

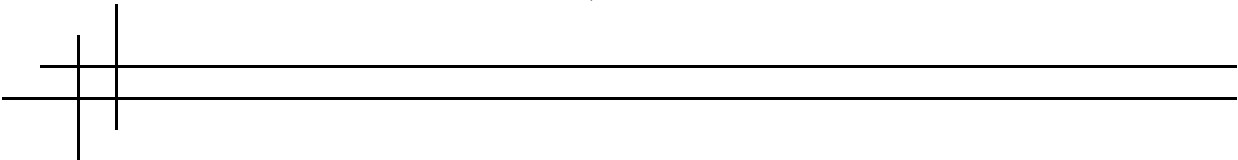


STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9

ANNUAL FINANCIAL REPORT

June 30, 2010

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, 2010

BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Eric 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information and the budgetary comparisons for the general funds of QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9, (District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental and the budgetary comparisons for the major capital project funds, debt service fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund 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, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project 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 our report dated November 11, 2010, 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 *Government 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 purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, 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. 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'Ann Willoughby CPA PC

November 11, 2010

FINANCIAL SECTION

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>	<u>Red River Valley Charter School</u>	<u>Roots & Wings Charter School</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 3,124,383	\$ 4,880	\$ 60,665
Investment	3,226	0	0
Taxes Receivable	13,425	0	0
Due from Grantor	83,274	42,506	24,575
Other Receivables	11,650	0	0
Inventory	5,379	0	0
Total Current Assets	<u>3,241,337</u>	<u>47,386</u>	<u>85,240</u>
Noncurrent Assets			
Capital Assets	22,090,501	299,376	95,784
Less: Accumulated Depreciation	<u>(7,571,750)</u>	<u>(266,945)</u>	<u>(61,259)</u>
Total Noncurrent Assets	<u>14,518,751</u>	<u>32,431</u>	<u>34,525</u>
Total Assets	<u>17,760,088</u>	<u>79,817</u>	<u>119,765</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	13,402	0	0
Accrued Interest	59,053	0	0
Current Amount Due for Bonds	175,000	0	0
Deferred Revenue	48,044	0	0
Compensated Absences	29,002	0	0
Total Current Liabilities	<u>324,501</u>	<u>0</u>	<u>0</u>
Noncurrent Liabilities			
Bonds and Notes, Net	4,299,734	0	0
Total Noncurrent Liabilities	<u>4,299,734</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>4,624,235</u>	<u>0</u>	<u>0</u>
NET ASSETS			
Invested in Capital Assets, net of Related Debt	10,044,017	32,431	34,525
Restricted for:			
Capital Projects	2,551,106	0	0
Debt Service	(48,197)	0	0
Unrestricted	588,927	47,386	85,240
Total Net Assets	<u>\$ 13,135,853</u>	<u>\$ 79,817</u>	<u>\$ 119,765</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, 2010

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	\$ 3,292,742	\$ 45,496	\$ 685,965	\$ 0	\$ (2,561,281)	\$ 0
Support Services-Students	435,967	13,028	70,186	0	(352,753)	0
Support Services-Instruction	121,845	0	26,335	0	(95,510)	0
General Administration	360,977	0	24,607	0	(336,370)	0
School Administration	468,091	0	30,693	0	(437,398)	0
Central Services	257,483	0	31,225	0	(226,258)	0
Operation of Plant	830,461	0	30,295	0	(800,166)	0
Student Transportation	330,466	0	330,741	0	275	0
Food Services Operations	343,330	5,583	370,470	0	32,723	0
Interest on Long-Term Obligations	176,469	0	0	0	(176,469)	0
Total Governmental Activities	<u>6,617,831</u>	<u>64,107</u>	<u>1,600,517</u>	<u>0</u>	<u>(4,953,207)</u>	<u>0</u>
Component Units						
Red River Valley Charter	725,817	1,877	169,542	0	0	(554,398)
Roots & Wings Charter	545,140	0	70,124	0	0	(475,016)
Total Component Units	<u>\$ 1,270,957</u>	<u>\$ 1,877</u>	<u>\$ 239,666</u>	<u>\$ 0</u>	<u>0</u>	<u>(1,029,414)</u>
General Revenues						
Taxes						
Property Taxes, Levied for General Purposes					260,615	0
Property Taxes, Levied for Capital Projects					350,439	0
Property Taxes, Levied for Debt Service					20,028	0
Federal and State aid not restricted to specific purpose						
General					4,265,916	945,421
Capital					56,154	14,833
Interest and investment earnings					2,385	269
Miscellaneous					102,225	22,034
Subtotal, General Revenues					<u>5,057,762</u>	<u>982,557</u>
Change in Net Assets					104,555	(46,857)
Net Assets - beginning					<u>13,031,298</u>	<u>246,439</u>
Net Assets - ending					<u>\$ 13,135,853</u>	<u>\$ 199,582</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, 2010

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
ASSETS			
Cash and Cash Equivalents	\$ 162,965	\$ 16,410	\$ 2,411
Investment	3,226	0	0
Receivables			
Property Taxes	1,276	0	0
Due From Grantor	0	0	0
Other	0	0	0
Interfund Balance	83,274	0	0
Inventory	0	0	0
Total Assets	<u>\$ 250,741</u>	<u>\$ 16,410</u>	<u>\$ 2,411</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	10,909	0	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>10,909</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved For			
Inventory	0	0	0
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unreserved, Undesignated, reported in			
General Fund	239,832	16,410	2,411
Total Fund Balances	<u>239,832</u>	<u>16,410</u>	<u>2,411</u>
Total Liabilities and Fund Balances	<u>\$ 250,741</u>	<u>\$ 16,410</u>	<u>\$ 2,411</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, 2010

	General Fund		Capital Projects	
	Instructional Materials 14000		Bond Building 31100	Senate Bill Nine 31700
ASSETS				
Cash and Cash Equivalents	\$ 18,204	\$	1,511,346	\$ 656,960
Investment	0		0	0
Receivables				
Property Taxes	0		0	6,320
Due From Grantor	0		0	0
Other	0		0	0
Interfund Balance	0		0	0
Inventory	0		0	0
Total Assets	<u>\$ 18,204</u>	\$	<u>1,511,346</u>	<u>\$ 663,280</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Interfund Balance	\$ 0	\$	0	\$ 0
Accounts Payable	0		0	1,549
Current Portion Due				
Principal	0		0	0
Interest	0		0	0
Deferred Revenue	0		0	0
Total Liabilities	<u>0</u>		<u>0</u>	<u>1,549</u>
Fund Balances				
Reserved For				
Inventory	0		0	0
Special Revenue Funds	0		0	0
Capital Improvements	0		1,511,346	661,731
Debt Service	0		0	0
Unreserved, Undesignated, reported in				
General Fund	18,204		0	0
Total Fund Balances	<u>18,204</u>		<u>1,511,346</u>	<u>661,731</u>
Total Liabilities and Fund Balances	<u>\$ 18,204</u>	\$	<u>1,511,346</u>	<u>\$ 663,280</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, 2010

	Capital Project	Debt Service	
	Ed Tech 31900	Ed Tech Debt Service 43000	Other Governmental Funds
ASSETS			
Cash and Cash Equivalents	378,929	56,193	\$ 320,965
Investment	0	0	0
Receivables			
Property Taxes	0	3,243	2,586
Due From Grantor	0	0	83,274
Other	11,650	0	0
Interfund Balance	0	0	0
Inventory	0	0	5,379
Total Assets	<u><u>390,579</u></u>	<u><u>59,436</u></u>	<u><u>\$ 412,204</u></u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	0	0	\$ 83,274
Accounts Payable	900	0	44
Current Portion Due			
Principal	0	175,000	0
Interest	0	11,313	0
Deferred Revenue	11,650	0	36,394
Total Liabilities	<u><u>12,550</u></u>	<u><u>186,313</u></u>	<u><u>119,712</u></u>
Fund Balances			
Reserved For			
Inventory	0	0	5,379
Special Revenue Funds	0	0	208,433
Capital Improvements	378,029	0	0
Debt Service	0	(126,877)	78,680
Unreserved, Undesignated, reported in			
General Fund	0	0	0
Total Fund Balances	<u><u>378,029</u></u>	<u><u>(126,877)</u></u>	<u><u>292,492</u></u>
Total Liabilities and Fund Balances	<u><u>390,579</u></u>	<u><u>59,436</u></u>	<u><u>\$ 412,204</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
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2010

	Total Governmental Funds
	<u> </u>
ASSETS	
Cash and Cash Equivalents	\$ 3,124,383
Investment	3,226
Receivables	
Property Taxes	13,425
Due From Grantor	83,274
Other	11,650
Interfund Balance	83,274
Inventory	5,379
Total Assets	<u>\$ 3,324,611</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Interfund Balance	\$ 83,274
Accounts Payable	13,402
Current Portion Due	
Principal	175,000
Interest	11,313
Deferred Revenue	48,044
Total Liabilities	<u>331,033</u>
 Fund Balances	
Reserved For	
Inventory	5,379
Special Revenue Funds	208,433
Capital Improvements	2,551,106
Debt Service	(48,197)
Unreserved, Undesignated, reported in	
General Fund	276,857
Total Fund Balances	<u>2,993,578</u>
 Total Liabilities and Fund Balances	 <u>\$ 3,324,611</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, 2010

Total Fund Balance - Governmental Funds \$ 2,993,578

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

The cost of capital assets	\$ 22,090,501	
Accumulated depreciation is	<u>(7,571,750)</u>	14,518,751

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>(32,630)</u>	75,266

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	(4,375,000)	
Accrued interest on bonds	(47,740)	
Compensated Absences	<u>(29,002)</u>	<u>(4,451,742)</u>

Total net assets - governmental activities \$ 13,135,853

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, 2010

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Revenues			
Property Taxes	\$ 81,252	\$ 0	\$ 0
Investment Income	417	10	0
Fees	18,704	0	0
State & Local Grants	4,215,518	0	319,952
Federal Grants	36,984	0	0
Miscellaneous	54,545	3,000	0
Total Revenues	4,407,420	3,010	319,952
Expenditures			
Current			
Instruction	2,188,654	0	0
Support Services-Students	364,296	0	0
Support Services-Instruction	104,424	0	0
Support Services-General Administration	316,884	0	0
Support Services-School Administration	437,101	0	0
Central Services	227,631	0	0
Operation & Maintenance of Plant	659,490	18,046	0
Student Transportation	0	0	319,677
Food Services Operations	56,419	0	0
Capital Outlay	103,665	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	4,458,564	18,046	319,677
Excess (Deficiency) of Revenues Over Expenditures	(51,144)	(15,036)	275
Fund Balances at Beginning of Year	290,976	31,446	2,136
Fund Balances End of Year	\$ 239,832	\$ 16,410	\$ 2,411

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, 2010

	General Fund		Capital Projects	
	Instructional		Bond Building	Senate
	Materials			Bill Nine
	14000		31100	31700
Revenues				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 383,416
Investment Income	0		41	1,624
Fees	0		0	0
State & Local Grants	16,212		0	13,414
Federal Grants	0		0	0
Miscellaneous	148		0	10,049
Total Revenues	16,360		41	408,503
Expenditures				
Current				
Instruction	23,901		4,304	0
Support Services-Students	0		0	0
Support Services-Instruction	0		0	0
Support Services-General Administration	0		8,998	3,844
Support Services-School Administration	0		0	0
Central Services	0		0	0
Operation & Maintenance of Plant	0		0	127,504
Student Transportation	0		0	0
Food Services Operations	0		0	0
Capital Outlay	0		3,191,240	88,157
Debt Service				
Principal	0		0	0
Interest	0		0	0
Bond Issue Costs	0		0	0
Total Expenditures	23,901		3,204,542	219,505
Excess (Deficiency) of Revenues				
Over Expenditures	(7,541)		(3,204,501)	188,998
Fund Balances at Beginning of Year	25,745		4,715,847	472,733
Fund Balances End of Year	\$ 18,204	\$ 1,511,346	\$ 661,731	

