0	1,800	1,800	0
Employee Benefits	0	373	371	2
Supplies	0	7,427	221	7,206
Total Instruction	<u>0</u>	<u>9,600</u>	<u>2,392</u>	<u>7,208</u>
Support Services-General Administration				
Professional & Tech Services	0	478	8	470
Total Support Services-General Administration	<u>0</u>	<u>478</u>	<u>8</u>	<u>470</u>
Total Expenditures	<u>0</u>	<u>10,078</u>	<u>2,400</u>	<u>7,678</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(8,568)	(2,400)	6,168
Cash Balance Beginning of Year	<u>8,090</u>	<u>8,090</u>	<u>8,090</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,090</u>	<u>\$ (478)</u>	<u>\$ 5,690</u>	<u>\$ 6,168</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,400)	
Net change in Deferred Revenue			<u>2,400</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-TECHNOLOGY FOR EDUCATION-27117
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	2,818	\$ 9,063	\$ 6,245
Total Revenues	<u>0</u>	<u>2,818</u>	<u>9,063</u>	<u>6,245</u>
Expenditures				
Instruction				
Professional & Tech Services	4,150	5,396	2,002	3,394
Other Purchased Services	1,500	1,500	1,289	211
Supplies	8,500	12,153	12,152	1
Total Instruction	<u>14,150</u>	<u>19,049</u>	<u>15,443</u>	<u>3,606</u>
Support Services-General Administration				
Professional & Tech Services	500	755	724	31
Total Support Services-General Administration	<u>500</u>	<u>755</u>	<u>724</u>	<u>31</u>
Support Services-School Administration				
Other Purchased Services	0	5,698	5,458	240
Total Support Services-School Administration	<u>0</u>	<u>5,698</u>	<u>5,458</u>	<u>240</u>
Total Expenditures	<u>14,650</u>	<u>25,502</u>	<u>21,625</u>	<u>3,877</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,650)	(22,684)	(12,562)	10,122
Cash Balance Beginning of Year	<u>17,288</u>	<u>17,288</u>	<u>17,288</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,638</u>	<u>\$ (5,396)</u>	<u>\$ 4,726</u>	<u>\$ 10,122</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (12,562)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (12,562)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENTS-27138
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Professional & Tech Services	0	2,500	1,600	900
Supplies	<u>0</u>	<u>5,934</u>	<u>5,678</u>	<u>256</u>
Total Instruction	<u>0</u>	<u>8,434</u>	<u>7,278</u>	<u>1,156</u>
Total Expenditures	<u>0</u>	<u>8,434</u>	<u>7,278</u>	<u>1,156</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(8,434)	(7,278)	1,156
Cash Balance Beginning of Year	<u>19,936</u>	<u>19,936</u>	<u>19,936</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 19,936</u>	<u>\$ 11,502</u>	<u>\$ 12,658</u>	<u>\$ 1,156</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(7,278)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(7,278)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-PRE K INITIATIVE INSTRUCTION-27149
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	29,010	\$ 0	\$ (29,010)
Total Revenues	<u>0</u>	<u>29,010</u>	<u>0</u>	<u>(29,010)</u>
Expenditures				
Instruction				
Personnel Services	0	21,303	21,303	0
Employee Benefits	0	5,504	5,504	0
Supplies	0	2,203	2,203	0
Total Instruction	<u>0</u>	<u>29,010</u>	<u>29,010</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>29,010</u>	<u>29,010</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(29,010)	(29,010)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (29,010)</u>	<u>\$ (29,010)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (29,010)	
Net change in Due from Grantor			<u>29,010</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-MENTORING-27154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	5,015	\$ 5,015	\$ 0
Total Revenues	<u>0</u>	<u>5,015</u>	<u>5,015</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	0	5,015	5,015	0
Total Instruction	<u>0</u>	<u>5,015</u>	<u>5,015</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>5,015</u>	<u>5,015</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-BREAKFAST IN ELEMENTARY-27155
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	14,215	\$ 14,215	\$ 0
Total Revenues	<u>0</u>	<u>14,215</u>	<u>14,215</u>	<u>0</u>
Expenditures				
Food Services Operations				
Supplies	0	14,216	14,181	35
Total Food Services Operations	<u>0</u>	<u>14,216</u>	<u>14,181</u>	<u>35</u>
Total Expenditures	<u>0</u>	<u>14,216</u>	<u>14,181</u>	<u>35</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1)	34	35
Cash Balance Beginning of Year	<u>2</u>	<u>2</u>	<u>2</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 36</u>	<u>\$ 35</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 34	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 34</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-KINDERGARTEN 3-PLUS-27166
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	17,696	\$ 12,534	\$ (5,162)
Total Revenues	<u>0</u>	<u>17,696</u>	<u>12,534</u>	<u>(5,162)</u>
Expenditures				
Instruction				
Personnel Services	0	33,148	33,147	1
Employee Benefits	0	6,765	6,717	48
Professional & Tech Services	0	1,095	1,095	0
Other Purchased Services	0	4,156	4,155	1
Supplies	0	12,645	12,645	0
Property	0	685	684	1
Total Instruction	<u>0</u>	<u>58,494</u>	<u>58,443</u>	<u>51</u>
Support Services-General Administration				
Professional & Tech Services	0	3,118	3,117	1
Total Support Services-General Administration	<u>0</u>	<u>3,118</u>	<u>3,117</u>	<u>1</u>
Support Services-School Administration				
Personnel Services	0	7,640	7,640	0
Employee Benefits	0	1,579	1,577	2
Supplies	0	7,776	7,776	0
Total Support Services-School Administration	<u>0</u>	<u>16,995</u>	<u>16,993</u>	<u>2</u>
Student Transportation				
Other Purchased Services	0	4,473	4,473	0
Total Student Transportation	<u>0</u>	<u>4,473</u>	<u>4,473</u>	<u>0</u>
Food Service Operation				
Personnel Services	0	5,665	5,665	0
Employee Benefits	0	729	728	1
Supplies	0	2,759	2,758	1
Total Food Service Operation	<u>0</u>	<u>9,153</u>	<u>9,151</u>	<u>2</u>
Total Expenditures	<u>0</u>	<u>92,233</u>	<u>92,177</u>	<u>56</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(74,537)	(79,643)	(5,106)
Cash Balance Beginning of Year	<u>74,537</u>	<u>74,537</u>	<u>74,537</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 74,537</u>	<u>\$ 0</u>	<u>\$ (5,106)</u>	<u>\$ (5,106)</u>

