



STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT
June 30, 2011

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



STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Official Roster
June 30, 2011

BOARD OF EDUCATION

Bernie Torres	President
Dwayne Ortega	Vice President
Jack Gallegos	Secretary
Kenneth Gallegos	Member
Tammy Jaramillo	Member
Mathew Ortega	Member
Urban Jaramillo	Member

SCHOOL OFFICIALS

Roseline Ortega	Interm 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

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 fund and the major special revenue funds of Questa Independent School District, (District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental and the budgetary comparisons for the major capital project fund, 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, 2011, 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

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, 2011, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2011, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project fund, 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 September 23, 2011, 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.

 CPA PC

September 23, 2011

FINANCIAL SECTION

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>	<u>Red River Valley Charter School</u>	<u>Roots & Wings Charter School</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 4,998,905	\$ 49,244	\$ 64,071
Investment	3,662	0	0
Taxes Receivable	18,234	0	0
Due from Grantor	259,719	27,502	7,656
Inventory	5,836	0	0
Total Current Assets	<u>5,286,356</u>	<u>76,746</u>	<u>71,727</u>
Noncurrent Assets			
Capital Assets	23,422,339	434,355	95,784
Less: Accumulated Depreciation	<u>(7,896,651)</u>	<u>(291,179)</u>	<u>(63,801)</u>
Total Noncurrent Assets	<u>15,525,688</u>	<u>143,176</u>	<u>31,983</u>
Total Assets	<u>20,812,044</u>	<u>219,922</u>	<u>103,710</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	64,282	0	0
Accrued Interest	63,002	0	0
Current Amount Due for Bonds	175,000	0	0
Deferred Revenue	35,823	0	402
Total Current Liabilities	<u>338,107</u>	<u>0</u>	<u>402</u>
Noncurrent Liabilities			
Compensated Absences	17,677	0	0
Bonds and Notes, Net	6,082,481	0	0
Total Noncurrent Liabilities	<u>6,100,158</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>6,438,265</u>	<u>0</u>	<u>402</u>
NET ASSETS			
Invested in Capital Assets, net of Related Debt	9,268,207	143,176	31,983
Restricted for:			
Capital Projects	4,029,162	0	0
Debt Service	225,870	0	0
Unrestricted	850,540	76,746	71,325
Total Net Assets	<u>\$ 14,373,779</u>	<u>\$ 219,922</u>	<u>\$ 103,308</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2011

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	\$ 3,348,868	\$ 84,767	\$ 806,110	\$ 0	\$ (2,457,991)	\$ 0
Support Services-Students	370,348	10,092	67,872	0	(292,384)	0
Support Services-Instruction	134,390	0	24,831	0	(109,559)	0
General Administration	517,912	0	130,206	0	(387,706)	0
School Administration	1,760,260	0	1,256,763	0	(503,497)	0
Central Services	257,089	0	23,496	0	(233,593)	0
Operation of Plant	826,552	5,800	15,316	0	(805,436)	0
Student Transportation	420,032	0	411,162	0	(8,870)	0
Other	1,876	0	0	0	(1,876)	0
Food Services Operations	300,258	7,606	325,475	0	32,823	0
Interest on Long-Term Obligations	177,212	0	0	0	(177,212)	0
Total Governmental Activities	<u>8,114,797</u>	<u>108,265</u>	<u>3,061,231</u>	<u>0</u>	<u>(4,945,301)</u>	<u>0</u>
Component Units						
Red River Valley Charter	619,521	375	98,653	0	0	(520,493)
Roots & Wings Charter	503,216	0	73,242	0	0	(429,974)
Total Component Units	<u>\$ 1,122,737</u>	<u>\$ 375</u>	<u>\$ 171,895</u>	<u>\$ 0</u>	<u>0</u>	<u>(950,467)</u>
General Revenues						
Taxes						
Property Taxes, Levied for General Purposes					77,154	0
Property Taxes, Levied for Capital Projects					366,589	0
Property Taxes, Levied for Debt Service					614,582	0
Federal and State aid not restricted to specific purpose						
General					4,267,932	934,654
Capital					100,184	134,979
Interest and investment earnings					2,326	162
Miscellaneous					754,460	4,020
Subtotal, General Revenues					<u>6,183,227</u>	<u>1,073,815</u>
Change in Net Assets					1,237,926	123,648
Net Assets - beginning					<u>13,135,853</u>	<u>199,582</u>
Net Assets - ending					<u>\$ 14,373,779</u>	<u>\$ 323,230</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2011

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
ASSETS			
Cash and Cash Equivalents	\$ 242,368	\$ 21,895	\$ 0
Investment	3,662	0	0
Receivables			
Property Taxes	1,627	0	0
Due From Grantor	0	0	0
Interfund Balance	206,402	0	0
Inventory	0	0	0
Total Assets	\$ 454,059	\$ 21,895	\$ 0
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	17,303	0	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	17,303	0	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects			
Unassigned-General Fund	436,756	21,895	0
Total Fund Balances	436,756	21,895	0
Total Liabilities and Fund Balances	\$ 454,059	\$ 21,895	\$ 0

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2011

	General Fund	Special Revenues	
	Instructional Materials 14000	Title I 24101	IDEA B Recovery Act 24206
ASSETS			
Cash and Cash Equivalents	\$ 26,747	\$ 0	\$ 0
Investment	0	0	0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	64,568	96,132
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 26,747</u>	<u>\$ 64,568</u>	<u>\$ 96,132</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 34,648	\$ 96,132
Accounts Payable	1,479	29,920	0
Current Portion Due			
Principal	0	0	0
Interest	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>1,479</u>	<u>64,568</u>	<u>96,132</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Assigned-Capital Projects		0	0
Unassigned-General Fund	25,268	0	0
Total Fund Balances	<u>25,268</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 26,747</u>	<u>\$ 64,568</u>	<u>\$ 96,132</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2011

	Special Revenue <u>Land of Enchantment Top Grant 25175</u>	Capital Projects <u>Bond Building 31100</u>	Debt Service <u>Ed Tech Debt Service 43000</u>
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 3,257,162	210,374
Investment	0	0	0
Receivables			
Property Taxes	0	0	3,683
Due From Grantor	11,146	0	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 11,146</u>	<u>\$ 3,257,162</u>	<u>214,057</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	0
Accounts Payable	11,146	0	0
Current Portion Due			
Principal	0	0	175,000
Interest	0	0	11,312
Deferred Revenue	0	0	0
Total Liabilities	<u>11,146</u>	<u>0</u>	<u>186,312</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	0	0
Capital Improvements	0	3,257,162	0
Debt Service	0	0	27,745
Assigned-Capital Projects	0	0	0
Unassigned-General Fund	0	0	0
Total Fund Balances	<u>0</u>	<u>3,257,162</u>	<u>27,745</u>
Total Liabilities and Fund Balances	<u>\$ 11,146</u>	<u>\$ 3,257,162</u>	<u>214,057</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2011

	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 1,240,359	\$ 4,998,905
Investment	0	3,662
Receivables		
Property Taxes	12,924	18,234
Due From Grantor	87,873	259,719
Interfund Balance	0	206,402
Inventory	5,836	5,836
Total Assets	<u>\$ 1,346,992</u>	<u>\$ 5,492,758</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Interfund Balance	\$ 75,622	\$ 206,402
Accounts Payable	4,434	64,282
Current Portion Due		
Principal	0	175,000
Interest	0	11,312
Deferred Revenue	35,823	35,823
Total Liabilities	<u>115,879</u>	<u>492,819</u>
 Fund Balances		
Nonspendable-Inventory	5,836	5,836
Restricted-Reported In		
Special Revenue Funds	255,152	255,152
Capital Improvements	772,000	4,029,162
Debt Service	198,125	225,870
Assigned-Capital Projects	0	0
Unassigned-General Fund	0	483,919
Total Fund Balances	<u>1,231,113</u>	<u>4,999,939</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,346,992</u>	 <u>\$ 5,492,758</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2011

Total Fund Balance - Governmental Funds \$ 4,999,939

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	\$ 23,422,339	
Accumulated depreciation is	<u>(7,896,651)</u>	15,525,688

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 :

Bonds payable	(6,200,000)	
Issue Costs	162,096	
Accumulated Amortization	(44,577)	
Accrued interest on bonds	(51,690)	
Compensated Absences	<u>(17,677)</u>	<u>(6,151,848)</u>
 Total net assets - governmental activities	 \$ <u>14,373,779</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2011

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Revenues			
Property Taxes	\$ 77,154	\$ 0	\$ 0
Investment Income	368	9	0
Fees	61,732	5,800	0
State & Local Grants	4,239,124	0	324,461
Federal Grants	28,808	0	0
Miscellaneous	159,719	0	0
Total Revenues	4,566,905	5,809	324,461
Expenditures			
Current			
Instruction	2,126,499	0	0
Support Services-Students	292,238	0	0
Support Services-Instruction	109,559	0	0
Support Services-General Administration	377,858	0	0
Support Services-School Administration	503,497	0	0
Central Services	238,307	0	0
Operation & Maintenance of Plant	661,723	324	0
Student Transportation	6,459	0	326,872
Other	1,876	0	0
Food Services Operations	45,303	0	0
Capital Outlay	6,662	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	4,369,981	324	326,872
Excess (Deficiency) of Revenues Over Expenditures	196,924	5,485	(2,411)
Other Financing Sources (Uses)			
Bond Proceeds	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Net Changes in Fund Balance	196,924	5,485	(2,411)
Fund Balances at Beginning of Year	239,832	16,410	2,411
Fund Balances End of Year	\$ 436,756	\$ 21,895	\$ 0