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, 2010

	Capital		
	Project	Debt Service	
	Ed Tech 31900	Ed Tech Debt Service 43000	Other Governmental Funds
Revenues			
Property Taxes	\$ 0	\$ 29,810	\$ 185,401
Investment Income	243	0	50
Fees	0	0	45,403
State & Local Grants	0	0	169,747
Federal Grants	0	0	1,111,884
Miscellaneous	34,275	0	208
Total Revenues	<u>34,518</u>	<u>29,810</u>	<u>1,512,693</u>
Expenditures			
Current			
Instruction	58,644	0	696,155
Support Services-Students	0	0	71,671
Support Services-Instruction	0	0	11,427
Support Services-General Administration	0	310	17,858
Support Services-School Administration	0	0	30,990
Central Services	0	0	19,278
Operation & Maintenance of Plant	0	0	12,135
Student Transportation	0	0	10,789
Food Services Operations	0	0	285,539
Capital Outlay	5,077	0	103,428
Debt Service			
Principal	0	175,000	0
Interest	0	22,044	109,405
Bond Issue Costs	0	0	0
Total Expenditures	<u>63,721</u>	<u>197,354</u>	<u>1,368,675</u>
Excess (Deficiency) of Revenues Over Expenditures	(29,203)	(167,544)	144,018
Fund Balances at Beginning of Year	<u>407,232</u>	<u>40,667</u>	<u>148,474</u>
Fund Balances End of Year	<u>\$ 378,029</u>	<u>\$ (126,877)</u>	<u>\$ 292,492</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, 2010

	Total Governmental Funds
Revenues	
Property Taxes	\$ 679,879
Investment Income	2,385
Fees	64,107
State & Local Grants	4,734,843
Federal Grants	1,148,868
Miscellaneous	102,225
Total Revenues	<u>6,732,307</u>
Expenditures	
Current	
Instruction	2,971,658
Support Services-Students	435,967
Support Services-Instruction	115,851
Support Services-General Administration	347,894
Support Services-School Administration	468,091
Central Services	246,909
Operation & Maintenance of Plant	817,175
Student Transportation	330,466
Food Services Operations	341,958
Capital Outlay	3,491,567
Debt Service	
Principal	175,000
Interest	131,449
Bond Issue Costs	0
Total Expenditures	<u>9,873,985</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,141,678)
Fund Balances at Beginning of Year	<u>6,135,256</u>
Fund Balances End of Year	<u>\$ 2,993,578</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, 2010

Excess (Deficiency) of Revenues Over Expenditures \$ (3,141,678)

Amounts reported for Governmental Activities in the Statement of Activities are different 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. (48,797)

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.

Depreciation expense	\$ (336,391)	
Capital Outlays	<u>3,491,567</u>	3,155,176

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. (11,947)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (33,073)

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.

Compensated Absences June 30, 2009	38,876	
Compensated Absences June 30, 2010	<u>(29,002)</u>	<u>9,874</u>

Changes in Net Assets of Governmental Activities \$ 104,555

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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Property Taxes	\$ 71,764	\$ 71,764	\$ 81,473	\$ 9,709
Investment Income	1,480	1,480	417	(1,063)
State & Local Grants	4,391,124	4,210,910	4,215,518	4,608
Federal Grants	34,393	34,393	35,983	1,590
Miscellaneous	6,610	49,432	78,469	29,037
Total Revenues	4,505,371	4,367,979	4,411,860	43,881
Expenditures				
Instruction				
Personnel Services	1,481,368	1,432,825	1,426,509	6,316
Employee Benefits	522,684	459,407	456,603	2,804
Professional & Tech Services	11,000	15,018	12,586	2,432
Other Purchased Services	73,775	137,600	136,416	1,184
Supplies	33,500	130,519	117,167	13,352
Supply Assets	12,605	40,068	40,067	1
Total Instruction	2,134,932	2,215,437	2,189,348	26,089
Support Services-Students				
Personnel Services	145,298	171,983	169,427	2,556
Employee Benefits	52,911	54,310	52,874	1,436
Professional & Tech Services	123,725	142,837	137,357	5,480
Purchased Services	885	885	232	653
Supplies	1,580	3,129	1,826	1,303
Supply Assets	2,500	14,985	2,580	12,405
Total Support Services-Students	326,899	388,129	364,296	23,833
Support Services-Instruction				
Personnel Services	80,285	82,055	82,055	0
Employee Benefits	17,827	16,541	16,431	110
Professional & Tech Services	925	199	199	0
Purchased Services	890	450	221	229
Supplies	1,560	4,977	4,829	148
Supply Assets	2,500	960	960	0
Total Support Services-Instruction	103,987	105,182	104,695	487
Support Services-General Administration				
Personnel Services	136,014	147,037	147,036	1
Employee Benefits	45,705	45,142	45,086	56
Professional & Tech Services	133,816	89,882	89,907	(25)
Purchased Services	47,881	21,857	21,850	7
Supplies	13,514	12,715	12,704	11
Supply Assets	2,500	6,237	6,236	1
Total Support Services-General Administration	\$ 379,430	\$ 322,870	\$ 322,819	\$ 51

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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 406,778	\$ 308,951	\$ 308,948	\$ 3
Employee Benefits	152,114	110,858	108,268	2,590
Professional & Tech Services	1,400	1,512	386	1,126
Purchased Services	4,500	4,500	3,950	550
Supplies	6,270	9,670	9,336	334
Property	2,500	6,250	6,240	10
Total Support Services-School Administration	<u>573,562</u>	<u>441,741</u>	<u>437,128</u>	<u>4,613</u>
Central Services				
Personnel Services	132,715	133,135	132,422	713
Employee Benefits	56,338	53,639	51,404	2,235
Professional & Tech Services	1,070	3,349	3,089	260
Purchased Services	2,355	2,355	2,194	161
Supplies	7,405	20,215	20,193	22
Fixed Assets	0	0	98,230	(98,230)
Supply Assets	2,500	122,530	18,330	104,200
Total Central Services	<u>202,383</u>	<u>335,223</u>	<u>325,862</u>	<u>9,361</u>
Operation & Maintenance of Plant				
Personnel Services	197,215	174,574	173,834	740
Employee Benefits	77,454	68,096	67,165	931
Professional & Tech Services	0	2,360	2,360	0
Purchased Property Services	323,477	261,775	259,087	2,688
Purchased Services	160,537	154,783	154,711	72
Supplies	1,000	3,324	3,321	3
Supply Assets	3,000	3,376	3,376	0
Total Operation & Maintenance of Plant	<u>762,683</u>	<u>668,288</u>	<u>663,854</u>	<u>4,434</u>
Student Transportation				
Fixed Assets	0	5,436	5,435	1
Total Student Transportation	<u>0</u>	<u>5,436</u>	<u>5,435</u>	<u>1</u>
Food Service				
Professional & Tech Services	1,550	1,550	305	1,245
Supplies	48,161	56,114	56,114	0
Total Food Service	<u>49,711</u>	<u>57,664</u>	<u>56,419</u>	<u>1,245</u>
Total Expenditures	<u>\$ 4,533,587</u>	<u>\$ 4,539,970</u>	<u>\$ 4,469,856</u>	<u>\$ 70,113</u>

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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>(28,216)</u>	\$ <u>(171,991)</u>	\$ <u>(57,996)</u>	\$ <u>113,994</u>
Other Financing Sources (Uses)				
Transfers	<u>0</u>	<u>0</u>	<u>(4,219)</u>	<u>(4,219)</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(4,219)</u>	<u>(4,219)</u>
Net Change in Fund Balance	(28,216)	(171,991)	(62,215)	109,775
Cash Balance Beginning of Year	<u>311,680</u>	<u>311,680</u>	<u>311,680</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>283,464</u></u>	\$ <u><u>139,689</u></u>	\$ <u><u>249,465</u></u>	\$ <u><u>109,775</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (62,215)	
Net change in Taxes Receivable			(6,260)	
Net change in Accounts Payable			11,292	
Net change in Deferred Taxes			6,039	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>(51,144)</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment Income	\$ 66	\$ 66	\$ 10	\$ (56)
Miscellaneous	3,000	3,000	3,000	0
Total Revenues	<u>3,066</u>	<u>3,066</u>	<u>3,010</u>	<u>(56)</u>
Expenditures				
Operation & Maintenance of Plant				
Purchased Property Services	9,100	21,547	18,046	3,501
Total Operation & Maintenance of Plant	<u>9,100</u>	<u>21,547</u>	<u>18,046</u>	<u>3,501</u>
Total Expenditures	<u>9,100</u>	<u>21,547</u>	<u>18,046</u>	<u>3,501</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,034)	(18,481)	(15,036)	(3,557)
Cash Balance Beginning of Year	<u>31,446</u>	<u>31,446</u>	<u>31,446</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 25,412</u>	<u>\$ 12,965</u>	<u>\$ 16,410</u>	<u>\$ (3,557)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (15,036)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (15,036)</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 327,054	\$ 319,952	\$ 319,952	\$ 0
Total Revenues	<u>327,054</u>	<u>319,952</u>	<u>319,952</u>	<u>0</u>
Expenditures				
Student Transportation				
Personnel Services	63,440	62,909	62,891	18
Employee Benefits	44,492	45,105	45,066	39
Purchased Property Services	40,626	40,627	40,626	1
Other Purchased Services	178,496	163,618	163,593	25
Supplies	0	486	400	86
Supply Assets	0	7,207	7,101	106
Total Student Transportation	<u>327,054</u>	<u>319,952</u>	<u>319,677</u>	<u>83</u>
Total Expenditures	<u>327,054</u>	<u>319,952</u>	<u>319,677</u>	<u>83</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	275	(83)
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>\$ 2,136</u>	<u>\$ 2,136</u>	<u>\$ 2,411</u>	<u>\$ (83)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 275	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 275</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 16,212	\$ 16,212	\$ 16,212	\$ 0
Miscellaneous	0	0	148	148
Total Revenues	<u>16,212</u>	<u>16,212</u>	<u>16,360</u>	<u>148</u>
Expenditures				
Instruction				
Supplies	<u>44,957</u>	<u>44,957</u>	<u>31,264</u>	<u>13,693</u>
Total Instruction	<u>44,957</u>	<u>44,957</u>	<u>31,264</u>	<u>13,693</u>
Total Expenditures	<u>44,957</u>	<u>44,957</u>	<u>31,264</u>	<u>13,693</u>
Excess (Deficiency) of Revenues Over Expenditures	(28,745)	(28,745)	(14,904)	13,841
Cash Balance Beginning of Year	<u>33,107</u>	<u>33,107</u>	<u>33,107</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,362</u>	<u>\$ 4,362</u>	<u>\$ 18,203</u>	<u>\$ 13,841</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (14,904)	
Net Change in Accounts Payables			<u>7,363</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (7,541)</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, 2010

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 76,168
Total Assets	<u>\$ 76,168</u>
Liabilities	
Deposits Held for Others	\$ 76,168
Total Liabilities	<u>\$ 76,168</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. Financial statements for the component units can be obtained at the above mentioned addresses.

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.

Major Capital Project Funds

Bond Building (31100). The revenues are derived from a School Building Bond Issue. The expenditures are restricted to major capital improvements.

Senate Bill Nine (31700). The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

Educational Technology Equipment 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.

Major 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:

<u>Years of Service</u>	<u>Days accrued per year</u>
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, not 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:

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.

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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 unused 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

NOTE 3: DETAILED NOTES ON ALL FUNDS

A. Deposits and 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

<u>Name of Account</u>	Balance Per Bank 06-30-10	Reconciled Balance	<u>Type</u>
Payroll Clearing	\$ 337,740	\$ 0	Checking
Accounts Payable Clearing	581,145	0	Checking
Cafeteria	87,576	88,348	Checking
Teacherage	16,410	16,410	Checking
General Operational	156,961	162,290	Checking
Debt Service	26,078	26,078	Checking
Ed Technology	595,333	595,333	Checking
Federal Projects	83,076	69,662	Checking
Athletics	1,972	1,972	Checking
Activity-non budgeted	56,168	56,168	Checking
Capital Projects	2,150,440	2,163,854	Checking
Questa Ind Schools	10,000	10,000	Savings
Questa Ind Schools	10,000	10,000	Savings
TOTAL Deposited	<u>4,112,899</u>	<u>\$ 3,200,115</u>	
Less: FDIC Coverage	(4,112,899)		
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	\$ 4,112,899
Collateralized:	
Collateral held by the pledging bank in District's name	0
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 4,112,899</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, 2010 none of the District's bank balance of \$ 4,112,899 was exposed to custodial credit risk.

New Mexico State Treasurer

<u>Name of Account</u>	<u>Balance 6-30-10</u>	<u>Reconciled Balance</u>	<u>Type</u>
Questa Independent School	\$ 2,313	\$ 2,313	Investment
Questa Independent School	1,349	1,349	Investment
TOTAL Deposited	<u>\$ 3,662</u>	<u>\$ 3,662</u>	

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

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. However, our portfolio is posted on the State Treasurer's website www.stonm.org and available for review by participants at any time.

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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, 2010, the LGIP WAM is 50 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.

Component Units: Deposits and Investments
Red River Charter School

The School 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.