Reconciliation of Budgetary Basis to GAAP Basis	
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis	\$ (79,643)
Net change in Due from Grantor	5,121
Net change in Accounts Payable	<u>(15)</u>
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis	<u>\$ (74,537)</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-PRE KINDERGARTEN-SPECIAL-27169
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	10,000	\$ 0	\$ (10,000)
Total Revenues	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>(10,000)</u>
Expenditures				
Instruction				
Supplies	0	10,000	10,000	0
Total Instruction	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(10,000)	(10,000)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (10,000)	
Net change in Due from Grantor			<u>10,000</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-LIBRARIES GO BONDS-27170
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	7,566	\$ 3,410	\$ (4,156)
Total Revenues	<u>0</u>	<u>7,566</u>	<u>3,410</u>	<u>(4,156)</u>
Expenditures				
Support Services-Instruction				
Supplies	0	7,366	7,365	1
Property	<u>0</u>	<u>200</u>	<u>200</u>	<u>0</u>
Total Support Services-Instruction	<u>0</u>	<u>7,566</u>	<u>7,565</u>	<u>1</u>
Total Expenditures	<u>0</u>	<u>7,566</u>	<u>7,565</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(4,155)	(4,155)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (4,155)</u>	<u>\$ (4,155)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,155)	
Net change in Due from Grantor			<u>4,155</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-STATE DIRECTED ACTIVITIES-27200
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	0	\$ 31,885	\$ 31,885
Total Revenues	<u>0</u>	<u>0</u>	<u>31,885</u>	<u>31,885</u>
Expenditures				
Support Services-School Administration				
Personnel Services	0	37,872	20,654	17,218
Employee Benefits	<u>0</u>	<u>12,574</u>	<u>7,468</u>	<u>5,106</u>
Total Support Services-School Administration	<u>0</u>	<u>50,446</u>	<u>28,122</u>	<u>22,324</u>
Total Expenditures	<u>0</u>	<u>50,446</u>	<u>28,122</u>	<u>22,324</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(50,446)	3,763	54,209
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ (50,446)</u>	<u>\$ 3,763</u>	<u>\$ 54,209</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>3,763</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>3,763</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-LIBRARY BOOK FUND-27549
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	0	\$ 1,304	\$ 1,304
Total Revenues	<u>0</u>	<u>0</u>	<u>1,304</u>	<u>1,304</u>
Expenditures				
Support Services-Instruction				
Supplies	0	0	0	0
Total Support Services-Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	1,304	1,304
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,304</u>	<u>\$ 1,304</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,304	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,304</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-SUN SAFETY-28146
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 0	\$ 2,000	\$ 2,000
Total Revenues	<u>0</u>	<u>0</u>	<u>2,000</u>	<u>2,000</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	2,000	2,000
Cash Balance Beginning of Year	<u>1,552</u>	<u>1,552</u>	<u>1,552</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ 3,552</u>	<u>\$ 2,000</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 2,000</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,000</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
SPECIAL REVENUE FUND-GEAR UP-28178
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Other Purchased Services	5,000	5,000	1,325	3,675
Supplies	<u>10,168</u>	<u>10,168</u>	<u>2,358</u>	<u>7,810</u>
Total Instruction	<u>15,168</u>	<u>15,168</u>	<u>3,683</u>	<u>11,485</u>
Support Services-General Administration				
Professional & Tech Services	<u>1,317</u>	<u>1,317</u>	<u>129</u>	<u>1,188</u>
Total Support Services-General Administration	<u>1,317</u>	<u>1,317</u>	<u>129</u>	<u>1,188</u>
Total Expenditures	<u>16,485</u>	<u>16,485</u>	<u>3,812</u>	<u>12,673</u>
Excess (Deficiency) of Revenues Over Expenditures	(16,485)	(16,485)	(3,812)	12,673
Cash Balance Beginning of Year	<u>36,585</u>	<u>36,585</u>	<u>36,585</u>	<u>0</u>
Cash Balance End of Year	\$ <u>20,100</u>	\$ <u>20,100</u>	\$ <u>32,773</u>	\$ <u>12,673</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(3,812)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(3,812)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
 CAPITAL PROJECTS FUND-SPECIAL CAPITAL OUTLAY-STATE-31400