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2011

	General Fund		Special Revenues	
	Instructional		IDEA B	
	Materials	Title I	Recovery Act	
	14000	24101	24206	
Revenues				
Property Taxes	\$ 0	\$ 0	\$ 0	0
Investment Income	0	0	0	0
Fees	0	0	0	0
State & Local Grants	20,069	0	0	0
Federal Grants	0	142,622	118,427	0
Miscellaneous		0	0	0
Total Revenues	20,069	142,622	118,427	
Expenditures				
Current				
Instruction	13,005	114,317	29,325	0
Support Services-Students	0	0	603	0
Support Services-Instruction	0	0	8,375	0
Support Services-General Administration	0	7,970	0	0
Support Services-School Administration	0	0	0	0
Central Services	0	0	21,737	0
Operation & Maintenance of Plant	0	0	0	0
Student Transportation	0	20,335	58,387	0
Other	0	0	0	0
Food Services Operations	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service				
Principal	0	0	0	0
Interest	0	0	0	0
Bond Issue Costs	0	0	0	0
Total Expenditures	13,005	142,622	118,427	
Excess (Deficiency) of Revenues				
Over Expenditures	7,064	0	0	
Other Financing Sources (Uses)				
Bond Proceeds	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	
Net Changes in Fund Balance	7,064	0	0	
Fund Balances at Beginning of Year	18,204	0	0	
Fund Balances End of Year	\$ 25,268	\$ 0	\$ 0	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2011

	Special Revenue	Capital Projects	Debt Service
	Land of Enchantment Top Grant 25175	Bond Building 31100	Ed Tech Debt Service 43000
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 349,338
Investment Income	0	1	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	1,705,920	0	0
Miscellaneous	0	557,099	0
Total Revenues	<u>1,705,920</u>	<u>557,100</u>	<u>349,338</u>
Expenditures			
Current			
Instruction	341,409	0	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	112,876	0	1,622
Support Services-School Administration	1,245,088	0	0
Central Services	529	0	0
Operation & Maintenance of Plant	6,018	4,004	0
Student Transportation	0	0	0
Other	0	0	0
Food Services Operations	0	0	0
Capital Outlay	0	753,080	0
Debt Service			
Principal	0	0	175,000
Interest	0	0	18,094
Bond Issue Costs	0	54,200	0
Total Expenditures	<u>1,705,920</u>	<u>811,284</u>	<u>194,716</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(254,184)</u>	<u>154,622</u>
Other Financing Sources (Uses)			
Bond Proceeds	<u>0</u>	<u>2,000,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>2,000,000</u>	<u>0</u>
Net Changes in Fund Balance	0	1,745,816	154,622
Fund Balances at Beginning of Year	<u>0</u>	<u>1,511,346</u>	<u>(126,877)</u>
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 3,257,162</u>	<u>\$ 27,745</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2011

	Other Governmental Funds	Total Governmental Funds
Revenues		
Property Taxes	\$ 631,833	\$ 1,058,325
Investment Income	1,948	2,326
Fees	40,733	108,265
State & Local Grants	135,002	4,718,656
Federal Grants	714,914	2,710,691
Miscellaneous	37,642	754,460
Total Revenues	<u>1,562,072</u>	<u>9,352,723</u>
Expenditures		
Current		
Instruction	413,704	3,038,259
Support Services-Students	71,513	364,354
Support Services-Instruction	16,456	134,390
Support Services-General Administration	17,961	518,287
Support Services-School Administration	11,675	1,760,260
Central Services	1,230	261,803
Operation & Maintenance of Plant	153,743	825,812
Student Transportation	7,979	420,032
Other	0	1,876
Food Services Operations	253,632	298,935
Capital Outlay	572,096	1,331,838
Debt Service		
Principal	0	175,000
Interest	143,221	161,315
Bond Issue Costs	0	54,200
Total Expenditures	<u>1,663,210</u>	<u>9,346,361</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(101,138)</u>	<u>6,362</u>
Other Financing Sources (Uses)		
Bond Proceeds	<u>0</u>	<u>2,000,000</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>2,000,000</u>
Net Changes in Fund Balance	(101,138)	2,006,362
Fund Balances at Beginning of Year	<u>1,332,251</u>	<u>2,993,577</u>
Fund Balances End of Year	<u>\$ 1,231,113</u>	<u>\$ 4,999,939</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2011

Excess (Deficiency) of Revenues Over Expenditures \$ 6,362

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

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	\$ (324,902)	
Capital Outlays	<u>1,331,838</u>	1,006,936

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.

Bond Issue Costs	54,200	
Amortization Expense	<u>(11,947)</u>	42,253

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

Accrued Interest, June 30, 2010	47,740	
Accrued Interest, June 30, 2011	<u>(51,690)</u>	(3,950)

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, 2010	29,002	
Compensated Absences June 30, 2011	<u>(17,677)</u>	<u>11,325</u>

Changes in Net Assets of Governmental Activities \$ 1,237,926

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Property Taxes	\$ 81,784	\$ 81,784	\$ 76,803	\$ (4,981)
Investment Income	402	402	368	(34)
Fees	19,471	63,141	61,731	(1,410)
State & Local Grants	4,434,556	4,364,775	4,239,124	(125,651)
Federal Grants	32,385	32,385	28,808	(3,577)
Miscellaneous	10,515	91,125	152,906	61,781
Total Revenues	<u>4,579,113</u>	<u>4,633,612</u>	<u>4,559,740</u>	<u>(73,872)</u>
Expenditures				
Instruction				
Personnel Services	1,526,702	1,454,759	1,430,409	24,350
Employee Benefits	559,846	525,021	466,267	58,754
Professional & Tech Services	8,415	45,415	37,981	7,434
Other Purchased Services	115,600	123,648	94,290	29,358
Supplies	86,658	94,238	81,523	12,715
Supply Assets	20,000	20,000	15,806	4,194
Total Instruction	<u>2,317,221</u>	<u>2,263,081</u>	<u>2,126,276</u>	<u>136,805</u>
Support Services-Students				
Personnel Services	195,057	175,473	171,028	4,445
Employee Benefits	66,505	66,820	55,894	10,926
Professional & Tech Services	139,196	114,537	62,762	51,775
Other Purchased Services	100	561	561	0
Supplies	2,000	2,000	1,516	484
Supply Assets	150	477	477	0
Total Support Services-Students	<u>403,008</u>	<u>359,868</u>	<u>292,238</u>	<u>67,630</u>
Support Services-Instruction				
Personnel Services	81,484	80,391	80,347	44
Employee Benefits	27,539	27,564	25,186	2,378
Professional & Tech Services	200	285	285	0
Other Purchased Services	310	310	266	44
Supplies	3,205	4,133	2,420	1,713
Supply Assets	1,000	1,055	1,055	0
Total Support Services-Instruction	<u>113,738</u>	<u>113,738</u>	<u>109,559</u>	<u>4,179</u>
Support Services-General Administration				
Personnel Services	149,765	178,340	178,339	1
Employee Benefits	51,288	52,541	52,369	172
Professional & Tech Services	105,973	117,096	108,899	8,197
Other Purchased Services	25,275	32,380	26,108	6,272
Supplies	7,220	8,234	7,044	1,190
Supply Assets	6,230	6,230	477	5,753
Total Support Services-General Administration	<u>345,751</u>	<u>394,821</u>	<u>373,236</u>	<u>21,585</u>

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Support Services-School Administration				
Personnel Services	\$ 365,946	\$ 366,138	\$ 351,098	\$ 15,040
Employee Benefits	146,463	151,618	142,310	9,308
Professional & Tech Services	0	1,004	1,004	0
Other Purchased Services	4,110	5,014	4,547	467
Supplies	4,640	4,640	3,861	779
Supply Assets	4,320	4,320	614	3,706
Total Support Services-School Administration	525,479	532,734	503,434	29,300
Central Services				
Personnel Services	135,714	149,604	148,811	793
Employee Benefits	56,492	58,659	53,858	4,801
Professional & Tech Services	1,850	21,301	19,301	2,000
Other Purchased Services	2,038	3,253	3,252	1
Supplies	7,354	11,835	11,681	154
Fixed Assets	19,128	9,292	6,662	2,630
Supply Assets	20,700	20,700	0	20,700
Total Central Services	243,276	274,644	243,565	31,079
Operation & Maintenance of Plant				
Personnel Services	174,530	182,759	178,160	4,599
Employee Benefits	76,706	73,232	71,243	1,989
Professional & Tech Services	1,550	1,550	1,301	249
Purchased Property Services	290,633	340,653	269,319	71,334
Other Purchased Services	130,432	130,432	129,096	1,336
Supplies	4,140	13,451	9,451	4,000
Supply Assets	5,000	5,000	3,070	1,930
Total Operation & Maintenance of Plant	682,991	747,077	661,640	85,437
Student Transportation				
Other Purchased Services	26,175	19,934	219	19,715
Supply Assets	0	6,241	6,240	1
Total Student Transportation	26,175	26,175	6,459	19,716
Other				
Other Purchased Services	2,437	2,437	1,876	561
Total Other	2,437	2,437	1,876	561
Food Service				
Professional & Tech Services	1,948	1,948	0	1,948
Supplies	63,150	63,150	45,304	17,846
Total Food Service	65,098	65,098	45,304	19,794
Total Expenditures	\$ 4,725,174	\$ 4,779,673	\$ 4,363,587	\$ 416,086