People's Bank	Balance Per Bank 06-30-10	Reconciled Balance	Type
<u>Name of Account</u>			
Red River Charter School	\$ 36,078	\$ 4,880	Checking
TOTAL Deposited	36,078	<u>4,880</u>	
Less: FDIC Coverage	<u>(36,078)</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>	Bank Balance
Insured	\$ 36,078
Collateralized:	
Collateral held by the pledging bank in School's name	0
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 36,078</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, 2010 none of the School's bank balance of \$36,078 was exposed to custodial credit risk.

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Roots & Wings Charter School

The School 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.

First Community Bank	Balance	Reconciled	Type
<u>Name of Account</u>	Per Bank	Balance	
	06-30-10		
Roots and Wings	\$ 112,715	\$ 60,665	Checking
TOTAL Deposited	112,715	<u>60,665</u>	
Less: FDIC Coverage	<u>(112,715)</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>	Bank
	Balance
Insured	\$ 112,715
Collateralized:	
Collateral held by the pledging bank in	
School's name	0
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 112,715</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, 2010 none of the School's bank balance of \$112,715 was exposed to custodial credit risk.

B. Receivables

Following is a schedule of receivables as of June 30, 2010:

	General	Senate	Ed Tech	Other
	Fund	Bill Nine	Debt Service	Governmental
	11000	31700	43000	
Property Taxes				
Available	\$ 1,276	\$ 6,320	\$ 3,243	\$ 2,586
Due From Grantors:				
State Agencies	0	0		1,510
Federal Agencies	0	0	44,143	81,764
	<u>\$ 1,276</u>	<u>\$ 6,320</u>	<u>\$ 3,243</u>	<u>\$ 85,860</u>

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C. Interfund Receivables, Payables and Transfers

Interfund Balances during the year ending June 30, 2010 were as follows:

Due to General Fund from:		
Other Governmental Funds	\$	<u>83,274</u>
Totals	\$	<u><u>83,274</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, 2010 is as follows:

	<u>Balance 6/30/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/10</u>
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	\$ 17,279,549	\$ 3,262,468	\$ 0	\$ 20,542,017
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,699,896</u>	<u>229,099</u>	<u>397,922</u>	<u>1,531,073</u>
Total Capital Assets, being Depreciated	<u>18,979,445</u>	<u>3,491,567</u>	<u>397,922</u>	<u>22,073,090</u>
Total Capital Assets	<u>18,996,856</u>	<u>3,491,567</u>	<u>397,922</u>	<u>22,090,501</u>
Less Accumulated Depreciation				
Buildings & Improvements	6,383,320	262,385	0	6,645,705
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,249,960</u>	<u>74,006</u>	<u>397,922</u>	<u>926,044</u>
Total Accumulated Depreciation	<u>7,633,280</u>	<u>336,391</u>	<u>397,922</u>	<u>7,571,749</u>
Capital Assets, net	<u>\$ 11,363,576</u>	<u>\$ 3,155,176</u>	<u>\$ 0</u>	<u>\$ 14,518,752</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 321,084
Support Instruction	5,994
General Administration	5,369
Operation of Plant	2,572
Food Services	1,372
Total depreciation expenses	<u>\$ 336,391</u>

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Component Units:

Red River Charter School

Capital Assets Balances and Activity for the Year Ended June 30, 2010, is as follows:

	Balance 6/30/09	Additions	Deletions	Balance 6/30/10
Governmental Activities				
Capital Assets not being Depreciated				
Construction in Progress	\$ 0	\$ 14,108	\$ 0	\$ 14,108
Total Capital Assets not being Depreciated	<u>0</u>	<u>14,108</u>	<u>0</u>	<u>14,108</u>
Capital Assets, being Depreciated				
Buildings & Improvements	79,052	0	0	79,052
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>206,215</u>	<u>0</u>	<u>0</u>	<u>206,215</u>
Total Capital Assets, being Depreciated	<u>285,268</u>	<u>0</u>	<u>0</u>	<u>285,268</u>
Total Capital Assets	<u>\$ 285,268</u>	<u>\$ 14,108</u>	<u>\$ 0</u>	<u>\$ 299,376</u>
Less Accumulated Depreciation				
Buildings & Improvements	\$ 37,744	\$ 5,789	\$ 0	\$ 43,533
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>204,968</u>	<u>18,445</u>	<u>0</u>	<u>223,413</u>
Total Accumulated Depreciation	<u>242,712</u>	<u>24,234</u>	<u>0</u>	<u>266,946</u>
Capital Assets, net	<u>\$ 42,556</u>	<u>\$ (10,126)</u>	<u>\$ 0</u>	<u>\$ 32,430</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 24,234
Total depreciation expenses	<u>\$ 24,234</u>

Roots & Wings Charter School

Capital Assets Balances and Activity for the Year Ended June 30, 2010, is as follows:

	Balance 6/30/09	Additions	Deletions	Balance 6/30/10
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 0	\$ 0	\$ 0	\$ 0
Total Capital Assets not being Depreciated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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Capital Assets, being Depreciated				
Buildings & Improvements	7,860	0	0	7,860
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>87,924</u>	<u>0</u>	<u>0</u>	<u>87,924</u>
Total Capital Assets, being Depreciated	<u>95,784</u>	<u>0</u>	<u>0</u>	<u>95,784</u>
Total Capital Assets	<u>95,784</u>	<u>0</u>	<u>0</u>	<u>95,784</u>
Less Accumulated Depreciation				
Buildings & Improvements	13,723	2,244	0	15,967
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>41,588</u>	<u>3,704</u>	<u>0</u>	<u>45,292</u>
Total Accumulated Depreciation	<u>55,311</u>	<u>5,948</u>	<u>0</u>	<u>61,259</u>
Capital Assets, net	<u>\$ 40,473</u>	<u>\$ (5,948)</u>	<u>\$ 0</u>	<u>\$ 34,526</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ <u>5,948</u>
Total depreciation expenses	\$ <u>5,948</u>

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, 2010:

	Ed Tech Debt Service 43000	Other Governmental
Property Taxes	\$ 0	\$ 0
Federal Grants	0	36,394
Other Receivable	<u>11,650</u>	<u>0</u>
TOTAL Deferred Revenues	<u>\$ 11,650</u>	<u>\$ 36,394</u>

F. Long-Term Debt

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

	Balance 6/30/09	Additions	Reductions	Balance 6/30/10	Amounts Due Within One Year
Governmental Activities					
Education Technology Notes	\$ 4,550,000	\$ 0	\$ 175,000	\$ 4,375,000	\$ 175,000
Total Notes	<u>4,550,000</u>	<u>0</u>	<u>175,000</u>	<u>4,375,000</u>	<u>175,000</u>

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Other Liabilities					
Compensated					
Absences	38,876	29,283	39,157	29,002	0
Total Other					
Liabilities	38,876	29,283	39,157	29,002	0
Long-Term Liabilities	\$ 4,588,876	\$ 29,283	\$ 214,157	\$ 4,404,002	\$ 175,000

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.

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	900,000	6.70%	\$ 375,000
2009	5/26/2009	4,000,000	4.80%	4,000,000
				\$ 4,375,000

The annual requirements to amortize the general obligation bonds as of June 30, 2010, including interest payments are as follows:

	Principal	Interest	Total
2011	\$ 175,000	\$ 154,534	\$ 329,534
2012	200,000	147,171	347,171
2013	0	143,221	143,221
2014	170,000	187,920	357,920
2015	180,000	136,721	316,721
2016-2020	1,045,000	604,319	1,649,319
2021-2025	1,315,000	401,381	1,716,381
2026-2029	1,290,000	110,237	1,400,237
	\$ 4,375,000	\$ 1,885,504	\$ 6,260,504

NOTE 4: OTHER INFORMATION

A. Retirement Plan

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

Effective July 1, 2009, plan members were required by state statute to contribute 7.9% of their gross salary if they earn \$20,000 or less annually, and plan members earning more than \$20,000 annually were required to contribute 9.4% of their gross salary. The District was required to contribute 12.4% of the gross covered salary for employees earning \$20,000 or less, and 10.9% of the gross covered salary of employees earning more than \$20,000 annually. The employer contribution will increase .75% each year until July 1, 2011 when the employer contribution will be 13.9% of the gross covered salary. 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, 2010, 2009, and 2008, were \$588,779, \$590,425 and \$,632,339 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 Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the RHCA, Albuquerque State Government Center, 401 Roma, NW, Suite 200, Albuquerque, New Mexico 87102.

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

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

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2011	1.666%	0.833%
2012	1.834%	0.917%
2013	2.000%	1.000%

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

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

The District's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$56,558, \$59,156 and \$65,868 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, and

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, 2010.

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.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
Notes to the Financial Statements
June 30, 2010

The REC passed-through \$161,211, 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
24109	IDEA Preschool
27200	State Directed

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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment Income	\$ 8,500	\$ 8,500	\$ 41	\$ (8,459)
Total Revenues	<u>8,500</u>	<u>8,500</u>	<u>41</u>	<u>(8,459)</u>
Expenditures				
Instruction				
Supply Assets	<u>5,000</u>	<u>5,000</u>	<u>4,305</u>	<u>695</u>
Total Instruction	<u>5,000</u>	<u>5,000</u>	<u>4,305</u>	<u>695</u>
Capital Outlay				
Professional & Tech Services	50,000	50,000	26,900	23,100
Purchased Property Services	<u>5,291,514</u>	<u>5,291,514</u>	<u>3,173,337</u>	<u>2,118,177</u>
Total Capital Outlay	<u>5,341,514</u>	<u>5,341,514</u>	<u>3,200,237</u>	<u>2,141,277</u>
Total Expenditures	<u>5,346,514</u>	<u>5,346,514</u>	<u>3,204,542</u>	<u>2,141,972</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,338,014)	(5,338,014)	(3,204,501)	2,133,513
Cash Balance Beginning of Year	<u>4,715,847</u>	<u>4,715,847</u>	<u>4,715,847</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (622,167)</u></u>	<u><u>\$ (622,167)</u></u>	<u><u>\$ 1,511,346</u></u>	<u><u>\$ 2,133,513</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (3,204,501)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ (3,204,501)</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
CAPITAL PROJECT FUND-SENATE BILL NINE-31700
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Property Taxes	\$ 342,333	\$ 342,333	\$ 384,362	\$ 42,029
Investment Income	1,125	1,125	1,624	499
State & Local Grants	0	13,414	13,414	0
Miscellaneous	0	0	10,049	10,049
Total Revenues	<u>343,458</u>	<u>356,872</u>	<u>409,449</u>	<u>52,577</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>3,424</u>	<u>3,844</u>	<u>3,844</u>	<u>0</u>
Total Support Services-General Administration	<u>3,424</u>	<u>3,844</u>	<u>3,844</u>	<u>0</u>
Operation & Maintenance of Plant				
Purchased Property Services	65,600	100,326	100,326	0
Supplies	20,192	20,192	16,139	4,053
Supply Assets	<u>43,776</u>	<u>43,356</u>	<u>9,795</u>	<u>33,561</u>
Total Operation & Maintenance of Plant	<u>129,568</u>	<u>163,874</u>	<u>126,260</u>	<u>37,614</u>
Capital Outlay				
Purchased Services	570,000	501,691	3,360	498,331
Land Improvements	50,000	59,109	55,681	3,428
Fixed Assets	0	37,888	29,116	8,772
Total Capital Outlay	<u>620,000</u>	<u>598,688</u>	<u>88,157</u>	<u>510,531</u>
Total Expenditures	<u>752,992</u>	<u>766,406</u>	<u>218,261</u>	<u>548,145</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(409,534)</u>	<u>(409,534)</u>	<u>191,188</u>	<u>600,722</u>
Cash Balance Beginning of Year	<u>465,772</u>	<u>465,772</u>	<u>465,772</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 56,238</u>	<u>\$ 56,238</u>	<u>\$ 656,960</u>	<u>\$ 600,722</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 191,188	
Net change in Taxes Receivable			(33,924)	
Net change in Accounts Payable			(1,243)	
Net change in Deferred Revenue			32,977	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 188,998</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-EDUCATIONAL TECHNOLOGY EQUIPMENT ACT-31900