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Rent from Red River Valley Charter	\$ 63,295	\$ 63,295	\$ 63,295	\$ 0
Total Revenues	<u>63,295</u>	<u>63,295</u>	<u>63,295</u>	<u>0</u>
Expenditures				
Capital Outlay				
Land Improvements	0	0	0	0
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	63,295	63,295	63,295	0
Other Financing Sources (Uses)				
Transfer to Operational	77,832	77,832	77,832	0
Total Other Sources (Uses)	<u>77,832</u>	<u>77,832</u>	<u>77,832</u>	<u>0</u>
Net Change in Cash Balance	(14,537)	(14,537)	(14,537)	0
Cash Balance Beginning of Year	<u>37,889</u>	<u>37,889</u>	<u>37,889</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 23,352</u>	<u>\$ 23,352</u>	<u>\$ 23,352</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (14,537)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (14,537)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
CAPITAL PROJECT FUND-SB-9-31700
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Taxes	\$ 307,243	\$ 307,243	\$ 342,789	\$ 35,546
Investment Income	1,500	1,500	1,814	314
State & Local Grants	0	16,138	16,138	0
Miscellaneous	0	0	4,915	4,915
Total Revenues	<u>308,743</u>	<u>324,881</u>	<u>365,656</u>	<u>40,775</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	3,073	3,428	3,428	0
Total Support Services-General Administration	<u>3,073</u>	<u>3,428</u>	<u>3,428</u>	<u>0</u>
Operation & Maintenance of Plant				
Purchased Property Services	75,000	83,411	72,180	11,231
Supplies	25,000	25,000	19,202	5,798
Fixed Assets	34,251	40,544	40,543	1
Total Operation & Maintenance of Plant	<u>134,251</u>	<u>148,955</u>	<u>131,925</u>	<u>17,030</u>
Capital Outlay				
Construction Services	328,419	328,419	136,275	192,144
Land Improvements	75,000	75,000	29,204	45,796
Total Capital Outlay	<u>403,419</u>	<u>403,419</u>	<u>165,479</u>	<u>237,940</u>
Total Expenditures	<u>540,743</u>	<u>555,802</u>	<u>300,832</u>	<u>254,970</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(232,000)</u>	<u>(230,921)</u>	<u>64,824</u>	<u>295,745</u>
Cash Balance Beginning of Year	<u>400,948</u>	<u>400,948</u>	<u>400,948</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 168,948</u>	<u>\$ 170,027</u>	<u>\$ 465,772</u>	<u>\$ 295,745</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 64,824	
Net change in Taxes Receivable			3,799	
Net change in Accounts Payable			(306)	
Net change in Deferred Revenue			(2,537)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 65,780</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
 CAPITAL PROJECT FUND-EDUCATION TECHNOLOGY ACT-31900
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment Income	\$ 8,000	\$ 8,000	\$ 5,282	\$ (2,718)
Miscellaneous	0	0	76,555	76,555
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>81,837</u>	<u>73,837</u>
Expenditures				
Instruction				
Professional & Tech Services	125,181	125,181	70,975	54,206
Supplies	46,000	46,000	18,338	27,662
Fixed Assets	140,823	140,823	8,400	132,423
Supply Assets	200,000	200,000	80,896	119,104
Total Instruction	<u>512,004</u>	<u>512,004</u>	<u>178,609</u>	<u>333,395</u>
Total Expenditures	<u>512,004</u>	<u>512,004</u>	<u>178,609</u>	<u>333,395</u>
Excess (Deficiency) of Revenues Over Expenditures	(504,004)	(504,004)	(96,772)	407,232
Cash Balance Beginning of Year	<u>504,004</u>	<u>504,004</u>	<u>504,004</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 407,232</u>	<u>\$ 407,232</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (96,772)	
Net change in Receivables			750	
Net change in Accounts Payable			1,217	
Net change in Deferred Revenue			(750)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (95,555)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
DEBT SERVICE-41000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Taxes	\$ 685	\$ 685	\$ 789	\$ 104
Investment Income	9	9	12	3
Total Revenues	<u>694</u>	<u>694</u>	<u>801</u>	<u>107</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>7</u>	<u>9</u>	<u>8</u>	<u>1</u>
Total Support Services-General Administration	<u>7</u>	<u>9</u>	<u>8</u>	<u>1</u>
Total Expenditures	<u>7</u>	<u>9</u>	<u>8</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	687	685	793	108
Cash Balance Beginning of Year	<u>3,511</u>	<u>3,511</u>	<u>3,511</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,198</u>	<u>\$ 4,196</u>	<u>\$ 4,304</u>	<u>\$ 108</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 793	
Net change in Taxes Receivable			(606)	
Net change in Deferred Taxes			<u>789</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 976</u>	