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
GENERAL FUND-OPERATIONAL-11000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (146,061)	\$ (146,061)	\$ 196,153	\$ 342,214
Other Financing Sources (Uses)				
Transfers	0	0	6,814	6,814
Total Other Sources (Uses)	0	0	6,814	6,814
Net Change in Fund Balance	(146,061)	(146,061)	202,967	349,028
Cash Balance Beginning of Year	249,465	249,465	249,465	0
Cash Balance End of Year	\$ 103,404	\$ 103,404	\$ 452,432	\$ 349,028
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 202,967	
Net change in Taxes Receivable			351	
Net change in Accounts Payable			(6,394)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 196,924	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
GENERAL FUND-TEACHERAGE-12000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment Income	\$ 10	\$ 10	\$ 10	\$ 0
Miscellaneous	3,000	3,000	5,800	2,800
Total Revenues	<u>3,010</u>	<u>3,010</u>	<u>5,810</u>	<u>2,800</u>
Expenditures				
Operation & Maintenance of Plant				
Purchased Property Services	19,171	19,171	325	18,846
Total Operation & Maintenance of Plant	<u>19,171</u>	<u>19,171</u>	<u>325</u>	<u>18,846</u>
Total Expenditures	<u>19,171</u>	<u>19,171</u>	<u>325</u>	<u>18,846</u>
Excess (Deficiency) of Revenues Over Expenditures	(16,161)	(16,161)	5,485	21,646
Cash Balance Beginning of Year	<u>16,410</u>	<u>16,410</u>	<u>16,410</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 249</u>	<u>\$ 249</u>	<u>\$ 21,895</u>	<u>\$ 21,646</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 5,485</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 5,485</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
GENERAL FUND-TRANSPORTATION-13000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 324,461	\$ 324,461	\$ 324,461	\$ 0
Total Revenues	<u>324,461</u>	<u>324,461</u>	<u>324,461</u>	<u>0</u>
Expenditures				
Student Transportation				
Personnel Services	64,073	51,484	51,484	0
Employee Benefits	48,426	36,033	36,033	0
Purchased Property Services	40,626	40,626	40,626	0
Other Purchased Services	163,048	198,001	198,001	0
Supplies	5,500	43	43	0
Supply Assets	0	685	685	0
Total Student Transportation	<u>321,673</u>	<u>326,872</u>	<u>326,872</u>	<u>0</u>
Total Expenditures	<u>321,673</u>	<u>326,872</u>	<u>326,872</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	2,788	(2,411)	(2,411)	0
Cash Balance Beginning of Year	<u>2,411</u>	<u>2,411</u>	<u>2,411</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 5,199</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			\$ (2,411)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<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
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 14,755	\$ 14,755	\$ 20,069	\$ 5,314
Total Revenues	<u>14,755</u>	<u>14,755</u>	<u>20,069</u>	<u>5,314</u>
Expenditures				
Instruction				
Supplies	32,906	32,906	11,525	21,381
Total Instruction	<u>32,906</u>	<u>32,906</u>	<u>11,525</u>	<u>21,381</u>
Total Expenditures	<u>32,906</u>	<u>32,906</u>	<u>11,525</u>	<u>21,381</u>
Excess (Deficiency) of Revenues Over Expenditures	(18,151)	(18,151)	8,544	26,695
Cash Balance Beginning of Year	<u>18,203</u>	<u>18,203</u>	<u>18,203</u>	<u>0</u>
Cash Balance End of Year	\$ <u>52</u>	\$ <u>52</u>	\$ <u>26,747</u>	\$ <u>26,695</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 8,544	
Net Change in Accounts Payables			<u>(1,480)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>7,064</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 153,628	244,860	\$ 91,255	\$ (153,605)
Total Revenues	<u>153,628</u>	<u>244,860</u>	<u>91,255</u>	<u>(153,605)</u>
Expenditures				
Instruction				
Personnel Services	87,371	93,667	56,298	37,369
Employee Benefits	33,973	39,544	18,102	21,442
Professional & Tech Services	5,500	10,500	3,593	6,907
Other Purchased Services	5,582	6,762	1,180	5,582
Supplies	3,231	49,138	5,224	43,914
Total Instruction	<u>135,657</u>	<u>199,611</u>	<u>84,397</u>	<u>115,214</u>
Support Services-General Administration				
Professional & Tech Services	4,770	11,713	7,971	3,742
Total Support Services-General Administration	<u>4,770</u>	<u>11,713</u>	<u>7,971</u>	<u>3,742</u>
Student Transportation				
Other Purchased Services	0	20,335	20,335	0
Total Student Transportation	<u>0</u>	<u>20,335</u>	<u>20,335</u>	<u>0</u>
Total Expenditures	<u>140,427</u>	<u>231,659</u>	<u>112,703</u>	<u>118,956</u>
Excess (Deficiency) of Revenues Over Expenditures	13,201	13,201	(21,448)	(34,649)
Cash Balance Beginning of Year	<u>(13,200)</u>	<u>(13,200)</u>	<u>(13,200)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>1</u>	\$ <u>1</u>	\$ <u>(34,648)</u>	\$ <u>(34,649)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (21,448)	
Net change in Due from Grantor			51,368	
Net change in Accounts Payable			(29,920)	
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
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 3,738	\$ 127,746	\$ 26,034	\$ (101,712)
Total Revenues	<u>3,738</u>	<u>127,746</u>	<u>26,034</u>	<u>(101,712)</u>
Expenditures				
Instruction				
Personnel Services	0	16,262	12,689	3,573
Employee Benefits	0	11,262	11,108	154
Other Purchased Services	0	6,305	5,528	777
Total Instruction	<u>0</u>	<u>33,829</u>	<u>29,325</u>	<u>4,504</u>
Support Services-Students				
Supplies	0	604	604	0
Total Support Services-Students	<u>0</u>	<u>604</u>	<u>604</u>	<u>0</u>
Support Services-General Administration				
Professional & Tech Services	0	8,833	8,375	458
Total Support Services-General Administration	<u>0</u>	<u>8,833</u>	<u>8,375</u>	<u>458</u>
Central Services				
Other Purchased Services	0	21,742	21,737	5
Total Central Services	<u>0</u>	<u>21,742</u>	<u>21,737</u>	<u>5</u>
Student Transportation				
Vehicles	0	59,000	58,387	613
Total Student Transportation	<u>0</u>	<u>59,000</u>	<u>58,387</u>	<u>613</u>
Total Expenditures	<u>0</u>	<u>124,008</u>	<u>118,428</u>	<u>5,580</u>
Excess (Deficiency) of Revenues Over Expenditures	3,738	3,738	(92,394)	(96,132)
Cash Balance Beginning of Year	<u>(3,738)</u>	<u>(3,738)</u>	<u>(3,738)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (96,132)</u>	<u>\$ (96,132)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (92,394)	
Net change in Due from Grantor			92,394	
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
SPECIAL REVENUE FUND-LAND OF ENCHANTMENT TOP GRANT-25175
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 8,680,166	\$ 1,694,774	\$ (6,985,392)
Total Revenues	<u>0</u>	<u>8,680,166</u>	<u>1,694,774</u>	<u>(6,985,392)</u>
Expenditures				
Instruction				
Personnel Services	0	1,380,000	232,753	1,147,247
Employee Benefits	0	790,864	70,910	719,954
Professional & Tech Services	0	311,406	32,718	278,688
Other Purchased Services	0	1,490	1,490	0
Supplies	0	3,271	2,483	788
Total Instruction	<u>0</u>	<u>2,487,031</u>	<u>340,354</u>	<u>2,146,677</u>
Support Services-General Administration				
Professional & Tech Services	0	613,847	112,876	500,971
Total Support Services-General Administration	<u>0</u>	<u>613,847</u>	<u>112,876</u>	<u>500,971</u>
Support Services-School Administration				
Personnel Services	0	3,563,000	845,818	2,717,182
Employee Benefits	0	1,455,015	236,971	1,218,044
Professional & Tech Services	0	215,659	75,436	140,223
Purchased Property Services	0	144,000	10,406	133,594
Other Purchased Services	0	77,585	51,589	25,996
Supplies	0	90,500	13,366	77,134
Supply Assets	0	15,000	1,531	13,469
Total Support Services-School Administration	<u>0</u>	<u>5,560,759</u>	<u>1,235,117</u>	<u>4,325,642</u>
Central Services				
Other Purchased Services	0	529	529	0
Total Central Services	<u>0</u>	<u>529</u>	<u>529</u>	<u>0</u>
Operation & Maintenance of Plant				
Other Purchased Services	0	18,000	5,898	12,102
Total Operation & Maintenance of Plant	<u>0</u>	<u>18,000</u>	<u>5,898</u>	<u>12,102</u>
Total Expenditures	\$ <u>0</u>	\$ <u>8,680,166</u>	\$ <u>1,694,774</u>	\$ <u>6,985,392</u>

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
SPECIAL REVENUE FUND-LAND OF ENCHANTMENT TOP GRANT-25175
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variances Positive (Negative) Final to Actual</u>
	<u>Original</u>	<u>Final</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	
Net change in Due from Grantor			11,146	
Net change in Accounts Payable			<u>(11,146)</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
Statement of Fiduciary Net Assets and Liabilities-Agency Funds
For the Year Ended June 30, 2011

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 70,938
Total Assets	<u>\$ 70,938</u>
Liabilities	
Deposits Held for Others	\$ 70,938
Total Liabilities	<u>\$ 70,938</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 (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 jurisdiction. Questa Independent School District is accountable for the Charter Schools because the 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 such as state equalization guarantee, transportation and various federal and state grants. 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 Special Revenue Funds

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 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.