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment Income	\$ 4,501	\$ 4,501	\$ 243	\$ (4,258)
Miscellaneous	0	0	34,275	34,275
Total Revenues	<u>4,501</u>	<u>4,501</u>	<u>34,518</u>	<u>30,017</u>
Expenditures				
Instruction				
Professional & Tech Services	66,600	66,600	50,514	16,086
Supplies	15,450	15,450	3,403	12,047
Fixed Assets	246,452	246,452	5,077	241,375
Supply Assets	0	83,231	3,827	79,404
Total Instruction	<u>328,502</u>	<u>411,733</u>	<u>62,821</u>	<u>348,912</u>
Total Expenditures	<u>328,502</u>	<u>411,733</u>	<u>62,821</u>	<u>348,912</u>
Excess (Deficiency) of Revenues Over Expenditures	(324,001)	(407,232)	(28,303)	378,929
Cash Balance Beginning of Year	<u>407,232</u>	<u>407,232</u>	<u>407,232</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 83,231</u>	<u>\$ 0</u>	<u>\$ 378,929</u>	<u>\$ 378,929</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (28,303)	
Net change in Receivables			0	
Net change in Accounts Payable			(900)	
Net change in Deferred Revenue			0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (29,203)</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 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Property Taxes	\$ 199,744	\$ 199,744	\$ 31,048	\$ (168,696)
Total Revenues	<u>199,744</u>	<u>199,744</u>	<u>31,048</u>	<u>(168,696)</u>
Expenditures				
Support Services- General Administration				
Professional & Tech Services	1,998	1,998	310	1,688
Total Support Services- General Administration	<u>1,998</u>	<u>1,998</u>	<u>310</u>	<u>1,688</u>
Debt Service				
Principal	175,000	175,000	175,000	0
Interest	<u>24,744</u>	<u>24,744</u>	<u>24,744</u>	<u>0</u>
Total Debt Service	<u>199,744</u>	<u>199,744</u>	<u>199,744</u>	<u>0</u>
Total Expenditures	<u>201,742</u>	<u>201,742</u>	<u>200,054</u>	<u>1,688</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,998)	(1,998)	(169,006)	(167,008)
Cash Balance Beginning of Year	<u>225,199</u>	<u>225,199</u>	<u>225,199</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 223,201</u>	<u>\$ 223,201</u>	<u>\$ 56,193</u>	<u>\$ (167,008)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (169,006)	
Net change in Taxes Receivable			(7,745)	
Net change in Interest			2,700	
Net change in Deferred Taxes			6,507	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (167,544)</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.

Fresh Fruits & Vegetables (24118). To account for a Federal grant to provide a variety of free fresh fruits and vegetables to children to help create a healthier school environment. Funding is authorized by the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Act, signed in November 2005, Public Law 109-97.

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.

NONMAJOR FUNDS

Teacher Training Title II-A (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).

Safe & Drug Free Title IV-A (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.*).

Title I Recovery Act (24201). To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

IDEA, Part B Recovery Act (24206). 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 American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

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.

State Fiscal Stabilization Program Fund (25250). The objectives of this grant are to support and restore funding for elementary and secondary education, to avoid reductions in budgets for education and other essential services in exchange for a commitment to advance essential education reforms. The fund was created by grant provisions.

A+ for Energy (26179). To account for a local grant to reward the School of excellent performance. The authority for the special revenue fund is by grant provisions.

GO Student Library Fund (27105). To provide funding for the purchase of library books. The fund was created by the authority of state grant provision.

NONMAJOR FUNDS

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 Instruction (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.

Beginning Teacher Mentoring Program (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.

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.

SB 301 GO Bond (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 how to protect themselves from further damage to their skin. The fund was created by state grant provisions.

NONMAJOR FUNDS

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.

Yes I Can (29102). To account for a grant to be used for field trips and materials and supplies for activities and classes that promote inclusion of students with and without disabilities using the "Yes I Can" curriculum. 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.

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, 2010

	Special Revenue		
	Food Service 21000	Athletics 22000	Title I 24101
ASSETS			
Cash and Cash Equivalents	\$ 88,346	\$ 1,972	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	13,200
Other	0	0	0
Inventory	5,379	0	0
Total Assets	<u>\$ 93,725</u>	<u>\$ 1,972</u>	<u>\$ 13,200</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 13,200
Accounts Payable	44	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>44</u>	<u>0</u>	<u>13,200</u>
Fund Balances			
Reserved For:			
Inventory	5,379	0	0
Special Revenue	88,302	1,972	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>93,681</u>	<u>1,972</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 93,725</u>	<u>\$ 1,972</u>	<u>\$ 13,200</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, 2010

	Special Revenue		
	IDEA, Part B Entitlement 24106	IDEA, Part B Discretionary 24107	IDEA Preschool 24109
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 558	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	29,298	0	0
Other			
Inventory	0	0	0
Total Assets	<u>\$ 29,298</u>	<u>\$ 558</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 29,298	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	558	0
Total Liabilities	<u>29,298</u>	<u>558</u>	<u>0</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Special Revenue	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 29,298</u>	<u>\$ 558</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 Balance Sheet
June 30, 2010

	Special Revenue		
	Fresh Fruits & Vegetables 24118	Title V 24150	English Language Acquisition 24153
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 166	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	679	0	10,992
Other	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 679</u>	<u>\$ 166</u>	<u>\$ 10,992</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 679	\$ 0	\$ 10,992
Accounts Payable	0	0	0
Deferred Revenue	0	166	0
Total Liabilities	<u>679</u>	<u>166</u>	<u>10,992</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Special Revenue	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 679</u>	<u>\$ 166</u>	<u>\$ 10,992</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, 2010

	Special Revenue		
	Teacher Training Title II 24154	Safe & Drug Free Title IV 24157	Reading First 24167
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 342
Receivables			
Property Taxes	0	0	0
Due From Grantor	2,520	130	0
Other	0		
Inventory	0	0	0
Total Assets	<u>\$ 2,520</u>	<u>\$ 130</u>	<u>\$ 342</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 2,520	\$ 130	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	342
Total Liabilities	<u>2,520</u>	<u>130</u>	<u>342</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Special Revenue	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 2,520</u>	<u>\$ 130</u>	<u>\$ 342</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, 2010

	Special Revenue		
	Title I Recovery Act 24201	IDEA Part B Recovery Act 24206	Medicaid 25153
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 60,459
Receivables			
Property Taxes	0	0	0
Due From Grantor	21,207	3,738	0
Other	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 21,207</u>	<u>\$ 3,738</u>	<u>\$ 60,459</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 21,207	\$ 3,738	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>21,207</u>	<u>3,738</u>	<u>0</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Special Revenue	0	0	60,459
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>60,459</u>
Total Liabilities and Fund Balance	<u>\$ 21,207</u>	<u>\$ 3,738</u>	<u>\$ 60,459</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, 2010

	Special Revenue		
	Rural Education Achievement Program 25233	State Fiscal Stabilization Program Fund 25250	A+ for Energy 26179
ASSETS			
Cash and Cash Equivalents	\$ 17,435	\$ 1,614	\$ 3,817
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Other	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 17,435</u>	<u>\$ 1,614</u>	<u>\$ 3,817</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	17,435	1,614	0
Total Liabilities	<u>17,435</u>	<u>1,614</u>	<u>0</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Special Revenue	0		3,817
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>3,817</u>
Total Liabilities and Fund Balance	<u>\$ 17,435</u>	<u>\$ 1,614</u>	<u>\$ 3,817</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, 2010

	Special Revenue		
	GO Student Library Fund 27105	Technology For Education 27117	Incentives for School Improvements 27138
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 7,731	\$ 10,076
Receivables			
Property Taxes	0	0	0
Due From Grantor	1,510	0	0
Other	0	0	0
Inventory	0	0	0
Total Assets	\$ 1,510	\$ 7,731	\$ 10,076
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 1,510	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	1,510	0	0
Fund Balances			
Reserved For:			
Inventory	0	0	0
Special Revenue	0	7,731	10,076
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balance	0	7,731	10,076
Total Liabilities and Fund Balance	\$ 1,510	\$ 7,731	\$ 10,076

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, 2010

	Special Revenue		
	Pre K Initiative Instruction 27149	Beginning Teacher Mentoring Program 27154	Breakfast in Elementary 27155
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 1	\$ 36
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Other	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ 36</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Special Revenue	0	1	36
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>1</u>	<u>36</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 1</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, 2010

	Special Revenue		
	Kindergarten 3-Plus 27166	Pre Kindergarten Special 27169	SB 301 GO Bond 27170
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Other	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Special Revenue	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<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 Balance Sheet
June 30, 2010

	Special Revenue		
	State Directed Activities 27200	Library Book Fund 27549	Sun Safety 28146
ASSETS			
Cash and Cash Equivalents	\$ 16,279	\$ 0	\$ 4,652
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Other	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 16,279</u>	<u>\$ 0</u>	<u>\$ 4,652</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	16,279	0	0
Total Liabilities	<u>16,279</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Special Revenue	0	0	4,652
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>4,652</u>
Total Liabilities and Fund Balance	<u>\$ 16,279</u>	<u>\$ 0</u>	<u>\$ 4,652</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, 2010

	<u>Special Revenue</u>		<u>Capital Outlay</u>
	Gear Up 28178	Yes I Can 29102	Special Capital Outlay State 31400
ASSETS			
Cash and Cash Equivalents	\$ 31,387	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Other	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 31,387</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Reserved For:			
Inventory	0	0	0
Special Revenue	31,387	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>31,387</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 31,387</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 Balance Sheet
June 30, 2010

	<u>Debt Service</u>	
	<u>Debt Service 41000</u>	<u>Total</u>
ASSETS		
Cash and Cash Equivalents	\$ 76,094	\$ 320,965
Receivables		
Property Taxes	2,586	2,586
Due From Grantor	0	83,274
Other	0	0
Inventory	0	5,379
Total Assets	<u>\$ 78,680</u>	<u>\$ 412,204</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Interfund Balance	\$ 0	\$ 83,274
Accounts Payable	0	44
Deferred Revenue	0	36,394
Total Liabilities	<u>0</u>	<u>119,712</u>
Fund Balances		
Reserved For:		
Inventory	0	5,379
Special Revenue	0	208,433
Capital Improvements	0	0
Debt Service	78,680	78,680
Total Fund Balance	<u>78,680</u>	<u>292,492</u>
Total Liabilities and Fund Balance	<u>\$ 78,680</u>	<u>\$ 412,204</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, 2010

	Special Revenue		
	Food Service 21000	Athletics 22000	Title I 24101
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	33	0	0
Fees	5,583	26,792	0
State & Local Grants	0	0	0
Federal Grants	294,638	0	83,165
Miscellaneous	0	208	0
Total Revenues	<u>300,254</u>	<u>27,000</u>	<u>83,165</u>
Expenditures			
Current			
Instruction	0	26,261	80,368
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	2,797
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services Operations	221,966	0	0
Capital Outlay	0	0	0
Debt Service			
Interest	0	0	0
Total Expenditures	<u>221,966</u>	<u>26,261</u>	<u>83,165</u>
Excess (Deficiency) of Revenues Over Expenditures	78,288	739	0
Fund Balances at Beginning of Year	<u>15,393</u>	<u>1,233</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 93,681</u>	<u>\$ 1,972</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, 2010

	Special Revenue		
	IDEA, Part B Entitlement 24106	IDEA, Part B Discretionary 24107	IDEA 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	110,655	0	973
Miscellaneous	0	0	0
Total Revenues	<u>110,655</u>	<u>0</u>	<u>973</u>
Expenditures			
Current			
Instruction	106,934	0	940
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	3,721	0	33
Support Services-School Administration	0	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
Capital Outlay	0	0	0
Debt Service			
Interest	0	0	0
Total Expenditures	<u>110,655</u>	<u>0</u>	<u>973</u>
Excess (Deficiency) of Revenues Over Expenditures	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, 2010

	Special Revenue		
	Fresh Fruits & Vegetables 24118	Title V 24150	English Language Acquisition 24153
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	12,150	0	42,256
Miscellaneous	0	0	0
Total Revenues	<u>12,150</u>	<u>0</u>	<u>42,256</u>
Expenditures			
Current			
Instruction	0	0	41,429
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	409	0	827
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services Operations	11,741	0	0
Capital Outlay	0	0	0
Debt Service			
Interest	0	0	0
Total Expenditures	<u>12,150</u>	<u>0</u>	<u>42,256</u>
Excess (Deficiency) of Revenues Over Expenditures	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, 2010

	Special Revenue		
	Teacher Training Title II 24154	Safe & Drug Free Title IV 24157	Reading First 24167
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	25,965	303	1,722
Miscellaneous	0	0	0
Total Revenues	<u>25,965</u>	<u>303</u>	<u>1,722</u>
Expenditures			
Current			
Instruction	25,092	293	1,688
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	873	10	34
Support Services-School Administration	0	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
Capital Outlay	0	0	0
Debt Service			
Interest	0	0	0
Total Expenditures	<u>25,965</u>	<u>303</u>	<u>1,722</u>
Excess (Deficiency) of Revenues Over Expenditures	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, 2010