The notes to the financial statements are an integral part of this statement.

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

To account for funds of various student groups that are custodial in nature.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
 AGENCY FUNDS - ACTIVITY
 Statement of Fiduciary Net Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2009

	Balance 06/30/08	Additions	Deletions	Balance 06/30/09
ASSETS				
600 General Activity Fund	\$ 2,268	\$ 6,324	\$ 1,243	\$ 7,349
702 Scholarship Fund	171	1,202	1,350	23
703 HS Office Assistant	454	399	637	216
704 HS Pepsi Fund	1,054	13	560	507
709 JRHS Honor Society	2,880	37	834	2,083
710 HS Student Council	3,327	9,518	10,509	3,327
712 FHA Fund	205	3	0	208
714 Science Club Fund	170	2	0	172
715 Library Fund	2,016	1,011	897	2,130
716 HS Cheerleaders Fund	390	568	903	55
722 Ski Club Fund	1,054	4,828	4,600	1,282
724 Rio Costilla Elementary Fund	1,243	1,842	1,603	1,482
725 AV 7-8 Grade Fund	102	1		103
727 Interest on NOW Accounts	400	0	400	0
728 Interest on CD's	550	377	0	927
734 AV Yearbook Fund	2,378	2,715	2,513	2,580
736 FFA Fund	809	1,187	1,811	185
738 Art Fund	886	7,807	8,093	600
739 AV K-3	2,652	33		2,685
742 Spanish Club	268	6	0	274
743 AV Office Fund	3	0	0	3
745 AV 4/5/6 Grades Fund	569	7	13	563
749 AV 4/6 Office Fund	823	10	549	284
752 Athletic General Fund	4,453	281	2,177	2,557
753 AV Reading Fund	1	0	1	0
754 HS Soccer Club	2,054	333	50	2,337
760 JR High Volleyball	200	2	202	0
762 Volleyball Fund	164	2,516	1,881	799
763 Rent & lease Deposit Fund	3,463	143	200	3,406
764 HS Football Fund	1,902	2,324	1,313	2,913
765 Jr High Football	0	958	836	122
766 Av Library Fund	664	2,562	2,719	507
785 Class of 2002	234	3	0	237
786 Class of 2003	21	0	0	21
787 Class of 2004	718	9		727
795 JR High Student Council Fund	238	2,099	1,752	585
801 HS Yearbook	0	2,571	779	1,792
802 AV Office Fund	518	6	0	524
804 Insurance Refunds	1,505	7,277	7,400	1,382
805 Alta Vista Music Program	15	250	0	265
806 Mariachi Fund	986	12	0	998
810 Drama Club	671	8	0	679
811 NMRSC Pepsi Fund	2,739	34	1,621	1,152
812 AV Pepsi Fund	764	10	234	540
814 Class of 2005	\$ 268	\$ 3	\$ 0	\$ 271