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.

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.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
 Notes to the Financial Statements
 June 30, 2011

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

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

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

Capital Leases

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

Deferred Revenue

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

Short -Term Debt

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

Long-Term Liabilities

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

Compensated Absences

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

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

Years of service will be based on the number of years employed with the District. Unused annual leave may be accumulated to a total of not more than ten (10) working days. Upon termination of employment, 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

Nonspendable fund balance represents assets that are other than cash such as inventory.

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

Assigned fund balance classification are intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance indicates that portion of fund equity which is available for budgeting in future

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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.
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 amendments thereto.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2011

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>	<u>Balance Per Bank 6/30/11</u>	<u>Reconciled Balance</u>	<u>Type</u>
Payroll Clearing	\$ 422,080	\$ 0	Checking
Payroll Direct Deposit Account	8,445	0	Checking
Accounts Payable Clearing	171,744	0	Checking
Cafeteria	157,834	157,835	Checking
Teacherage	21,895	21,895	Checking
General Operational	316,151	311,689	Checking
Debt Service	193,107	193,107	Checking
Ed Technology	594,388	594,388	Checking
Federal Projects	788	0	Checking
Athletics	4	4	Checking
Activity-non budgeted	50,918	50,938	Checking
Capital Projects	3,719,987	3,719,987	Checking
Questa Ind Schools	10,000	10,000	Savings
Questa Ind Schools	10,000	10,000	Savings
TOTAL Deposited	<u>5,677,341</u>	<u>\$ 5,069,843</u>	
Less: FDIC Coverage	<u>843,036</u>		
Uninsured Amount	4,834,305		
50% collateral requirement	2,417,153		
Pledged securities	<u>2,774,920</u>		
Over (Under) requirement	<u>\$ 357,768</u>		

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

The following securities are pledged at **Centinel Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FFCB	31331R44	\$ 2,774,920	5/21/2015	FHLB-Dallas, TX
		<u>\$ 2,774,920</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 843,036
Collateralized:	
Collateral held by the pledging bank in District's name	2,774,920
Uninsured and uncollateralized	2,059,385
Total Deposits	<u>\$ 5,677,341</u>

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2011

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2011 \$2,059,385 of the District's bank balance of \$5,677,341 was exposed to custodial credit risk.

New Mexico State Treasurer

Name of Account	Balance 6/30/11	Reconciled Balance	Type
QISD LGIP	\$ 561	\$ 561	Investment
QISD Reserve CF	1,752	1,752	Investment
QISD LGIP	327	327	Investment
QISD Reserve CF	1,022	1,022	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.

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, 2011, 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.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2011

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 6/30/11	Reconciled Balance	Type
<u>Name of Account</u>			
Red River Charter School	\$ 53,718	\$ 49,244	Checking
TOTAL Deposited	53,718	\$ 49,244	
Less: FDIC Coverage	(53,718)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	\$ 0		

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	\$ 53,718
Collateralized:	
Collateral held by the pledging bank in	
School's name	0
Uninsured and uncollateralized	0
Total Deposits	\$ 53,718

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2011 none of the School's bank balance of \$53,718 was exposed to custodial credit risk.

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.

Peoples Bank	Balance Per Bank 6/30/11	Reconciled Balance	Type
<u>Name of Account</u>			
Roots and Wings	\$ 113,062	\$ 64,071	Checking
TOTAL Deposited	113,062	\$ 64,071	
Less: FDIC Coverage	(113,062)		
Uninsured Amount	0		
50% collateral requirement	0		
Pledged securities	0		
Over (Under) requirement	\$ 0		

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2011

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 113,062
Collateralized:	
Collateral held by the pledging bank in School's name	0
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 113,062</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, 2011 none of the School's bank balance of \$113,062 was exposed to custodial credit risk.

B. Receivables

Following is a schedule of receivables as of June 30, 2011:

	<u>General Fund 11000</u>	<u>Title I 24101</u>	<u>IDEA B Recovery Act 24206</u>	<u>Land of Enchantment Top Grant 25175</u>	<u>Ed Tech Debt Service 43000</u>
Property Taxes					
Available	\$ 1,627	\$ 0	\$ 0	\$ 0	\$ 3,683
Due From Grantors:					
State Agencies	0	0	0	0	
Federal Agencies	0	64,568	96,132	11,146	
	<u>\$ 1,627</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ 3,683</u>
				<u>Other Governmental</u>	<u>Total Governmental Funds</u>
Property Taxes					
Available				\$ 12,924	\$ 18,234
Due From Grantors:					
State Agencies				19,789	19,789
Federal Agencies				68,084	239,930
				<u>\$ 100,797</u>	<u>\$ 106,107</u>

C. Interfund Receivables, Payables and Transfers

Interfund Balances during the year ending June 30, 2011 were as follows:

Due to General Fund from:

Major Funds	
Title I - 24101	\$ 34,648
IDEA B Recovery Act - 24206	96,132
Other Governmental Funds	75,622
Totals	<u>\$ 206,402</u>

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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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, 2011 is as follows:

	Balance 6/30/10	Additions	Deletions	Balance 6/30/11
Capital Assets, not being Depreciated				
Land	\$ 17,411	\$ 0	\$ 0	\$ 17,411
Total Capital Assets, not being Depreciated	\$ 17,411	\$ 0	\$ 0	\$ 17,411
Capital Assets, being Depreciated				
Buildings & Improvements	\$ 20,542,017	\$ 1,258,985	\$ 0	\$ 21,801,002
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	1,531,073	72,853		1,603,926
Total Capital Assets, being Depreciated	22,073,090	1,331,838	0	23,404,928
Total Capital Assets	22,090,501	1,331,838	0	23,422,339
Less Accumulated Depreciation				
Buildings & Improvements	6,645,705	300,064	0	6,945,769
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	926,044	24,838		950,882
Total Accumulated Depreciation	7,571,749	324,902	0	7,896,651
Capital Assets, net	\$ 14,518,752	\$ 1,006,936	\$ 0	\$ 15,525,688

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 310,609
Support Instruction	5,994
General Administration	4,793
Operation of Plant	2,183
Food Services	1,323
Total depreciation expenses	\$ 324,902

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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Component Units:

Red River Charter School

Capital Assets Balances and Activity for the Year Ended June 30, 2011, is as follows:

	Balance 6/30/10	Additions	Deletions	Balance 6/30/11
Governmental Activities				
Capital Assets not being Depreciated				
Construction in Progress	\$ 14,108	\$ 134,979	\$ 0	\$ 149,087
Total Capital Assets not being Depreciated	<u>14,108</u>	<u>134,979</u>	<u>0</u>	<u>149,087</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>\$ 299,376</u>	<u>\$ 134,979</u>	<u>\$ 0</u>	<u>\$ 434,355</u>
Less Accumulated Depreciation				
Buildings & Improvements	\$ 43,533	\$ 5,789	\$ 0	\$ 49,322
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>223,412</u>	<u>18,445</u>	<u>0</u>	<u>241,857</u>
Total Accumulated Depreciation	<u>266,945</u>	<u>24,234</u>	<u>0</u>	<u>291,179</u>
Capital Assets, net	<u>\$ 32,431</u>	<u>\$ 110,745</u>	<u>\$ 0</u>	<u>\$ 143,176</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, 2011, is as follows:

	Balance 6/30/10	Additions	Deletions	Balance 6/30/11
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>

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to the Financial Statements
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Capital Assets, being Depreciated				
Buildings & Improvements	7,860			7,860
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	87,924	0		87,924
Total Capital Assets, being Depreciated	95,784	0	0	95,784
Total Capital Assets	95,784	0	0	95,784
Less Accumulated Depreciation				
Buildings & Improvements	15,967	2,244		18,211
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	45,292	298		45,590
Total Accumulated Depreciation	61,259	2,542	0	63,801
Capital Assets, net	\$ 34,525	\$ (2,542)	\$ 0	\$ 31,983

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 2,542
Total depreciation expenses	\$ 2,542

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, 2011:

	Other Governmental
Federal Grants	\$ 35,823
Total Deferred Revenue	\$ 35,823

F. Long-Term Debt

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

	Balance 6/30/10	Additions	Reductions	Balance 6/30/11	Amounts Due Within One Year
Governmental Activities					
Education Technology Notes	\$ 4,375,000	\$ 0	\$ 175,000	\$ 4,200,000	\$ 175,000
Total Notes	4,375,000	0	175,000	4,200,000	175,000

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to the Financial Statements
June 30, 2011

Other Liabilities					
Compensated					
Absences	29,002	30,519	41,844	17,677	0
Total Other Liabilities	29,002	30,519	41,844	17,677	0
Long-Term Liabilities	\$ 4,404,002	\$ 30,519	\$ 216,844	\$ 4,217,677	\$ 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	Maturity Date	Original Amount	Interest Rate	Balance
2007	7/15/2013	900,000	6.70%	\$ 375,000
2009	3/1/2029	4,000,000	4.80%	4,000,000
2010	9/1/2026	2,000,000	0.00%	2,000,000
				\$ 6,375,000