	Special Revenue		
	Title I	IDEA Part B	Medicaid
	Recovery Act 24201	Recovery Act 24206	25153
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	13,028
State & Local Grants	0	0	0
Federal Grants	60,165	19,894	0
Miscellaneous	0	0	0
Total Revenues	<u>60,165</u>	<u>19,894</u>	<u>13,028</u>
Expenditures			
Current			
Instruction	29,382	0	0
Support Services-Students	0	19,225	1,485
Support Services-Instruction	0	0	0
Support Services-General Administration	2,023	669	33
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services Operations	28,760	0	0
Capital Outlay	0	0	0
Debt Service			
Interest	0	0	0
Total Expenditures	<u>60,165</u>	<u>19,894</u>	<u>1,518</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	11,510
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>48,949</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,459</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, 2010

	Special Revenue		
	Rural Education Achievement Program 25233	State Fiscal Stabilization Program Fund 25250	A+ for Energy 26179
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	5,000
Federal Grants	3,932	406,484	0
Miscellaneous	0	0	0
Total Revenues	<u>3,932</u>	<u>406,484</u>	<u>5,000</u>
Expenditures			
Current			
Instruction	3,800	330,567	1,183
Support Services-Students	0	33,739	0
Support Services-Instruction	0	0	0
Support Services-General Administration	132	0	0
Support Services-School Administration	0	0	0
Central Services	0	19,278	0
Operation & Maintenance of Plant	0	10,641	0
Student Transportation	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	12,259	0
Debt Service			
Interest	0	0	0
Total Expenditures	<u>3,932</u>	<u>406,484</u>	<u>1,183</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	3,817
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>\$ 3,817</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, 2010

	Special Revenue		
	GO Student Library Fund 27105	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	6,760	3,676	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>6,760</u>	<u>3,676</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	351	2,495
Support Services-Students	0	0	0
Support Services-Instruction	6,760	0	0
Support Services-General Administration	0	23	87
Support Services-School Administration	0	297	0
Central Services	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
Debt Service			
Interest	0	0	0
Total Expenditures	<u>6,760</u>	<u>671</u>	<u>2,582</u>
Excess (Deficiency) of Revenues Over Expenditures	0	3,005	(2,582)
Fund Balances at Beginning of Year	<u>0</u>	<u>4,726</u>	<u>12,658</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 7,731</u>	<u>\$ 10,076</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, 2010

	Special Revenue		
	Pre K Initiative Instruction 27149	Beginning Teacher Mentoring Program 27154	Breakfast in Elementary 27155
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	4,707
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>4,707</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	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services Operations	0	0	4,707
Capital Outlay	0	0	0
Debt Service			
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>4,707</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>1</u>	<u>36</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 1</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 Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2010

	Special Revenue		
	Kindergarten 3-Plus 27166	Pre Kindergarten Special 27169	SB 301 GO Bond 27170
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	80,687	0	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>80,687</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	44,033	0	0
Support Services-Students	0	0	0
Support Services-Instruction	3,363	0	0
Support Services-General Administration	2,643	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	1,494	0	0
Student Transportation	10,789	0	0
Food Services Operations	18,365	0	0
Capital Outlay	0	0	0
Debt Service			
Interest	0	0	0
Total Expenditures	<u>80,687</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	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, 2010

	Special Revenue		
	State Directed Activities 27200	Library Book Fund 27549	Sun Safety 28146
	<u>27200</u>	<u>27549</u>	<u>28146</u>
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	1,100
Federal Grants	49,582	0	0
Miscellaneous	0	0	0
Total Revenues	<u>49,582</u>	<u>0</u>	<u>1,100</u>
Expenditures			
Current			
Instruction	0	0	0
Support Services-Students	17,222	0	0
Support Services-Instruction	0	1,304	0
Support Services-General Administration	1,667	0	0
Support Services-School Administration	30,693	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
Capital Outlay	0	0	0
Debt Service	0	0	0
Interest	0	0	0
Total Expenditures	<u>49,582</u>	<u>1,304</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1,304)	1,100
Fund Balances at Beginning of Year	<u>0</u>	<u>1,304</u>	<u>3,552</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,652</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, 2010

	Special Revenue		Capital Outlay
	Gear Up 28178	Yes I Can 29102	Special Capital Outlay State 31400
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	11,663	56,154
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>11,663</u>	<u>56,154</u>
Expenditures			
Current			
Instruction	1,339	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	47	0	0
Support Services-School Administration	0	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
Capital Outlay	0	11,663	79,506
Debt Service	0	0	0
Interest	0	0	0
Total Expenditures	<u>1,386</u>	<u>11,663</u>	<u>79,506</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,386)	0	(23,352)
Fund Balances at Beginning of Year	<u>32,773</u>	<u>0</u>	<u>23,352</u>
Fund Balance End of Year	<u>\$ 31,387</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, 2010

	<u>Debt Service</u>	
	<u>Debt Service 41000</u>	<u>Total</u>
Revenues		
Property Taxes	\$ 185,401	\$ 185,401
Investment Income	17	50
Fees	0	45,403
State & Local Grants	0	169,747
Federal Grants	0	1,111,884
Miscellaneous	0	208
Total Revenues	<u>185,418</u>	<u>1,512,693</u>
Expenditures		
Current		
Instruction	0	696,155
Support Services-Students	0	71,671
Support Services-Instruction	0	11,427
Support Services-General Administration	1,830	17,858
Support Services-School Administration	0	30,990
Central Services	0	19,278
Operation & Maintenance of Plant	0	12,135
Student Transportation	0	10,789
Food Services Operations	0	285,539
Capital Outlay	0	103,428
Debt Service		
Interest	109,405	109,405
Total Expenditures	<u>111,235</u>	<u>1,368,675</u>
Excess (Deficiency) of Revenues Over Expenditures	74,183	144,018
Fund Balances at Beginning of Year	<u>4,497</u>	<u>148,474</u>
Fund Balance End of Year	<u>\$ 78,680</u>	<u>\$ 292,492</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment Income	\$ 40	\$ 40	\$ 33	\$ (7)
Fees	5,079	5,079	5,583	504
Federal Grants	223,472	223,472	281,284	57,812
Total Revenues	<u>228,591</u>	<u>228,591</u>	<u>286,900</u>	<u>58,309</u>
Expenditures				
Food Service Operations				
Personnel Services	109,497	110,130	101,629	8,501
Employee Benefits	66,865	58,647	37,779	20,868
Professional & Tech Services	0	618	492	126
Other Purchased Services	950	950	829	121
Supplies	61,206	67,973	67,556	417
Supply Assets	0	200	196	4
Total Food Service Operations	<u>238,518</u>	<u>238,518</u>	<u>208,481</u>	<u>30,037</u>
Total Expenditures	<u>238,518</u>	<u>238,518</u>	<u>208,481</u>	<u>30,037</u>
Excess (Deficiency) of Revenues Over Expenditures	(9,927)	(9,927)	78,419	88,346
Cash Balance Beginning of Year	<u>9,927</u>	<u>9,927</u>	<u>9,927</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 88,346</u>	<u>\$ 88,346</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 78,419	
Net change in Inventory			(166)	
Net change in Accounts Payable			35	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 78,288</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Fees	\$ 33,400	\$ 33,400	26,792	\$ (6,608)
Miscellaneous	12	12	208	196
Total Revenues	<u>33,412</u>	<u>33,412</u>	<u>27,000</u>	<u>(6,412)</u>
Expenditures				
Instruction				
Professional & Tech Services	12,500	12,500	12,074	426
Purchased Services	15,500	15,500	11,515	3,985
Supplies	5,000	5,000	2,672	2,328
Total Instruction	<u>33,000</u>	<u>33,000</u>	<u>26,261</u>	<u>6,739</u>
Total Expenditures	<u>33,000</u>	<u>33,000</u>	<u>26,261</u>	<u>6,739</u>
Excess (Deficiency) of Revenues Over Expenditures	412	412	739	327
Cash Balance Beginning of Year	<u>1,233</u>	<u>1,233</u>	<u>1,233</u>	<u>0</u>
Cash Balance End of Year	\$ <u>1,645</u>	\$ <u>1,645</u>	\$ <u>1,972</u>	\$ <u>327</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>739</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>739</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 115,604	171,484	\$ 77,054	\$ (94,430)
Total Revenues	<u>115,604</u>	<u>171,484</u>	<u>77,054</u>	<u>(94,430)</u>
Expenditures				
Instruction				
Personnel Services	94,453	96,126	54,786	41,340
Employee Benefits	3,367	47,104	22,773	24,331
Other Purchased Services	1,100	8,696	1,106	7,590
Supplies	4,659	6,771	1,703	5,068
Total Instruction	<u>103,579</u>	<u>158,697</u>	<u>80,368</u>	<u>78,329</u>
Support Services-General Administration				
Professional & Tech Services	4,935	5,697	2,796	2,901
Total Support Services-General Administration	<u>4,935</u>	<u>5,697</u>	<u>2,796</u>	<u>2,901</u>
Total Expenditures	<u>108,514</u>	<u>164,394</u>	<u>83,164</u>	<u>81,230</u>
Excess (Deficiency) of Revenues Over Expenditures	7,090	7,090	(6,110)	(13,200)
Cash Balance Beginning of Year	<u>(7,090)</u>	<u>(7,090)</u>	<u>(7,090)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(13,200)</u>	\$ <u>(13,200)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,110)	
Net change in Due from Grantor			6,110	
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 PART B, ENTITLEMENT-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 19,559	146,916	\$ 100,916	\$ (46,000)
Total Revenues	<u>19,559</u>	<u>146,916</u>	<u>100,916</u>	<u>(46,000)</u>
Expenditures				
Instruction				
Personnel Services	0	48,502	47,909	593
Employee Benefits	0	15,666	13,662	2,004
Other Purchased Services	0	50,887	44,886	6,001
Supplies	0	8,092	477	7,615
Total Instruction	<u>0</u>	<u>123,147</u>	<u>106,934</u>	<u>16,213</u>
Support Services-General Administration				
Professional & Tech Services	0	4,210	3,721	489
Total Support Services-General Administration	<u>0</u>	<u>4,210</u>	<u>3,721</u>	<u>489</u>
Total Expenditures	<u>0</u>	<u>127,357</u>	<u>110,655</u>	<u>16,702</u>
Excess (Deficiency) of Revenues Over Expenditures	19,559	19,559	(9,739)	(29,298)
Cash Balance Beginning of Year	<u>(19,559)</u>	<u>(19,559)</u>	<u>(19,559)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(29,298)</u>	\$ <u>(29,298)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (9,739)	
Net change in Due from Grantor			9,739	
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 PART B, DISCRETIONARY-24107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	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				
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	0	0	0	0
Cash Balance Beginning of Year	<u>558</u>	<u>558</u>	<u>558</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 558</u>	<u>\$ 558</u>	<u>\$ 558</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net change in Due from Grantor			0	
Net change in Deferred Revenue			<u>0</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	3,484	\$ 969	\$ (2,515)
Total Revenues	<u>0</u>	<u>3,484</u>	<u>969</u>	<u>(2,515)</u>
Expenditures				
Instruction				
Supplies	0	3,385	940	2,445
Total Instruction	<u>0</u>	<u>3,385</u>	<u>940</u>	<u>2,445</u>
Support Services-General Administration				
Professional & Tech Services	0	100	33	67
Total Support Services-General Administration	<u>0</u>	<u>100</u>	<u>33</u>	<u>67</u>
Total Expenditures	<u>0</u>	<u>3,485</u>	<u>973</u>	<u>2,512</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1)	(4)	(3)
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>\$ 0</u>	<u>\$ (3)</u>	<u>\$ (3)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4)	
Net change in Due from Grantor			3	
Net change in Deferred Revenue			1	
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-FRESH FRUIT & VEGETABLES-24118
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	12,150	\$ 11,471	\$ (679)
Total Revenues	<u>0</u>	<u>12,150</u>	<u>11,471</u>	<u>(679)</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	0	409	409	0
Total Support Services-General Administration	<u>0</u>	<u>409</u>	<u>409</u>	<u>0</u>
Food Service				
Supplies	0	11,741	11,741	0
Total Food Service	<u>0</u>	<u>11,741</u>	<u>11,741</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>12,150</u>	<u>12,150</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(679)	(679)
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>\$ (679)</u>	<u>\$ (679)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (679)	
Net change in Due from Grantor			679	
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, 2010