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
 AGENCY FUNDS - ACTIVITY
 Statement of Fiduciary Net Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2009

	Balance 06/30/08	Additions	Deletions	Balance 06/30/09
815 AV Student Council Fund	\$ 886	\$ 1,691	\$ 972	\$ 1,605
816 Science Fair Club Fund	1,588	20	879	729
819 Project 540 Fund	124	1	0	125
820 Cafeteria Activity Fund	1,364	17	586	795
821 HS Boys Basketball Fund	1,618	20	998	640
822 HS Girls Basketball Fund	0	2,165	1,855	310
823 Class of 2008	2,212	27	0	2,239
824 Class of 2007	416	5	200	221
825 QHS Spirit/Dance Team	593	1,101	1,687	7
826 Class of 2009	6,527	131	5,452	1,206
827 Positive Incentive Program	5,300	11,515	12,800	4,015
828 Class of 2010	4,315	3,990	6,383	1,922
829 Class of 2011	1,488	3,702	190	5,000
830 Class of 2012	633	1,628	0	2,261
831 Class of 2013	250	335	0	585
832 Class of 2014	0	260	0	260
863 Class of 2015	149	2	0	151
834 Class of 2016	224	3	0	227
835 Class of 2017	243	3	0	246
837 Science Levinson Fund	1,525	19	0	1,544
838 AV PAC	473	6	368	111
839 Chevron Mining, Inc.	610	7	0	617
840 Chess Club	0	100	74	26
841 Ski Club-K MacDonald	0	2,129	831	1,298
842 HS Track-Girls	0	225	0	225
Total Assets	\$ 76,788	\$ 88,393	\$ 90,955	\$ 74,226
LIABILITIES				
Deposits Held for Others	\$ 76,788	\$ 88,393	\$ 90,955	\$ 74,226
Total Liabilities	\$ 76,788	\$ 88,393	\$ 90,955	\$ 74,226

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9

Cash Reconciliations - All Funds
For the Year Ended June 30, 2009

		Beginning Cash Balance 6/30/08	Revenue	Expenditures	Transfer/ Loans	Ending Cash Balance 6/30/09
Operations	11000	\$ 142,758	\$ 4,885,783	\$ 4,716,861	\$ 0	\$ 311,680
Teacherage	12000	36,104	3,210	7,868	0	31,446
Transportation	13000	2,136	351,444	351,443	0	2,137
Instructional Materials	14000	11,576	42,519	20,988	0	33,107
Food Services	21000	22,402	220,269	232,745	0	9,927
Athletics	22000	1,605	34,250	34,622	0	1,233
Federal Flowthrough	24000	(158,237)	344,046	223,673	0	(37,864)
Federal Direct	25000	52,490	10,947	8,609	0	54,828
State Flowthrough	27000	111,763	77,426	214,973	0	(25,785)
State Direct	28000	38,138	2,000	3,812	0	36,325
Bond Building	31100	681,755	4,212,004	177,911	0	4,715,847
Special Capital Outlay State	31400	37,889	63,295	77,832	0	23,352
SB-9	31700	400,948	64,824	0	0	465,772
Ed Tech	31900	504,004	81,837	178,609	0	407,232
Debt Service	41000	3,511	801	8	0	4,304
Debt Service-Ed Tech	43000	257,344	193,390	225,534	0	225,199
Agency Funds		76,789	88,392	90,955	0	74,226
Total		\$ 2,222,975	\$ 10,676,436	\$ 6,566,443	\$ 0	\$ 6,332,968

The notes to the financial statements are an integral part of this statement.