The annual requirements to amortize the general obligation bonds as of June 30, 2011, including interest payments are as follows:

	Principal	Interest	Total
2012	\$ 175,000	\$ 155,204	\$ 330,204
2013	200,000	147,971	347,971
2014	170,000	141,896	311,896
2015	335,000	137,521	472,521
2016	345,000	132,896	477,896
2017-2021	1,870,000	576,519	2,446,519
2022-2026	2,140,000	352,182	2,492,182
2027-2029	1,140,000	63,141	1,203,141
	\$ 6,375,000	\$ 1,707,330	\$ 8,082,330

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 through June 30, 2011, 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. Effective July 1, 2011 plan members are required by statute to continue 7.9% of their gross salary if they earned \$20,000 or less annually, and plan members earning more than \$20,000 annually are required to contribute 11.15% of their gross salary. The District is required to contribute 12.4% of gross covered salary for employees earning \$20,000 or less, and 9.15% of the gross covered salary of employees earning more than \$20,000 annually. The contribution requirements of plan members and the 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, 2011, 2010, and 2009, were \$789,680, \$588,779 and \$590,425 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.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
 Notes to the Financial Statements
 June 30, 2011

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, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

<u>Fiscal Year</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
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, 2011, 2010 and 2009 were \$101,064, \$56,558 and \$59,156 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, 2011.

H. Estimates

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

I. Joint Powers Agreements

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

The REC passed-through \$36,846 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:

27200 State Directed

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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
 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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment Income	\$ 81	\$ 81	\$ 1	\$ (80)
Special Revenue Bond	553,099	553,099	553,099	0
Bond Issue	0	0	2,004,000	2,004,000
Total Revenues	<u>553,180</u>	<u>553,180</u>	<u>2,557,100</u>	<u>2,003,920</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	33,500	54,200	54,200	0
Purchased Property Services	1,545,363	1,522,733	753,080	769,653
Supplies	0	91	91	0
Supply Assets	10,000	11,839	3,913	7,926
Total Capital Outlay	<u>1,588,863</u>	<u>1,588,863</u>	<u>811,284</u>	<u>777,579</u>
Total Expenditures	<u>1,588,863</u>	<u>1,588,863</u>	<u>811,284</u>	<u>777,579</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,035,683)	(1,035,683)	1,745,816	2,781,499
Cash Balance Beginning of Year	<u>1,511,346</u>	<u>1,511,346</u>	<u>1,511,346</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 475,663</u>	<u>\$ 475,663</u>	<u>\$ 3,257,162</u>	<u>\$ 2,781,499</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,745,816	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,745,816</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Property Taxes	\$ 193,094	\$ 193,094	\$ 348,898	\$ 155,804
Total Revenues	<u>193,094</u>	<u>193,094</u>	<u>348,898</u>	<u>155,804</u>
Expenditures				
Support Services- General Administration				
Professional & Tech Services	1,931	3,796	1,623	2,173
Total Support Services- General Administration	<u>1,931</u>	<u>3,796</u>	<u>1,623</u>	<u>2,173</u>
Debt Service				
Principal	175,000	175,000	175,000	0
Interest	18,094	18,094	18,094	0
Total Debt Service	<u>193,094</u>	<u>193,094</u>	<u>193,094</u>	<u>0</u>
Total Expenditures	<u>195,025</u>	<u>196,890</u>	<u>194,717</u>	<u>2,173</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,931)	(3,796)	154,181	157,977
Cash Balance Beginning of Year	<u>56,193</u>	<u>56,193</u>	<u>56,193</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 54,262</u>	<u>\$ 52,397</u>	<u>\$ 210,374</u>	<u>\$ 157,977</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 154,181	
Net change in Taxes Receivable			441	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 154,622</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).

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.

IDEA B Risk Pool (24120). 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.

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

Improving Teacher Quality (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 (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 Preschool Recovery Act (24209). To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

Elementary Breakfast (24290). To account for the revenues and expenditures for a federal grant to provide breakfast in the classroom. 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.

NONMAJOR FUNDS

Education Job Fund (25255). To account for revenues and expenditures received from the federal government for the purpose of job creation. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal 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.

Dual Credit (27103). To provide financial assistance to purchased instructional materials for the college classes offered to students who are taking them for dual credits. The fund was created by the authority of state 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.

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 (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.

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.

NONMAJOR FUNDS

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

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

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

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.

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
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA, Part B Entitlement 24106
ASSETS			
Cash and Cash Equivalents	\$ 157,862	\$ 4	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	9,697	0	35,137
Inventory	5,836	0	0
Total Assets	<u>\$ 173,395</u>	<u>\$ 4</u>	<u>\$ 35,137</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 34,947
Accounts Payable	41	0	190
Deferred Revenue	0	0	0
Total Liabilities	<u>41</u>	<u>0</u>	<u>35,137</u>
Fund Balances			
Nonspendable-Inventory	5,836	0	0
Restricted-Reported In			
Special Revenue Funds	167,518	4	0
Debt Service	0	0	0
Assigned-Capital Improvements	0	0	0
Total Fund Balance	<u>173,354</u>	<u>4</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 173,395</u>	<u>\$ 4</u>	<u>\$ 35,137</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	IDEA, Part B Discretionary 24107	IDEA Preschool 24109	Fresh Fruits & Vegetables 24118
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	3,981	1,161
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 3,981</u>	<u>\$ 1,161</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 2,835	\$ 1,161
Accounts Payable	0	1,146	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>3,981</u>	<u>1,161</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Assigned-Capital Improvements	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 3,981</u>	<u>\$ 1,161</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	IDEA B Risk Pool 24120	Title V 24150	English Language Acquisition 24153
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	1,062	0	211
Inventory	0	0	0
Total Assets	<u>\$ 1,062</u>	<u>\$ 0</u>	<u>\$ 211</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 1,062	\$ 0	\$ 211
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>1,062</u>	<u>0</u>	<u>211</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Assigned-Capital Improvements	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 1,062</u>	<u>\$ 0</u>	<u>\$ 211</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	Improving Teacher Quality 24154	Safe & Drug Free Schools 24157	Reading First 24167
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	10,138	2,414	0
Inventory	0	0	0
Total Assets	<u>\$ 10,138</u>	<u>\$ 2,414</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 10,138	\$ 2,414	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>10,138</u>	<u>2,414</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Assigned-Capital Improvements	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 10,138</u>	<u>\$ 2,414</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
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	Title I Recovery Act 24201	IDEA Preschool Recovery Act 24209	Elementary School Breakfast 24290
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	4,283	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 4,283</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 4,283	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>4,283</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Assigned-Capital Improvements	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 4,283</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
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	Medicaid 25153	Rural Education Achievement Program 25233	State Fiscal Stabilization Program Fund 25250
ASSETS			
Cash and Cash Equivalents	\$ 66,213	\$ 13,342	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 66,213</u>	<u>\$ 13,342</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	431	0	0
Deferred Revenue	0	13,342	0
Total Liabilities	<u>431</u>	<u>13,342</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	65,782	0	0
Debt Service	0	0	0
Assigned-Capital Improvements	0	0	0
Total Fund Balance	<u>65,782</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 66,213</u>	<u>\$ 13,342</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
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	Education Job Fund 25255	A+ for Energy 26179	Duel Credits 27103
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	10,739
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,739</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 10,739
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>10,739</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	0	0
Debt Service	0	0	0
Assigned-Capital Improvements	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>\$ 10,739</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	GO Student Library Fund 27105	Technology For Education 27117	Incentives for School Improvements 27138
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 51	\$ 5,343
Receivables			
Property Taxes	0	0	0
Due From Grantor	9,050	0	0
Inventory	0	0	0
Total Assets	<u>\$ 9,050</u>	<u>\$ 51</u>	<u>\$ 5,343</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 7,832	\$ 0	\$ 0
Accounts Payable	1,218	0	0
Deferred Revenue	0	0	0
Total Liabilities	<u>9,050</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	51	5,343
Debt Service	0	0	0
Assigned-Capital Improvements	0	0	0
Total Fund Balance	<u>0</u>	<u>51</u>	<u>5,343</u>
Total Liabilities and Fund Balance	<u>\$ 9,050</u>	<u>\$ 51</u>	<u>\$ 5,343</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		
	Pre K Initiative Instruction <u>27149</u>	Breakfast in Elementary <u>27155</u>	State Directed Activities <u>27200</u>
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 36	\$ 22,481
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 0</u>	<u>\$ 36</u>	<u>\$ 22,481</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>22,481</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>22,481</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	36	0
Debt Service	0	0	0
Assigned-Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balance	<u>0</u>	<u>36</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 36</u>	<u>\$ 22,481</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	Special Revenue		Capital Outlay
	Sun Safety 28146	Gear Up 28178	Special Capital Outlay State 31400
ASSETS			
Cash and Cash Equivalents	\$ 2,019	\$ 14,399	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	\$ 2,019	\$ 14,399	\$ 0
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Deferred Revenue	0	0	0
Total Liabilities	0	0	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	2,019	14,399	0
Debt Service	0	0	0
Assigned-Capital Improvements	0	0	0
Total Fund Balance	2,019	14,399	0
Total Liabilities and Fund Balance	\$ 2,019	\$ 14,399	\$ 0