	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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 18,862	37,489	\$ 26,226	\$ (11,263)
Total Revenues	<u>18,862</u>	<u>37,489</u>	<u>26,226</u>	<u>(11,263)</u>
Expenditures				
Instruction				
Professional & Tech Services	13,400	1,325	1,325	0
Other Purchased Services	0	1,632	1,632	0
Supplies	10,500	38,743	38,472	271
Total Instruction	<u>23,900</u>	<u>41,700</u>	<u>41,429</u>	<u>271</u>
Support Services-General Administration				
Professional & Tech Services	0	827	827	0
Total Support Services-General Administration	<u>0</u>	<u>827</u>	<u>827</u>	<u>0</u>
Total Expenditures	<u>23,900</u>	<u>42,527</u>	<u>42,256</u>	<u>271</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,038)	(5,038)	(16,030)	(10,992)
Cash Balance Beginning of Year	<u>5,038</u>	<u>5,038</u>	<u>5,038</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (10,992)</u>	<u>\$ (10,992)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (16,030)	
Net change in Due from Grantor			10,992	
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-TEACHER TRAINING TITLE II-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 49,650	81,606	\$ 40,939	\$ (40,667)
Total Revenues	<u>49,650</u>	<u>81,606</u>	<u>40,939</u>	<u>(40,667)</u>
Expenditures				
Instruction				
Personnel Services	16,200	38,984	16,034	22,950
Employee Benefits	3,111	7,850	3,056	4,794
Professional & Tech Services	6,000	4,142	1,540	2,602
Other Purchased Services	5,000	10,216	4,392	5,824
Supplies	552	552	71	481
Total Instruction	<u>30,863</u>	<u>61,744</u>	<u>25,093</u>	<u>36,651</u>
Support Services-General Administration				
Professional & Tech Services	1,294	2,369	873	1,496
Total Support Services-General Administration	<u>1,294</u>	<u>2,369</u>	<u>873</u>	<u>1,496</u>
Total Expenditures	<u>32,157</u>	<u>64,113</u>	<u>25,966</u>	<u>38,147</u>
Excess (Deficiency) of Revenues Over Expenditures	17,493	17,493	14,973	(2,520)
Cash Balance Beginning of Year	<u>(17,493)</u>	<u>(17,493)</u>	<u>(17,493)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(2,520)</u>	\$ <u>(2,520)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 14,973	
Net change in Due from Grantor			<u>(14,973)</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 TITLE IV-24157
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 2,240	4,804	\$ 0	\$ (4,804)
Total Revenues	<u>2,240</u>	<u>4,804</u>	<u>0</u>	<u>(4,804)</u>
Expenditures				
Instruction				
Other Purchased Services	1,000	1,944	0	1,944
Supplies	<u>1,330</u>	<u>2,830</u>	<u>293</u>	<u>2,537</u>
Total Instruction	<u>2,330</u>	<u>4,774</u>	<u>293</u>	<u>4,481</u>
Support Services-General Administration				
Professional & Tech Services	<u>84</u>	<u>204</u>	<u>10</u>	<u>194</u>
Total Support Services-General Administration	<u>84</u>	<u>204</u>	<u>10</u>	<u>194</u>
Total Expenditures	<u>2,414</u>	<u>4,978</u>	<u>303</u>	<u>4,675</u>
Excess (Deficiency) of Revenues Over Expenditures	(174)	(174)	(303)	(129)
Cash Balance Beginning of Year	<u>174</u>	<u>174</u>	<u>174</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(129)</u>	\$ <u>(129)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (303)	
Net change in Due from Grantor			130	
Net change in Deferred Revenue			<u>173</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	1,405	\$ 1,722	\$ 317
Total Revenues	<u>0</u>	<u>1,405</u>	<u>1,722</u>	<u>317</u>
Expenditures				
Instruction				
Supplies	0	1,688	1,688	0
Total Instruction	<u>0</u>	<u>1,688</u>	<u>1,688</u>	<u>0</u>
Support Services-General Administration				
Professional & Tech Services	0	59	34	25
Total Support Services-General Administration	<u>0</u>	<u>59</u>	<u>34</u>	<u>25</u>
Total Expenditures	<u>0</u>	<u>1,747</u>	<u>1,722</u>	<u>25</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(342)	0	342
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>0</u>	\$ <u>342</u>	\$ <u>342</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			\$ 0	

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-RECOVERY ACT-24201
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 31,906	66,503	\$ 38,957	\$ (27,546)
Total Revenues	<u>31,906</u>	<u>66,503</u>	<u>38,957</u>	<u>(27,546)</u>
Expenditures				
Instruction				
Personnel Services	24,890	24,890	24,397	493
Employee Benefits	7,016	7,086	4,985	2,101
Total Instruction	<u>31,906</u>	<u>31,976</u>	<u>29,382</u>	<u>2,594</u>
Support Services-General Administration				
Professional & Tech Services	0	2,340	2,022	318
Total Support Services-General Administration	<u>0</u>	<u>2,340</u>	<u>2,022</u>	<u>318</u>
Student Transportation				
Other Purchased Services	0	32,187	28,760	3,427
Total Student Transportation	<u>0</u>	<u>32,187</u>	<u>28,760</u>	<u>3,427</u>
Total Expenditures	<u>31,906</u>	<u>66,503</u>	<u>60,164</u>	<u>6,339</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(21,207)	(21,207)
Cash Balance Beginning of Year	0	0	0	0
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (21,207)</u>	<u>\$ (21,207)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (21,207)	
Net change in Due from Grantor			21,207	
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 PART B-RECOVERY ACT-24206
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 35,157	73,589	\$ 16,156	\$ (57,433)
Total Revenues	<u>35,157</u>	<u>73,589</u>	<u>16,156</u>	<u>(57,433)</u>
Expenditures				
Instruction				
Personnel Services	26,371	42,238	8,241	33,997
Employee Benefits	8,786	11,944	1,873	10,071
Other Purchased Services	0	16,932	9,111	7,821
Total Instruction	<u>35,157</u>	<u>71,114</u>	<u>19,225</u>	<u>51,889</u>
Support Services-General Administration				
Professional & Tech Services	0	2,475	669	1,806
Total Support Services-General Administration	<u>0</u>	<u>2,475</u>	<u>669</u>	<u>1,806</u>
Total Expenditures	<u>35,157</u>	<u>73,589</u>	<u>19,894</u>	<u>53,695</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(3,738)	(3,738)
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>(3,738)</u>	\$ <u>(3,738)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,738)	
Net change in Due from Grantor			<u>3,738</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-MEDICAID-25153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Fees	\$ 5,000	5,000	\$ 13,028	\$ 8,028
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>13,028</u>	<u>8,028</u>
Expenditures				
Support Services-Students				
Professional & Tech Services	5,824	3,173	996	2,177
Other Purchased Services	0	170	170	0
Supply Assets	8,000	8,000	509	7,491
Total Support Services-Students	<u>13,824</u>	<u>11,343</u>	<u>1,675</u>	<u>9,668</u>
Support Services-General Administration				
Professional & Tech Services	1,610	1,610	32	1,578
Total Support Services-General Administration	<u>1,610</u>	<u>1,610</u>	<u>32</u>	<u>1,578</u>
Total Expenditures	<u>15,434</u>	<u>12,953</u>	<u>1,707</u>	<u>11,246</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,434)	(7,953)	11,321	19,274
Cash Balance Beginning of Year	<u>49,138</u>	<u>49,138</u>	<u>49,138</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 38,704</u>	<u>\$ 41,185</u>	<u>\$ 60,459</u>	<u>\$ 19,274</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 11,321	
Net change in Accounts Payable			189	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 11,510</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	8,569	\$ 15,677	\$ 7,108
Total Revenues	<u>0</u>	<u>8,569</u>	<u>15,677</u>	<u>7,108</u>
Expenditures				
Instruction				
Personnel Services	0	4,968	2,670	2,298
Employee Benefits	0	1,630	532	1,098
Supplies	0	6,295	598	5,697
Total Instruction	<u>0</u>	<u>12,893</u>	<u>3,800</u>	<u>9,093</u>
Support Services-General Administration				
Professional & Tech Services	0	1,366	132	1,234
Total Support Services-General Administration	<u>0</u>	<u>1,366</u>	<u>132</u>	<u>1,234</u>
Total Expenditures	<u>0</u>	<u>14,259</u>	<u>3,932</u>	<u>10,327</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(5,690)	11,745	17,435
Cash Balance Beginning of Year	<u>5,690</u>	<u>5,690</u>	<u>5,690</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 5,690</u>	<u>\$ 0</u>	<u>\$ 17,435</u>	<u>\$ 17,435</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 11,745	
Net change in Deferred Revenue			(11,745)	
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 FISCAL STABILIZATION PROGRAM FUND-25250

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 305,227	406,485	\$ 408,098	\$ 1,613
Total Revenues	<u>305,227</u>	<u>406,485</u>	<u>408,098</u>	<u>1,613</u>
Expenditures				
Instruction				
Personnel Services	196,499	191,147	191,147	0
Employee Benefits	74,148	61,465	61,465	0
Supplies	0	62,087	62,087	0
Supply Assets	0	15,868	15,868	0
Total Instruction	<u>270,647</u>	<u>330,567</u>	<u>330,567</u>	<u>0</u>
Support Services-Students				
Personnel Services	21,280	15,644	15,644	0
Employee Benefits	13,300	6,803	6,803	0
Supplies	0	1,710	1,710	0
Supply Assets	0	9,582	9,582	0
Total Support Services-Students	<u>34,580</u>	<u>33,739</u>	<u>33,739</u>	<u>0</u>
Support Services-Central Services				
Professional & Tech Services	0	19,278	19,278	0
Total Central Services	<u>0</u>	<u>19,278</u>	<u>19,278</u>	<u>0</u>
Operation & Maintenance of Plant				
Purchased Property Services	0	4,112	4,112	0
Purchased Services	0	196	196	0
Supplies	0	7,097	6,334	763
Fixed Assets	0	11,496	12,259	(763)
Total Operation & Maintenance of Plant	<u>0</u>	<u>22,901</u>	<u>22,901</u>	<u>0</u>
Total Expenditures	<u>305,227</u>	<u>406,485</u>	<u>406,485</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	1,613	1,613
Cash Balance Beginning of Year	0	0	0	0
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,613</u>	\$ <u>1,613</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,613	
Net change in Deferred Revenue			(1,613)	
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-A+ FOR ENERGY-26179
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grant	\$ 0	5,000	\$ 5,000	\$ 0
Total Revenues	<u>0</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	1,000	500	500
Employee Benefits	0	161	99	62
Other Purchased Services	0	2,000	214	1,786
Supplies	0	1,839	370	1,469
Total Instruction	<u>0</u>	<u>5,000</u>	<u>1,183</u>	<u>3,817</u>
Total Expenditures	<u>0</u>	<u>5,000</u>	<u>1,183</u>	<u>3,817</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	3,817	3,817
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>\$ 3,817</u>	<u>\$ 3,817</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,817	
Net change in Deferred Revenue			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 3,817</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-GO STUDENT LIBRARY FUND-27105
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grant	\$ 0	15,818	\$ 5,250	\$ (10,568)
Total Revenues	<u>0</u>	<u>15,818</u>	<u>5,250</u>	<u>(10,568)</u>
Expenditures				
Student Support-Instruction				
Supplies	0	10,000	6,760	3,240
Total Student Support-Instruction	<u>0</u>	<u>10,000</u>	<u>6,760</u>	<u>3,240</u>
Total Expenditures	<u>0</u>	<u>10,000</u>	<u>6,760</u>	<u>3,240</u>
Excess (Deficiency) of Revenues Over Expenditures	0	5,818	(1,510)	(7,328)
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>\$ 5,818</u>	<u>\$ (1,510)</u>	<u>\$ (7,328)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,510)	
Net change in Due from Grantor			<u>1,510</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	0	\$ 3,676	\$ 3,676
Total Revenues	<u>0</u>	<u>0</u>	<u>3,676</u>	<u>3,676</u>
Expenditures				
Instruction				
Supplies	0	750	351	399
Total Instruction	<u>0</u>	<u>750</u>	<u>351</u>	<u>399</u>
Support Services-General Administration				
Professional & Tech Services	0	112	23	89
Total Support Services-General Administration	<u>0</u>	<u>112</u>	<u>23</u>	<u>89</u>
Support Services-School Administration				
Other Purchased Services	0	963	297	666
Total Support Services-School Administration	<u>0</u>	<u>963</u>	<u>297</u>	<u>666</u>
Total Expenditures	<u>0</u>	<u>1,825</u>	<u>671</u>	<u>1,154</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1,825)	3,005	4,830
Cash Balance Beginning of Year	<u>4,726</u>	<u>4,726</u>	<u>4,726</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,726</u>	<u>\$ 2,901</u>	<u>\$ 7,731</u>	<u>\$ 4,830</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 3,005</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 3,005</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, 2010