COMPLIANCE

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2009

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-Through Program from:			
New Mexico Department of Education			
USDA National School Lunch Program	10.555	21000	\$ 134,542
USDA School Breakfast Program	10.553	21000	78,492
Total Child Nutrition Cluster			<u>213,034</u>
Pass-Through Program from:			
New Mexico Human Service Department			
USDA Commodities Program	10.550	21000	10,218
Direct Program			
Forest Reserve	10.670	11000	<u>38,215</u>
Total U. S. Department of Agriculture			<u>261,467</u>
<u>U. S. Department of Education</u>			
Pass-Through Program from:			
New Mexico Department of Education			
Special Education Cluster			
IDEA, Part B, Entitlement	84.027	24106	65,024
IDEA, Part B, Discretionary	84.027	27200	28,122
Total Pass-through Cooperative			<u>93,146</u>
Title I Basic Education Grant	84.010	24101	129,344
English Language Acquisition	84.365	24153	6,108
Title II-A	84.367	24154	22,745
Safe & Drug Free Schools & Community	84.186	24157	452
Direct Programs			
Rural Education Achievement Program	84.358A	25233	2,400
Total US Department of Education			<u>254,195</u>
Total Federal Assistance			<u>\$ 515,662</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

Note 1: Significant Accounting Policies used in preparing the Schedule of Expenditure of Federal Awards

The modified accrual basis was used to prepare the Schedule of Expenditures of Federal Awards

Note 2: Insurance Requirements

There are no insurance requirements on the federal awards disclosed on the Schedule of Expenditures of Federal Awards

Note 3: Loans or Loan Guarantees

There were no loans or loan guarantees outstanding at year end.

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*

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9, (District), as of and for the year ended June 30, 2009, and have issued our report thereon dated November 6, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned cost to be significant deficiencies in internal control over financial reporting. 07-01, 07-02, 07-03, 07-04, 07-06 and 09-1.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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

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

 De'Ann Willoughby, CPA PC

November 6, 2009

Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control
Over Compliance in Accordance With OMB Circular A-133

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9

Mr. Balderas and Members of the Board

Compliance

We have audited the compliance of QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9 (District), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance.

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-Profits Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the District, 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 the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control over compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness.

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

De'Ann Willoughby, CPA PC

November 6, 2009

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2009

A. Summary of Audit Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting

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

Federal Awards

Internal control over major programs:

- * Material Weakness(es) identified? yes no
- * Significant Deficiencie(s) identified that are not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program of Cluster</u>
84.010	Title I Basic Education Grant

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

Auditee qualified as low risk auditee yes no

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
 Schedule of Findings and Questioned Cost
 For the Year Ended June 30, 2009

B. Prior Year Audit Findings	<u>Status</u>
07-01 LEASE OF PREMISES - School must obtain approval of the State Board of Finance Prior to Lease of Real Property - Compliance	Repeated
07-02 LEASE OF PREMISES - The QISD Board of Directors must ensure that the terms of the lease between QISD and Artesanos are being complied with - Compliance	Repeated
07-03 LEASE OF PREMISES - The QISD Board of Directors must approve leases entered into between Artesanos and third-parties - Compliance	Repeated
07-04 LEASE OF PREMISES - The QISD Board of Directors must ensure leases entered into between Artesanos and third-parties are for fair market value - Compliance	Repeated
07-06 QISD BOARD CONFLICT OF INTEREST - Involvement of Board member in sub-lease with Artesanos de Questa created an appearance of impropriety - Compliance	Repeated

C. Current Year Audit Findings - Financial Statement Audit

07-01 LEASE OF PREMISES - School must obtain approval of the State Board of Finance Prior to Lease of Real Property - Compliance

Condition

QISD entered into a lease of the La Cinema Elementary School with Artesanos in February 2000, for a term of 24 years at a rate of \$1.00 per year with "in-kind contributions" by Artesanos to QISD valued at \$34,588 per year. To date, QISD has failed to provide evidence of approval of the lease from the State Board of Finance.

Criteria

"[Any sale, trade or lease for a period of more than five years of real property belonging to a . . . school district or any sale, trade or lease of such real property for a consideration of more than twenty-five thousand dollars (\$25,000) shall not be valid unless it is approved *prior to its effective date* by the state board of finance." Section 13-6-2.1(A), NMSA 1978 (emphasis added).