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	<u>Capital Outlay</u>		
	Senate Bill Nine 31700	Ed Tech 31900	Debt Service 41000
ASSETS			
Cash and Cash Equivalents	\$ 380,139	\$ 385,363	\$ 193,107
Receivables			
Property Taxes	7,906	0	5,018
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 388,045</u>	<u>\$ 385,363</u>	<u>\$ 198,125</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	509	899	0
Deferred Revenue	0	0	0
Total Liabilities	<u>509</u>	<u>899</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted-Reported In			
Special Revenue Funds	0	0	0
Debt Service	0	0	198,125
Assigned-Capital Improvements	387,536	384,464	0
Total Fund Balance	<u>387,536</u>	<u>384,464</u>	<u>198,125</u>
Total Liabilities and Fund Balance	<u>\$ 388,045</u>	<u>\$ 385,363</u>	<u>\$ 198,125</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2011

	<u>Total</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,240,359
Receivables	
Property Taxes	12,924
Due From Grantor	87,873
Inventory	<u>5,836</u>
Total Assets	<u>\$ 1,346,992</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Interfund Balance	\$ 75,622
Accounts Payable	4,434
Deferred Revenue	<u>35,823</u>
Total Liabilities	<u>115,879</u>
Fund Balances	
Nonspendable-Inventory	5,836
Restricted-Reported In	
Special Revenue Funds	255,152
Debt Service	198,125
Assigned-Capital Improvements	<u>772,000</u>
Total Fund Balance	<u>1,231,113</u>
Total Liabilities and Fund Balance	<u>\$ 1,346,992</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	Food Service 21000	Athletics 22000	IDEA, Part B Entitlement 24106
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	224	3	0
Fees	7,606	23,035	0
State & Local Grants	0	0	0
Federal Grants	309,080	0	104,910
Miscellaneous	0	0	0
Total Revenues	<u>316,910</u>	<u>23,038</u>	<u>104,910</u>
Expenditures			
Current			
Instruction	0	25,006	56,503
Support Services-Students	0	0	30,210
Support Services-Instruction	0	0	7,406
Support Services-General Administration	0	0	0
Support Services-School Administration	0	0	10,791
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	0	0	0
Food Services Operations	237,237	0	0
Capital Outlay	0	0	0
Debt Service			
Interest	0	0	0
Total Expenditures	<u>237,237</u>	<u>25,006</u>	<u>104,910</u>
Excess (Deficiency) of Revenues Over Expenditures	79,673	(1,968)	0
Fund Balances at Beginning of Year	<u>93,681</u>	<u>1,972</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 173,354</u>	<u>\$ 4</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
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	IDEA, Part B Discretionary 24107	IDEA Preschool 24109	Fresh Fruits & Vegetables 24118
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	0	3,979	11,895
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>3,979</u>	<u>11,895</u>
Expenditures			
Current			
Instruction	0	3,979	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	11,895
Capital Outlay	0	0	0
Debt Service			
Interest	0	0	0
Total Expenditures	<u>0</u>	<u>3,979</u>	<u>11,895</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
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	IDEA B Risk Pool 24120	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	1,062	0	13,040
Miscellaneous	0	0	0
Total Revenues	<u>1,062</u>	<u>0</u>	<u>13,040</u>
Expenditures			
Current			
Instruction	1,062	0	12,118
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	922
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>1,062</u>	<u>0</u>	<u>13,040</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
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	Improving Teacher Quality 24154	Safe & Drug Free Schools 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	40,362	2,414	0
Miscellaneous	0	0	0
Total Revenues	<u>40,362</u>	<u>2,414</u>	<u>0</u>
Expenditures			
Current			
Instruction	34,766	2,243	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	4,712	171	0
Support Services-School Administration	884	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>40,362</u>	<u>2,414</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
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	Title I Recovery Act 24201	IDEA Preschool Recovery Act 24209	Elementary School Breakfast 24290
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	9,338	4,283	4,500
Miscellaneous	0	0	0
Total Revenues	<u>9,338</u>	<u>4,283</u>	<u>4,500</u>
Expenditures			
Current			
Instruction	699	4,283	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	660	0	0
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Student Transportation	7,979	0	0
Food Services Operations	0	0	4,500
Capital Outlay	0	0	0
Debt Service			
Interest	0	0	0
Total Expenditures	<u>9,338</u>	<u>4,283</u>	<u>4,500</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
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	Medicaid 25153	Rural Education Achievement Program 25233	State Fiscal Stabilization Program Fund 25250
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	10,092	0	0
State & Local Grants	0	0	0
Federal Grants	0	4,093	45,777
Miscellaneous	0	0	0
Total Revenues	<u>10,092</u>	<u>4,093</u>	<u>45,777</u>
Expenditures			
Current			
Instruction	0	3,804	35,249
Support Services-Students	4,244	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	525	289	0
Support Services-School Administration	0	0	0
Central Services	0	0	1,230
Operation & Maintenance of Plant	0	0	9,298
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>4,769</u>	<u>4,093</u>	<u>45,777</u>
Excess (Deficiency) of Revenues Over Expenditures	5,323	0	0
Fund Balances at Beginning of Year	<u>60,459</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 65,782</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
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	Education		Duel Credits
	Job Fund 25255	A+ for Energy 26179	27103
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	10,739
Federal Grants	123,335	0	0
Miscellaneous	0	0	0
Total Revenues	<u>123,335</u>	<u>0</u>	<u>10,739</u>
Expenditures			
Current			
Instruction	120,516	3,817	10,739
Support Services-Students	2,819	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	0
Capital Outlay	0	0	0
Debt Service			
Interest	0	0	0
Total Expenditures	<u>123,335</u>	<u>3,817</u>	<u>10,739</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(3,817)	0
Fund Balances at Beginning of Year	<u>0</u>	<u>3,817</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
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	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	9,050	0	0
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>9,050</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	7,171	4,398
Support Services-Students	0	0	0
Support Services-Instruction	9,050	0	0
Support Services-General Administration	0	509	335
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>9,050</u>	<u>7,680</u>	<u>4,733</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(7,680)	(4,733)
Fund Balances at Beginning of Year	<u>0</u>	<u>7,731</u>	<u>10,076</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 51</u>	<u>\$ 5,343</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		
	Pre K Initiative Instruction 27149	Breakfast in Elementary 27155	State Directed Activities 27200
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	15,029	0	0
Federal Grants	0	0	36,846
Miscellaneous	0	0	0
Total Revenues	<u>15,029</u>	<u>0</u>	<u>36,846</u>
Expenditures			
Current			
Instruction	15,029	0	0
Support Services-Students	0	0	34,240
Support Services-Instruction	0	0	0
Support Services-General Administration	0	0	2,606
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>15,029</u>	<u>0</u>	<u>36,846</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>36</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 36</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
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Special Revenue		Capital Outlay
	Sun Safety 28146	Gear Up 28178	Special Capital Outlay State 31400
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Investment Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	87,263
Federal Grants	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>0</u>	<u>0</u>	<u>87,263</u>
Expenditures			
Current			
Instruction	2,633	16,033	22,196
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	0	955	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	0	65,067
Debt Service			
Interest	0	0	0
Total Expenditures	<u>2,633</u>	<u>16,988</u>	<u>87,263</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,633)	(16,988)	0
Fund Balances at Beginning of Year	<u>4,652</u>	<u>31,387</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 2,019</u>	<u>\$ 14,399</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
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	Capital Outlay		Debt Service
	Senate Bill Nine 31700	Ed Tech 31900	Debt Service 41000
Revenues			
Property Taxes	\$ 366,589	\$ 0	\$ 265,244
Investment Income	1,419	253	49
Fees	0	0	0
State & Local Grants	12,921	0	0
Federal Grants	0	0	0
Miscellaneous	0	37,642	0
Total Revenues	380,929	37,895	265,293
Expenditures			
Current			
Instruction	0	31,460	0
Support Services-Students	0	0	0
Support Services-Instruction	0	0	0
Support Services-General Administration	3,650	0	2,627
Support Services-School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	144,445	0	0
Student Transportation	0	0	0
Food Services Operations	0	0	0
Capital Outlay	507,029	0	0
Debt Service			
Interest	0	0	143,221
Total Expenditures	655,124	31,460	145,848
Excess (Deficiency) of Revenues Over Expenditures	(274,195)	6,435	119,445
Fund Balances at Beginning of Year	661,731	378,029	78,680
Fund Balance End of Year	\$ 387,536	\$ 384,464	\$ 198,125

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the Year Ended June 30, 2011