	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				
Supplies	0	5,000	2,495	2,505
Total Instruction	<u>0</u>	<u>5,000</u>	<u>2,495</u>	<u>2,505</u>
Support Services-General Administration				
Professional & Tech Services	0	426	87	339
Total Support Services-General Administration	<u>0</u>	<u>426</u>	<u>87</u>	<u>339</u>
Total Expenditures	<u>0</u>	<u>5,426</u>	<u>2,582</u>	<u>2,844</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(5,426)	(2,582)	2,844
Cash Balance Beginning of Year	<u>12,658</u>	<u>12,658</u>	<u>12,658</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 12,658</u>	<u>\$ 7,232</u>	<u>\$ 10,076</u>	<u>\$ 2,844</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (2,582)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,582)</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 29,010	29,010	\$ 29,010	\$ 0
Total Revenues	<u>29,010</u>	<u>29,010</u>	<u>29,010</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	0	0	0
Employee Benefits	0	0	0	0
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	29,010	29,010	29,010	0
Cash Balance Beginning of Year	<u>(29,010)</u>	<u>(29,010)</u>	<u>(29,010)</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			\$ 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-BEGINNING TEACHER MENTORING PROGRAM-27154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	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	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>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			<u>\$ 0</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-BREAKFAST IN ELEMENTARY-27155
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	4,671	\$ 4,707	\$ 36
Total Revenues	<u>0</u>	<u>4,671</u>	<u>4,707</u>	<u>36</u>
Expenditures				
Food Services Operations				
Supplies	0	4,707	4,707	0
Total Food Services Operations	<u>0</u>	<u>4,707</u>	<u>4,707</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>4,707</u>	<u>4,707</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(36)	0	36
Cash Balance Beginning of Year	<u>36</u>	<u>36</u>	<u>36</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 36</u>	<u>\$ 0</u>	<u>\$ 36</u>	<u>\$ 36</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			\$ 0	

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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 377,887	88,552	\$ 85,808	\$ (2,744)
Total Revenues	<u>377,887</u>	<u>88,552</u>	<u>85,808</u>	<u>(2,744)</u>
Expenditures				
Instruction				
Personnel Services	0	32,058	32,057	1
Employee Benefits	0	6,235	6,233	2
Other Purchased Services	0	2,000	1,998	2
Supplies	0	3,747	3,746	1
Total Instruction	<u>0</u>	<u>44,040</u>	<u>44,034</u>	<u>6</u>
Support Services-Instruction				
Personnel Services	80,285	2,804	2,804	0
Employee Benefits	17,827	605	559	46
Total Support Services-Instruction	<u>98,112</u>	<u>3,409</u>	<u>3,363</u>	<u>46</u>
Support Services-General Administration				
Professional & Tech Services	0	2,923	2,643	280
Total Support Services-General Administration	<u>0</u>	<u>2,923</u>	<u>2,643</u>	<u>280</u>
Operation & Maintenance of Plant				
Personnel Services	197,215	1,387	1,386	1
Employee Benefits	77,454	1,607	108	1,499
Total Operation & Maintenance of Plant	<u>274,669</u>	<u>2,994</u>	<u>1,494</u>	<u>1,500</u>
Student Transportation				
Other Purchased Services	0	11,573	10,789	784
Total Student Transportation	<u>0</u>	<u>11,573</u>	<u>10,789</u>	<u>784</u>
Food Service Operation				
Personnel Services	0	6,537	6,830	(293)
Employee Benefits	0	959	540	419
Other Purchased Services	0	125	124	1
Supplies	0	10,886	10,885	1
Total Food Service Operation	<u>0</u>	<u>18,507</u>	<u>18,379</u>	<u>128</u>
Total Expenditures	<u>372,781</u>	<u>83,446</u>	<u>80,702</u>	<u>2,744</u>
Excess (Deficiency) of Revenues Over Expenditures	5,106	5,106	5,106	0
Cash Balance Beginning of Year	(5,106)	(5,106)	(5,106)	0
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			\$ 5,106	
Net change in Due from Grantor			(5,121)	
Net change in Accounts Payable			15	
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-PRE KINDERGARTEN-SPECIAL-27169
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 10,000	10,000	\$ 10,000	\$ 0
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>10,000</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	10,000	10,000	10,000	0
Cash Balance Beginning of Year	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</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			\$ 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-SB 301 GO BOND-27170
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 4,155	4,155	\$ 4,155	\$ 0
Total Revenues	<u>4,155</u>	<u>4,155</u>	<u>4,155</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Supplies	0	0	0	0
Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	4,155	4,155	4,155	0
Cash Balance Beginning of Year	<u>(4,155)</u>	<u>(4,155)</u>	<u>(4,155)</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			\$ 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	58,336	\$ 62,099	\$ 3,763
Total Revenues	<u>0</u>	<u>58,336</u>	<u>62,099</u>	<u>3,763</u>
Expenditures				
Support Services-Students				
Personnel Services	0	12,579	12,571	8
Employee Benefits	<u>0</u>	<u>16,729</u>	<u>4,651</u>	<u>12,078</u>
Total Support Services-Students	<u>0</u>	<u>29,308</u>	<u>17,222</u>	<u>12,086</u>
Support Services-General Administration				
Professional & Tech Services	<u>0</u>	<u>2,088</u>	<u>1,667</u>	<u>421</u>
Total Support Services-General Administration	<u>0</u>	<u>2,088</u>	<u>1,667</u>	<u>421</u>
Support Services-School Administration				
Personnel Services	0	21,595	21,590	5
Employee Benefits	<u>0</u>	<u>9,108</u>	<u>9,104</u>	<u>4</u>
Total Support Services-School Administration	<u>0</u>	<u>30,703</u>	<u>30,694</u>	<u>9</u>
Total Expenditures	<u>0</u>	<u>62,099</u>	<u>49,583</u>	<u>12,516</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(3,763)	12,516	16,279
Cash Balance Beginning of Year	<u>3,763</u>	<u>3,763</u>	<u>3,763</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,763</u>	<u>\$ 0</u>	<u>\$ 16,279</u>	<u>\$ 16,279</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 12,516	
Net change in Deferred Revenue			<u>(12,516)</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-LIBRARY BOOK FUND-27549
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	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				
Support Services-Instruction				
Supplies	0	1,304	1,304	0
Total Support Services-Instruction	<u>0</u>	<u>1,304</u>	<u>1,304</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,304</u>	<u>1,304</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1,304)	(1,304)	0
Cash Balance Beginning of Year	<u>1,304</u>	<u>1,304</u>	<u>1,304</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,304</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			<u>\$ (1,304)</u>	
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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 0	\$ 1,100	\$ 1,100
Total Revenues	<u>0</u>	<u>0</u>	<u>1,100</u>	<u>1,100</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	1,100	1,100
Cash Balance Beginning of Year	<u>3,552</u>	<u>3,552</u>	<u>3,552</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,552</u>	<u>\$ 3,552</u>	<u>\$ 4,652</u>	<u>\$ 1,100</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 1,100</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,100</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, 2010

	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	7,200	7,200	1,339	5,861
Supplies	10,403	10,403	0	10,403
Total Instruction	<u>17,603</u>	<u>17,603</u>	<u>1,339</u>	<u>16,264</u>
Support Services-General Administration				
Professional & Tech Services	1,067	1,067	47	1,020
Total Support Services-General Administration	<u>1,067</u>	<u>1,067</u>	<u>47</u>	<u>1,020</u>
Total Expenditures	<u>18,670</u>	<u>18,670</u>	<u>1,386</u>	<u>17,284</u>
Excess (Deficiency) of Revenues Over Expenditures	(18,670)	(18,670)	(1,386)	17,284
Cash Balance Beginning of Year	<u>32,773</u>	<u>32,773</u>	<u>32,773</u>	<u>0</u>
Cash Balance End of Year	\$ <u>14,103</u>	\$ <u>14,103</u>	\$ <u>31,387</u>	\$ <u>17,284</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,386)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(1,386)</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-YES I CAN-29102
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 11,663	\$ 11,663	\$ 0
Total Revenues	<u>0</u>	<u>11,663</u>	<u>11,663</u>	<u>0</u>
Expenditures				
Support Services-Instruction				
Fixed Assets	0	11,663	11,663	0
Total Support Services-Instruction	<u>0</u>	<u>11,663</u>	<u>11,663</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>11,663</u>	<u>11,663</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
 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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Rent from Red River Valley Charter	\$ 85,000	\$ 85,000	\$ 56,154	\$ (28,846)
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>56,154</u>	<u>(28,846)</u>
Expenditures				
Capital Outlay				
Purchased Property Services	85,000	41,032	12,187	28,845
Fixed Assets	<u>23,352</u>	<u>67,320</u>	<u>67,319</u>	<u>1</u>
Total Capital Outlay	<u>108,352</u>	<u>108,352</u>	<u>79,506</u>	<u>28,846</u>
Total Expenditures	<u>108,352</u>	<u>108,352</u>	<u>79,506</u>	<u>28,846</u>
Excess (Deficiency) of Revenues Over Expenditures	(23,352)	(23,352)	(23,352)	0
Cash Balance Beginning of Year	<u>23,352</u>	<u>23,352</u>	<u>23,352</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			\$ (23,352)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (23,352)</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, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Property Taxes	\$ 146,667	\$ 146,667	\$ 183,007	\$ 36,340
Investment Income	0	0	17	17
Total Revenues	<u>146,667</u>	<u>146,667</u>	<u>183,024</u>	<u>36,357</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>1,467</u>	<u>1,467</u>	<u>1,830</u>	<u>(363)</u>
Total Support Services-General Administration	<u>1,467</u>	<u>1,467</u>	<u>1,830</u>	<u>(363)</u>
Debt Service				
Interest	<u>146,667</u>	<u>146,667</u>	<u>109,405</u>	<u>37,262</u>
Total Debt Service	<u>146,667</u>	<u>146,667</u>	<u>109,405</u>	<u>37,262</u>
Total Expenditures	<u>148,134</u>	<u>148,134</u>	<u>111,235</u>	<u>36,899</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,467)	(1,467)	71,789	73,256
Cash Balance Beginning of Year	<u>4,304</u>	<u>4,304</u>	<u>4,304</u>	<u>0</u>
Cash Balance End of Year	\$ <u>2,837</u>	\$ <u>2,837</u>	\$ <u>76,093</u>	\$ <u>73,256</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 71,789	
Net change in Taxes Receivable			(881)	
Net change in Deferred Taxes			3,275	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>74,183</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, 2010

	Balance 06/30/09	Additions	Deletions	Balance 06/30/10
ASSETS				
600 General Activity Fund	\$ 7,349	\$ 2,150	\$ 1,524	\$ 7,975
702 Scholarship Fund	23	625	600	48
703 HS Office Assistant	216	1,623	983	856
704 HS Pepsi Fund	507	0	239	268
709 JRHS Honor Society	2,083	0	593	1,490
710 HS Student Council	3,327	1,979	2,784	2,522
712 FHA Fund	208	0	0	208
714 Science Club Fund	172	0	(1)	173
715 Library Fund	2,130	500	498	2,132
716 HS Cheerleaders Fund	55	1,038	794	299
722 Ski Club Fund	1,282	1,300	1,514	1,068
724 Rio Costilla Elementary Fund	1,482	1,618	1,046	2,054
725 AV 7-8 Grade Fund	103	0	0	103
727 Interest on NOW Accounts	0	135	0	135
728 Interest on CD's	927	164	0	1,091
734 AV Yearbook Fund	2,580	3,147	1,613	4,114
736 FFA Fund	185	2,305	1,643	847
738 Art Fund	600	6,547	7,147	0
739 AV K-3	2,685	0	0	2,685
742 Spanish Club	274	0	0	274
743 AV Office Fund	3	0	0	3
745 AV 4/5/6 Grades Fund	563	62	1	624
749 AV 4/6 Office Fund	284	0	44	240
752 Athletic General Fund	2,557	15	208	2,364
754 HS Soccer Club	2,337	0	141	2,196
760 JR High Volleyball	0	8	0	8
762 Volleyball Fund	799	0	382	417
763 Rent & lease Deposit Fund	3,406	100	0	3,506
764 HS Football Fund	2,913	2,855	2,512	3,256
765 Jr High Football	122	0	0	122
766 Av Library Fund	507	2,649	2,456	700
785 Class of 2002	237	0	1	236
786 Class of 2003	21	0	21	0
787 Class of 2004	727	0	0	727
795 JR High Student Council Fund	585	0	(1)	586
801 HS Yearbook	1,792	3,657	4,329	1,120
802 AV Office Fund	524	500	0	1,024
804 Insurance Refunds	1,382	3,208	2,776	1,814
805 Alta Vista Music Program	265	250	0	515
806 Mariachi Fund	998	0	0	998
810 Drama Club	679	0	0	679
811 NMRSC Pepsi Fund	1,152	366	505	1,013
812 AV Pepsi Fund	540	0	0	540
814 Class of 2005	\$ 271	\$ 0	\$ 271	\$ 0