Cause

Appropriate procedures were not followed by management or council when the lease was entered into in 2000. The legal advisor who drew the lease agreement should have insured the approval was obtained from the state board of finance.

Effect

By failing to obtain approval by the State Board of Finance prior to the effective date of the lease, QISD is in direct violation of the requirements of the Laws of the State of New Mexico and the lease is likely invalid as result. QISD could potentially be exposed to liability as a result of its failure to comply with the requirements of the statutes.

Recommendation

QISD should obtain approval of the lease by the State Board of Finance and ratify the lease after the proper approval is obtained. The violation described above has been ongoing since the premises was leased in 2000, therefore, QISD should consult legal council to assist it in obtaining the proper approval and addressing any liability issues that exist as a result.

Response

The QISD Board of Education is presently in litigation to determine the validity of the lease.

07-02 LEASE OF PREMISES - The QISD Board of Directors must ensure that the terms of the lease between QISD and Artesanos are being complied with - Compliance

Condition

Artesanos is currently violating terms of its lease with QISD. Said violations include: use of premises for purposes other than cultural opportunities, Failure to seek written consent for a different use of premises, Failure to maintain the premises in good repair, Failure to pay for all utilities and services, Failure to provide the "in-kind" services as required by the lease, and Failure to seek prior written approval of sublease with Carinos.

Criteria

Pursuant to the Lease Agreement between Artesanos and QISD, Artesanos is responsible for performing in-kind contributions in lieu of paying rent for the facilities. These in-kind contributions include: upkeep of the gym; provide students with arts and crafts classes; assist in vocational education classes; provide after-school tutoring programs; provide a computer lab with internet access for students; provide physical education activities during the school year and during the summer; provide work areas for students with supervision of students by Artesanos staff; and participate in the District's employability program.

Cause

Artesanos has either failed to provide these in-kind contributions to QISD in lieu of paying rent for the facilities, or has failed to provide QISD with proper documentation that it has complied with the in-kind contributions as required. Additionally, the QISD Board has failed to demand that Artesanos provide these services and provide the QISD Board with the proper documentation of compliance.

Effect

The QISD Board lacks proper documentation to evaluate whether Artesanos is in default and therefore has breach of its lease agreement with QISD.

Recommendation

QISD should obtain proper documentation to determine whether Artesanos is complying with the provisions of the lease agreement and providing proper services for QISD students and the Questa community at large. If it is determined that Artesanos is in breach of the lease agreement, QISD should take steps as appropriate under the lease agreement.

Response

The QISD Board of Education is presently in litigation to determine the validity of the lease.

07-03 LEASE OF PREMISES - The QISD Board of Directors must approve leases entered into between Artesanos and third-parties - Compliance

Condition

Artesanos entered into a lease with the Carinos Day Care Center on March 1, 2007. To date, the QISD Board has yet to approve the lease.

Criteria

Pursuant to the Lease Agreement between Artesanos and QISD, any sub-lease of the facilities must be approved by the QISD Board.

Cause

Artesanos executed a lease with the Carinos Day Care Center without the knowledge or consent of the QISD Board. However, the QISD Board was aware that a day care was being installed in the facility and it failed to exercise due diligence to determine the status of the day care and whether the requirements of the lease were being fulfilled.

Effect

By failing the exercise due diligence to ensure that Artesanos was complying with the terms of the lease, the QISD Board allowed Artesanos to sub-lease a portion of the facilities in a manner that was inconsistent with the lease terms and in violation of the Constitution and the Laws of the State of New Mexico.

Recommendation

QISD should review the sub-lease between Artesanos and Carinos Day Care Center and make a determination as to the acceptability of the sub-lease of the premises. If said sub-lease is not acceptable, the QISD Board should take the steps necessary to ensure that the lease is modified so that it is acceptable, or take other appropriate action as allowed by the primary lease and applicable statutes.

Response

The QISD Board of Education is presently in litigation to determine the validity of the lease.

07-04 LEASE OF PREMISES - The QISD Board of Directors must ensure leases entered into between Artesanos and third-parties are for fair market value - Compliance

Condition

Artesanos entered into a lease with the Carinos Day Care Center on March 1, 2007. The terms of the lease called for monthly rental payments of \$933.00, whereas similar rental space was leased to the Forest Service for \$3,900.00 per month. Therefore, the lease agreement with the Carinos Day Care Center was less for fair market value.