	<u>Total</u>
Revenues	
Property Taxes	\$ 631,833
Investment Income	1,948
Fees	40,733
State & Local Grants	135,002
Federal Grants	714,914
Miscellaneous	<u>37,642</u>
Total Revenues	<u>1,562,072</u>
Expenditures	
Current	
Instruction	413,704
Support Services-Students	71,513
Support Services-Instruction	16,456
Support Services-General Administration	17,961
Support Services-School Administration	11,675
Central Services	1,230
Operation & Maintenance of Plant	153,743
Student Transportation	7,979
Food Services Operations	253,632
Capital Outlay	572,096
Debt Service	
Interest	<u>143,221</u>
Total Expenditures	<u>1,663,210</u>
Excess (Deficiency) of Revenues Over Expenditures	(101,138)
Fund Balances at Beginning of Year	<u>1,332,251</u>
Fund Balance End of Year	<u>\$ 1,231,113</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment Income	\$ 40	\$ 40	\$ 224	\$ 184
Fees	3,500	3,500	7,606	4,106
Federal Grants	217,423	217,423	285,007	67,584
Total Revenues	<u>220,963</u>	<u>220,963</u>	<u>292,837</u>	<u>71,874</u>
Expenditures				
Food Service Operations				
Personnel Services	121,283	117,352	106,070	11,282
Employee Benefits	54,141	49,647	38,888	10,759
Professional & Tech Services	250	1,232	1,231	1
Other Purchased Services	205	844	843	1
Supplies	64,000	78,242	76,289	1,953
Fixed Assets	7,772	334	0	334
Supply Assets	3,960	3,960	0	3,960
Total Food Service Operations	<u>251,611</u>	<u>251,611</u>	<u>223,321</u>	<u>28,290</u>
Total Expenditures	<u>251,611</u>	<u>251,611</u>	<u>223,321</u>	<u>28,290</u>
Excess (Deficiency) of Revenues Over Expenditures	(30,648)	(30,648)	69,516	100,164
Cash Balance Beginning of Year	<u>88,346</u>	<u>88,346</u>	<u>88,346</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 57,698</u>	<u>\$ 57,698</u>	<u>\$ 157,862</u>	<u>\$ 100,164</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 69,516	
Net change in Due from Grantor			9,697	
Net change in Inventory			457	
Net change in Accounts Payable			3	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 79,673</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment Income	\$ 2	\$ 2	\$ 3	\$ 1
Fees	24,500	24,500	23,035	(1,465)
Total Revenues	<u>24,502</u>	<u>24,502</u>	<u>23,038</u>	<u>(1,464)</u>
Expenditures				
Instruction				
Professional & Tech Services	12,500	12,500	11,556	944
Other Purchased Services	12,500	14,380	12,417	1,963
Supplies	500	1,034	1,033	1
Supply Assets	3,183	739	0	739
Total Instruction	<u>28,683</u>	<u>28,653</u>	<u>25,006</u>	<u>3,647</u>
Total Expenditures	<u>28,683</u>	<u>28,653</u>	<u>25,006</u>	<u>3,647</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,181)	(4,151)	(1,968)	2,183
Cash Balance Beginning of Year	<u>1,972</u>	<u>1,972</u>	<u>1,972</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(2,209)</u>	\$ <u>(2,179)</u>	\$ <u>4</u>	\$ <u>2,183</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,968)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(1,968)</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 29,298	191,209	\$ 99,071	\$ (92,138)
Total Revenues	<u>29,298</u>	<u>191,209</u>	<u>99,071</u>	<u>(92,138)</u>
Expenditures				
Instruction				
Personnel Services	0	43,215	27,144	16,071
Employee Benefits	0	10,582	8,044	2,538
Other Purchased Services	0	28,934	21,049	7,885
Supplies	0	76	76	0
Supply Assets	0	9,800	0	9,800
Total Instruction	<u>0</u>	<u>92,607</u>	<u>56,313</u>	<u>36,294</u>
Support Services-Students				
Personnel Services	0	21,818	21,818	0
Employee Benefits	0	8,736	6,953	1,783
Supplies	0	3,000	595	2,405
Supply Assets	0	845	844	1
Total Support Services-Students	<u>0</u>	<u>34,399</u>	<u>30,210</u>	<u>4,189</u>
Support Services-General Administration				
Professional & Tech Services	0	11,488	7,406	4,082
Total Support Services-General Administration	<u>0</u>	<u>11,488</u>	<u>7,406</u>	<u>4,082</u>
Central Services				
Professional & Tech Services	0	23,417	10,791	12,626
Total Central Services	<u>0</u>	<u>23,417</u>	<u>10,791</u>	<u>12,626</u>
Total Expenditures	<u>0</u>	<u>161,911</u>	<u>104,720</u>	<u>57,191</u>
Excess (Deficiency) of Revenues Over Expenditures	29,298	29,298	(5,649)	(34,947)
Cash Balance Beginning of Year	<u>(29,298)</u>	<u>(29,298)</u>	<u>(29,298)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(34,947)</u>	\$ <u>(34,947)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,649)	
Net change in Due from Grantor			5,838	
Net change in Accounts Payable			(189)	
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
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, 2011

	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
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	(558)	(558)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(558)</u>	<u>(558)</u>
Net Change in Fund Balance	0	0	(558)	(558)
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>\$ 0</u>	<u>\$ (558)</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
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 3	\$ 5,509	\$ 0	\$ (5,509)
Total Revenues	<u>3</u>	<u>5,509</u>	<u>0</u>	<u>(5,509)</u>
Expenditures				
Instruction				
Supplies	0	5,506	2,832	2,674
Total Instruction	<u>0</u>	<u>5,506</u>	<u>2,832</u>	<u>2,674</u>
Total Expenditures	<u>0</u>	<u>5,506</u>	<u>2,832</u>	<u>2,674</u>
Excess (Deficiency) of Revenues Over Expenditures	3	3	(2,832)	(2,835)
Cash Balance Beginning of Year	<u>(3)</u>	<u>(3)</u>	<u>(3)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,835)</u>	<u>\$ (2,835)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,832)	
Net change in Due from Grantor			3,979	
Net change in Accounts Payable			<u>(1,147)</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
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 679	\$ 13,379	\$ 11,413	\$ (1,966)
Total Revenues	<u>679</u>	<u>13,379</u>	<u>11,413</u>	<u>(1,966)</u>
Expenditures				
Food Service				
Supplies	0	12,700	11,895	805
Total Food Service	<u>0</u>	<u>12,700</u>	<u>11,895</u>	<u>805</u>
Total Expenditures	<u>0</u>	<u>12,700</u>	<u>11,895</u>	<u>805</u>
Excess (Deficiency) of Revenues Over Expenditures	679	679	(482)	(1,161)
Cash Balance Beginning of Year	<u>(679)</u>	<u>(679)</u>	<u>(679)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,161)</u>	<u>\$ (1,161)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (482)	
Net change in Due from Grantor			<u>482</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
SPECIAL REVENUE FUND-IDEA B RISK POOL-24120
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 1,106	\$ 0	\$ (1,106)
Total Revenues	<u>0</u>	<u>1,106</u>	<u>0</u>	<u>(1,106)</u>
Expenditures				
Instruction				
Supplies	0	1,106	1,062	44
Total Instruction	<u>0</u>	<u>1,106</u>	<u>1,062</u>	<u>44</u>
Total Expenditures	<u>0</u>	<u>1,106</u>	<u>1,062</u>	<u>44</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,062)	(1,062)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,062)</u>	<u>\$ (1,062)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,062)	
Net change in Due from Grantor			<u>1,062</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
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, 2011

	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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	(166)	(166)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(166)</u>	<u>(166)</u>
Net Change in Fund Balance	0	0	(166)	(166)
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>\$ 0</u>	<u>\$ (166)</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
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 19,595	\$ 25,124	\$ 23,821	\$ (1,303)
Total Revenues	<u>19,595</u>	<u>25,124</u>	<u>23,821</u>	<u>(1,303)</u>
Expenditures				
Instruction				
Personnel Services	0	3,122	3,122	0
Employee Benefits	0	586	582	4
Professional & Tech Services	3,500	4,086	4,269	(183)
Other Purchased Services	0	735	735	0
Supplies	4,388	4,590	3,410	1,180
Total Instruction	<u>7,888</u>	<u>13,119</u>	<u>12,118</u>	<u>1,001</u>
Support Services-General Administration				
Professional & Tech Services	715	1,013	922	91
Total Support Services-General Administration	<u>715</u>	<u>1,013</u>	<u>922</u>	<u>91</u>
Total Expenditures	<u>8,603</u>	<u>14,132</u>	<u>13,040</u>	<u>1,092</u>
Excess (Deficiency) of Revenues Over Expenditures	10,992	10,992	10,781	(211)
Cash Balance Beginning of Year	<u>(10,992)</u>	<u>(10,992)</u>	<u>(10,992)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (211)</u>	<u>\$ (211)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 10,781	
Net change in Due from Grantor			<u>(10,781)</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
SPECIAL REVENUE FUND-IMPROVING TEACHER QUALITY-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 70,358	\$ 77,443	\$ 32,744	\$ (44,699)
Total Revenues	<u>70,358</u>	<u>77,443</u>	<u>32,744</u>	<u>(44,699)</u>
Expenditures				
Instruction				
Personnel Services	23,692	33,848	26,032	7,816
Employee Benefits	3,350	5,188	5,186	2
Professional & Tech Services	1,500	3,506	3,505	1
Other Purchased Services	3,040	4,040	0	4,040
Supplies	3,580	19,187	43	19,144
Total Instruction	<u>35,162</u>	<u>65,769</u>	<u>34,766</u>	<u>31,003</u>
Support Services-General Administration				
Professional & Tech Services	2,676	3,840	2,854	986
Other Purchased Services	0	2,358	1,858	500
Total Support Services-General Administration	<u>2,676</u>	<u>6,198</u>	<u>4,712</u>	<u>1,486</u>
Support Services-School Administration				
Professional & Tech Services	0	956	884	72
Other Purchased Services	0	800	0	800
Supplies	0	1,200	0	1,200
Total Support Services-School Administration	<u>0</u>	<u>2,956</u>	<u>884</u>	<u>2,072</u>
Total Expenditures	<u>37,838</u>	<u>74,923</u>	<u>40,362</u>	<u>34,561</u>
Excess (Deficiency) of Revenues Over Expenditures	32,520	2,520	(7,618)	(10,138)
Cash Balance Beginning of Year	<u>(2,520)</u>	<u>(2,520)</u>	<u>(2,520)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>30,000</u>	\$ <u>0</u>	\$ <u>(10,138)</u>	\$ <u>(10,138)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,618)	
Net change in Due from Grantor			<u>7,618</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
SPECIAL REVENUE FUND-SAFE & DRUG FREE SCHOOLS-24157
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 130	\$ 2,544	\$ 129	\$ (2,415)
Total Revenues	<u>130</u>	<u>2,544</u>	<u>129</u>	<u>(2,415)</u>
Expenditures				
Instruction				
Supplies	0	2,243	2,243	0
Total Instruction	<u>0</u>	<u>2,243</u>	<u>2,243</u>	<u>0</u>
Support Services-General Administration				
Professional & Tech Services	0	171	171	0
Total Support Services-General Administration	<u>0</u>	<u>171</u>	<u>171</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>2,414</u>	<u>2,414</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	130	130	(2,285)	(2,415)
Cash Balance Beginning of Year	<u>(129)</u>	<u>(129)</u>	<u>(129)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>1</u>	\$ <u>1</u>	\$ <u>(2,414)</u>	\$ <u>(2,415)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,285)	
Net change in Due from Grantor			2,285	
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
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, 2011