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, 2010

	Balance 06/30/09	Additions	Deletions	Balance 06/30/10
815 AV Student Council Fund	\$ 1,605	\$ 1,609	\$ 2,619	\$ 595
816 Science Fair Club Fund	729	0	0	729
819 Project 540 Fund	125	0	(1)	126
820 Cafeteria Activity Fund	795	0	373	422
821 HS Boys Basketball Fund	640	0	100	540
822 HS Girls Basketball Fund	310	2,100	2,311	99
823 Class of 2008	2,239	0	0	2,239
824 Class of 2007	221	0	221	0
825 QHS Spirit/Dance Team	7	2,981	2,988	0
826 Class of 2009	1,206	0	1,206	0
827 Positive Incentive Program	4,015	10,621	12,736	1,900
828 Class of 2010	1,922	660	2,219	363
829 Class of 2011	5,000	3,727	4,536	4,191
830 Class of 2012	2,261	2,109	685	3,685
831 Class of 2013	585	1,461	238	1,808
832 Class of 2014	260	0	10	250
863 Class of 2015	151	4,590	2,535	2,206
834 Class of 2016	227	0	0	227
835 Class of 2017	246	0	1	245
837 Science Levinson Fund	1,544	0	0	1,544
838 AV PAC	111	0	0	111
839 Chevron Mining, Inc.	617	2,500	2,237	880
840 Chess Club	26	0	0	26
841 Ski Club-K MacDonald	1,298	0	0	1,298
842 HS Track-Girls	225	0	0	225
843 Art Department Fees	0	1,655	226	1,429
Total Assets	<u>\$ 75,217</u>	<u>\$ 70,814</u>	<u>\$ 69,863</u>	<u>\$ 76,168</u>
LIABILITIES				
Deposits Held for Others	\$ 75,217	\$ 70,814	\$ 69,863	\$ 76,168
Total Liabilities	<u>\$ 75,217</u>	<u>\$ 70,814</u>	<u>\$ 69,863</u>	<u>\$ 76,168</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
DISTRICT NO. 9

Cash Reconciliations - All Funds
For the Year Ended June 30, 2010

		Beginning Cash Balance 6/30/09	Revenue	Expenditures	Transfer/ Loans	Ending Cash Balance 6/30/10
Operational	11000	\$ 311,680	\$ 4,411,860	\$ 4,469,857	\$ (4,219)	\$ 249,464
Teacherege	12000	31,446	3,010	18,046	0	16,410
Transportation	13000	2,137	319,952	319,677	0	2,412
Instructional Materials	14000	33,107	16,360	31,263	0	18,204
Food Services	21000	9,927	286,900	208,481	0	88,346
Athletics	22000	1,233	27,000	26,261	0	1,972
Federal Flowthrough	24000	(37,864)	310,191	357,243	4,219	(80,697)
Federal Direct	25000	54,828	436,803	412,124	0	79,507
Local Grants	26000	0	5,000	1,183	0	3,817
State Flowthrough	27000	(25,785)	204,705	146,308	0	32,613
State Direct	28000	36,325	1,100	1,386	0	36,039
Local or State Grants	29000	0	11,663	11,663	0	0
Bond Building	31100	4,715,847	41	3,204,543	0	1,511,345
Special Capital Outlay State	31400	23,352	56,154	79,506	0	0
Senate Bill Nine	31700	465,772	409,449	218,261	0	656,960
Ed Tech	31900	407,232	34,518	62,821	0	378,929
Debt Service	41000	4,304	183,025	111,235	0	76,094
Debt Service-Ed Tech	43000	225,199	31,048	200,054	0	56,193
Agency Funds		74,226	70,812	68,870	0	76,168
Total		<u>\$ 6,332,968</u>	<u>\$ 6,819,591</u>	<u>\$ 9,948,782</u>	<u>\$ 0</u>	<u>\$ 3,203,777</u>

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, 2010

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 Public Education Department			
USDA National School Lunch Program	10.555	21000	\$ 172,026
USDA School Breakfast Program	10.553	21000	109,258
Total Child Nutrition Cluster			<u>281,284</u>
 Fruits & Vegetables	 10.582	 24118	 12,150
Pass-Through Program from:			
New Mexico Human Service Department			
USDA Commodities Program	10.550	21000	13,354
Direct Program			
Forest Reserve	10.670	11000	<u>36,984</u>
Total U. S. Department of Agriculture			<u>343,772</u>
<u>U. S. Department of Education</u>			
Pass-Through Program from:			
Northwest Regional Center Cooperative No. 2			
Special Education Cluster			
IDEA, Part B	84.027		160,238
IDEA Preschool	84.173	24109	973
Red River Valley Charter School			
IDEA, Part B	84.027		43,271
Roots and Wings Community School			
IDEA, Part B	84.027		8,094
Pass-Through Program from:			
New Mexico Public Education Department			
IDEA, Part B, Recovery Act	84.027	27200	19,894
Roots and Wings Community School			
IDEA, Part B, Recovery Act	84.027	27200	8,118
Total Special Education Cluster			<u>240,588</u>
 Title I Basic Education Grant	 84.010	 24101	 83,164
Title I Recovery Act	84.389	24201	60,165
Title III	84.365	24153	42,256
Title II	84.367	24154	25,965
Title IV	84.186	24157	303
Reading First	84.357	24167	1,722
State Fiscal Stabilization Program Fund	84.394	25250	\$ 406,484

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT NO. 9
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2010

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
Red River Valley Charter School State Fiscal Stabilization Program Fund	84.394	25250	\$ 47,862
Roots and Wings Community School State Fiscal Stabilization Program Fund	84.394	25250	40,248
Direct Programs Rural Education Achievement Program	84.358A	25233	3,932
Total US Department of Education			<u>952,689</u>
Total Federal Assistance			<u>\$ 1,296,461</u>
Reconciliation with the financial statements			
Federal Revenues			
Questa Independent School District			1,148,868
Red River Valley Charter School			91,133
Roots and Wings Community School			56,460
			<u>1,296,461</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, the aggregate discretely presented component units, 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 and related budgetary comparisons presented as supplemental information of Questa Independent School District No 9, (District), as of and for the year ended June 30, 2010, and have issued our report thereon dated November 11, 2010. 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 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 and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses listed as 07-01, 07-02, 07-03, 07-04, 07-06, 09-01, 10-1, 10-2, 10-3, and 10-4.

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 as described in the accompanying schedule of findings and questioned cost. We did not audit the District's response and, accordingly, we express no opinion on it.

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 grantors and is not intended to be and should not be used by anyone other than these specified parties.

 CPA PC

November 11, 2010

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 QUESTA INDEPENDENT SCHOOLS (District) compliance with the types of compliance requirements described in the OMB A-133 Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2010. 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 to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. 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, the District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

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

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

This report is intended solely for the information and use of 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 11, 2010

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2010

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>
84.394	State Fiscal Stabilization Fund Program

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, 2010

B. Prior Year Audit Findings	Status
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
09-01 Late Audit Report	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).

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.

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.

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.

Effect

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

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.

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.

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.

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.

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).

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.

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.

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."

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.

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.

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 censored 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, 2010.

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 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.

10-1 Personnel Files

Condition

During our test of 28 personnel files, we noted the following:

1 personnel file contained no I-9 and 24 others were incomplete or filled out incorrectly.

Criteria

The Immigration Reform & Control Act of 1986 requires all employees hired after November 6, 1986 to complete a I-9 within 3 days of hire.

Effect

The District is not in compliance with the Immigration Reform and Control Act. The District could be subject to penalties.

Cause

The District was unaware that the employees had incomplete files.

Recommendation

We recommend the District obtain all required information and retain the necessary documents in the personnel files. The District should make periodic checks to ensure all required information is being maintained.

Response

All files will be reviewed periodically to make sure all information is current and complete.

10-2 Reporting of NMPSIA**Condition**

During our sample off all 71 employees paying into NMPSIA we noted 8 employees whose percentages were wrong. This caused the District to over pay their portion for the fiscal year by an estimate of \$4,116.

Criteria

New Mexico Public districts Insurance Authority-Employee Benefits Rules and Regulations Program guide July 2010.

Effect

Because the proper procedures are not being followed the District had additional expenditures.

Cause

The deductions are based on a tiered system. The employee was offered a stipend at a later date that caused the wage base to increase and moving her to the next tier.

Recommendation

The percentages should be reviewed after every change in employee pay.

Response

All employee percentages have been reviewed and corrected according to NMPSIA tiered system.

10-3 Cash Appropriations in Excess of Available Cash Balances**Condition**

The District maintained a deficit budget in excess of available cash balance in the Bond Building Fund (31100) of \$(622,167).

Criteria

Section 2.2.210. (P) (1), NMAC, requires all school district funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the PED for approval. Cash balances rebudgeted to make up the deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Effect

The District will have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

Cause

The District does not have a procedure in place to ensure sufficient beginning cash balances exist to absorb budget deficits.

Recommendation

Greater attention should be given to the budget monitoring process end of the year cash balance estimates.

Response

Taos County held a GRT Bond Election several years ago. All proceeds were processed by a third party administrator which was the Bank of New York. The funds are in this bank and drawn down as needed. On June 30, 2010 Bank of New York held \$553,085 on behalf of QISD. We considered these funds as cash balance in preparing our budget. In the future we will review our estimated ending cash balance by comparing it to the actual cash balance and issue a BAR to adjust our budgeted expenditures if necessary.

10-4 PED CASH REPORTS

Condition

The District's New Mexico Public Education Department (PED) Cash Reports were inconsistent with reconciled balances. The District's submitted PED Cash Report at year end did not properly reflect the June 30, 2010 reconciled cash balances.

Criteria

NMAC 1978, § 6.20.2.11(B)(6) and Regulation SBE-6 requires that all reports submitted to the PED agree to the District's general ledger and must be submitted quarterly and annually by July 31.

Effect

As a result of this inaccuracy, the District has failed to remain in compliance with statutory and regulatory provisions. In addition, the District is reviewing inaccurate information, which can lead to uninformed decisions.

Cause

The reconciled balances did not agree with the District's PED cash report balances because of an incorrect coding of a deposit between funds 31100 and 31900 of \$2,138.

Recommendation

The District should designate appropriate individuals to review all reports prior to submission to ensure that they are accurate and properly reflect all applicable information.

Response

Revenue was posted to the wrong account and found by the auditor. The posting error caused the cash report to be different than the audit. We will more carefully review the accounting records before completing the cash report submitted to PED.

Red River 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

10-1 Employee Files

Condition

In a test of 7 employee files, we noted 7 instances of incomplete I-9's and 1 instances of background checks not on file.

Criteria

NMAC 6.20.2.18 states the local board shall establish written policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, direct deposit authorizations, pay or position change notices and ERA plan application. The Immigration Reform & Control Act of 1986 requires all employees hired after November 6, 1986 to complete a I-9 within 3 days of hire.

Effect

The School is not in compliance with the Immigration Reform and Control Act or with New Mexico State Statutes. The School could be at risk of substantial fines for failure to maintain I-9's.

Cause

The School was unaware that the employees had incomplete files.

Recommendation

We recommend the School obtain all required information and retain the necessary documents in the personnel files. The School should make periodic checks to ensure all required information is being maintained.

Response

We have now completed all I-9s correctly and received the background check for our files.

10-2 Cash Appropriations in Excess of Available Cash Balances

Condition

The School maintained a deficit budget in excess of available cash balance in the Operational Fund (11000) of \$(55,387).

Criteria

Section 2.2.210. (P) (1), NMAC, requires all school district funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the PED for approval. Cash balances rebudgeted to make up the deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Effect

The School will have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

Cause

The School does not have a procedure in place to ensure sufficient beginning cash balances exist to absorb budget deficits.

Recommendation

Budget for future years should be reviewed to insure all funds have adequate budget authority for budgeted expenditures. Greater attention should be given to the budget monitoring process end of the year cash balance estimates.

Response

The School will review the estimated cash balances and issue a BAR if necessary.

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 11, 2010 in attendance were audit committee members Nancy Gonzales, Eric Martinez, Susie Martinez, Maria Montes, Grace Salazar and Debra Martinez and auditor, De'Aun Willoughby, CPA.