Criteria

Pursuant to 1.5.23.10(C), a school district may not lease premises at less than fair market value to a private entity. Furthermore, the New Mexico Constitution, Article IX, Section 14 provides that "[n]either the state nor any county, school district or municipality, . . . , shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association or public or private corporation." QISD counsel, in an opinion letter dated August 28, 2007, has cited case law defining a "donation" as "a 'gift,' an allocation or appropriation of something of value, without consideration." *Village of Deming v. Hosdreg Co.*, 303 P.2d 920 (1956).

Cause

Artesanos executed a lease with the Carinos Day Care Center the terms of which were for monthly rental payments that were acknowledged to be below fair market value. The agreement contemplated allowing the day care center to succeed through a reduced rental agreement and then to review the rental fee agreement annually. However, Carinos Day Care Center was a private organization, and the lease agreement violated provisions of the Public Property Management regulation.

Effect

By indirectly allowing the School District's facilities to be leased for less than fair market value by failing to properly monitor and approve sub-leases executed by Artesanos, the QISD Board allowed a lease to exist that is volatile of applicable regulations as well as the New Mexico Constitution. Such a violation has potentially subjected QISD to liability as the day care center has been in operation since April 2007.

Recommendation

QISD should review the lease between Artesanos and Carinos Day Care Center to ensure that the lease is for fair market value and take whatever steps are necessary to bring the lease into compliance with applicable regulations.

Response

The QISD Board of Education is presently in litigation to determine the validity of the lease.

07-06 QISD BOARD CONFLICT OF INTEREST - Involvement of Board member in sub-lease with Artesanos de Questa created an appearance of impropriety - Compliance

Condition

Board Member, involvement in the Carinos Day Care Center created an appearance of impropriety and a conflict of interest.

Criteria

Section 22-5-5(B), NMSA 1978, provides that "[n]o member of a local school board shall be employed in any capacity by a school district governed by that local school board during the term of office for which the member was elected or appointed."

Cause

Board Member is the owner of the Carinos Day Care Center, a for-profit corporation, operating in the La Cienega Elementary School building and receiving payments from members of the community for childcare. Furthermore, this board member failed to disclose this conflict to the QISD Board when it became apparent that she would be running the day care as a private entity instead of simply assisting in its creation, and she failed to request a waiver of conflict from the QISD Board before proceeding with the day care center.

Effect

Board Member involvement with the Carinos Day Care Center, at a minimum, creates the appearance of impropriety between the day care center and the QISD Board. In addition, Board Member has a conflict of interest between the QISD Board and the day care center.

Recommendation

Board Member should resign her position as QISD Board Member so that the involvement with the Carinos Day Care Center no longer poses a conflict of interest. Alternatively, the QISD Board should hold a public meeting to allow Board Member, the QISD Board, and the community to discuss the conflict of interest and determine whether the conflict should be waived by the QISD Board.

Response

The QISD Board of Education is presently in litigation to determine the validity of the lease. The Board Member involved in the Carinos Day Care Center that created an appearance of impropriety has been censured by the Board of Education.

09-01 Late Audit Report

Condition

The audit report was submitted to the State Auditor after the required deadline of November 15, 2009. The report was received on December 1, 2009.

Criteria

School audits are to be submitted to the State Auditor by November 15 as required by NMAC 2.2.2.9A (1) (d).

Cause

The Auditor submitted the report on November 6, 2009 before the due date of November 15th. A rejection fax was received after the November 15th deadline making the audit report late.

Effect

The users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, etc., do not have timely audit reports and financial statements for their review. Late audit report could have an effect on state and federal funding.

Recommendation

The audit should be filed timely.

Response

We will ask the auditor to submit our audit earlier so required changes to not make our audit late.

D. Current Year Audit Findings - Major Federal Awards Programs

There are no federal award findings.

E. Component Units Findings

Red River Valley Charter School

Prior Year Audit Findings

There were no prior year audit findings

Current Year Audit Findings

There are no current year audit findings.

Roots & Wings Community School

Prior Year Audit Findings

There were no prior year audit findings

Current Year Audit Findings

There are no current year audit findings.

F. Other Required Disclosures

Financial Statement Preparation

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

Exit Conference

An exit conference was held on November 6, 2009 in attendance were Bernie Torres and Nancy Gonzalez, Members, Eric Martinez, Superintendent, Susie Martinez, Business Manager and De'Aun Willoughby, CPA.