	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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)				
Transfer In/(Out)	0	0	(342)	(342)
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>(342)</u>	<u>(342)</u>
Net Change in Fund Balance	0	0	(342)	(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>\$ 342</u>	<u>\$ 0</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			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 41,207	\$ 30,600	\$ 30,546	\$ (54)
Total Revenues	<u>41,207</u>	<u>30,600</u>	<u>30,546</u>	<u>(54)</u>
Expenditures				
Instruction				
Supplies	0	700	699	1
Total Instruction	<u>0</u>	<u>700</u>	<u>699</u>	<u>1</u>
Support Services-General Administration				
Professional & Tech Services	1,414	714	661	53
Total Support Services-General Administration	<u>1,414</u>	<u>714</u>	<u>661</u>	<u>53</u>
Student Transportation				
Other Purchased Services	18,586	7,979	7,979	0
Total Student Transportation	<u>18,586</u>	<u>7,979</u>	<u>7,979</u>	<u>0</u>
Total Expenditures	<u>20,000</u>	<u>9,393</u>	<u>9,339</u>	<u>54</u>
Excess (Deficiency) of Revenues Over Expenditures	21,207	21,207	21,207	0
Cash Balance Beginning of Year	<u>(21,207)</u>	<u>(21,207)</u>	<u>(21,207)</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			\$ 21,207	
Net change in Due from Grantor			<u>(21,207)</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
SPECIAL REVENUE FUND-IDEA PRESCHOOL RECOVERY ACT-24209
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Fees	\$ 0	\$ 5,414	\$ 0	\$ (5,414)
Total Revenues	<u>0</u>	<u>5,414</u>	<u>0</u>	<u>(5,414)</u>
Expenditures				
Instruction				
Supplies	0	5,414	4,283	1,131
Total Instruction	<u>0</u>	<u>5,414</u>	<u>4,283</u>	<u>1,131</u>
Total Expenditures	<u>0</u>	<u>5,414</u>	<u>4,283</u>	<u>1,131</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(4,283)	(4,283)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (4,283)</u>	<u>\$ (4,283)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,283)	
Net change in Accounts Payable			<u>4,283</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
SPECIAL REVENUE FUND-ELEMENTARY SCHOOL BREAKFAST-24290
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Fees	\$ 0	\$ 4,500	\$ 4,500	\$ 0
Total Revenues	<u>0</u>	<u>4,500</u>	<u>4,500</u>	<u>0</u>
Expenditures				
Food Service Operations				
Supplies	0	4,500	4,500	0
Total Food Service Operations	<u>0</u>	<u>4,500</u>	<u>4,500</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>4,500</u>	<u>4,500</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
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Fees	\$ 9,747	\$ 9,747	\$ 10,093	\$ 346
Total Revenues	<u>9,747</u>	<u>9,747</u>	<u>10,093</u>	<u>346</u>
Expenditures				
Support Services-Students				
Personnel Services	0	2,255	1,235	1,020
Employee Benefits	0	245	118	127
Professional & Tech Services	4,482	4,482	1,006	3,476
Other Purchased Services	16,732	16,732	0	16,732
Supplies	14,509	14,509	1,455	13,054
Property	30,000	27,500	0	27,500
Total Support Services-Students	<u>65,723</u>	<u>65,723</u>	<u>3,814</u>	<u>61,909</u>
Support Services-General Administration				
Professional & Tech Services	1,948	1,948	525	1,423
Total Support Services-General Administration	<u>1,948</u>	<u>1,948</u>	<u>525</u>	<u>1,423</u>
Total Expenditures	<u>67,671</u>	<u>67,671</u>	<u>4,339</u>	<u>63,332</u>
Excess (Deficiency) of Revenues Over Expenditures	(57,924)	(57,924)	5,754	63,678
Cash Balance Beginning of Year	<u>60,459</u>	<u>60,459</u>	<u>60,459</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,535</u>	<u>\$ 2,535</u>	<u>\$ 66,213</u>	<u>\$ 63,678</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,754	
Net change in Accounts Payable			<u>(431)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 5,323</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	500	324	176
Employee Benefits	1,130	1,130	66	1,064
Professional & Tech Services	7,600	4,600	2,000	2,600
Other Purchased Services	3,275	5,775	1,414	4,361
Supplies	4,821	4,821	0	4,821
Total Instruction	<u>16,826</u>	<u>16,826</u>	<u>3,804</u>	<u>13,022</u>
Support Services-General Administration				
Professional & Tech Services	609	609	289	320
Total Support Services-General Administration	<u>609</u>	<u>609</u>	<u>289</u>	<u>320</u>
Total Expenditures	<u>17,435</u>	<u>17,435</u>	<u>4,093</u>	<u>13,342</u>
Excess (Deficiency) of Revenues Over Expenditures	(17,435)	(17,435)	(4,093)	13,342
Cash Balance Beginning of Year	<u>17,435</u>	<u>17,435</u>	<u>17,435</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>13,342</u>	\$ <u>13,342</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,093)	
Net change in Deferred Revenue			<u>4,093</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
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 305,227	\$ 406,484	\$ 44,162	\$ (362,322)
Total Revenues	<u>305,227</u>	<u>406,484</u>	<u>44,162</u>	<u>(362,322)</u>
Expenditures				
Instruction				
Personnel Services	25,696	22,624	22,624	0
Employee Benefits	9,017	10,562	10,562	0
Supplies	0	1,616	1,616	0
Property	0	446	446	0
Total Instruction	<u>34,713</u>	<u>35,248</u>	<u>35,248</u>	<u>0</u>
Central Services				
Supply Assets	0	1,230	1,230	0
Total Central Services	<u>0</u>	<u>1,230</u>	<u>1,230</u>	<u>0</u>
Operation & Maintenance of Plant				
Supplies	10,527	1,493	1,493	0
Fixed Assets	0	7,804	7,804	0
Total Operation & Maintenance of Plant	<u>10,527</u>	<u>9,297</u>	<u>9,297</u>	<u>0</u>
Total Expenditures	<u>45,240</u>	<u>45,775</u>	<u>45,775</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	259,987	360,709	(1,613)	(362,322)
Cash Balance Beginning of Year	<u>1,613</u>	<u>1,613</u>	<u>1,613</u>	<u>0</u>
Cash Balance End of Year	\$ <u>261,600</u>	\$ <u>362,322</u>	\$ <u>0</u>	\$ <u>(362,322)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,613)	
Net change in Deferred Revenue			<u>1,613</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
SPECIAL REVENUE FUND-EDUCATION JOB FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 123,335	\$ 123,335	\$ 0
Total Revenues	<u>0</u>	<u>123,335</u>	<u>123,335</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	89,477	89,477	0
Employee Benefits	0	28,783	28,783	0
Supplies	0	2,256	2,256	0
Total Instruction	<u>0</u>	<u>120,516</u>	<u>120,516</u>	<u>0</u>
Support Services-Students				
Supplies	0	1,799	1,799	0
Supply Assets	0	1,020	1,020	0
Total Support Services-Students	<u>0</u>	<u>2,819</u>	<u>2,819</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>123,335</u>	<u>123,335</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			\$ 0	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grant	\$ 1,183	\$ 1,183	\$ 0	\$ (1,183)
Total Revenues	<u>1,183</u>	<u>1,183</u>	<u>0</u>	<u>(1,183)</u>
Expenditures				
Instruction				
Personnel Services	1,000	670	0	670
Employee Benefits	167	167	0	167
Professional & Tech Services	0	165	165	0
Other Purchased Services	2,000	196	0	196
Supplies	1,833	3,223	3,073	150
Supply Assets	0	579	579	0
Total Instruction	<u>5,000</u>	<u>5,000</u>	<u>3,817</u>	<u>1,183</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>3,817</u>	<u>1,183</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,817)	(3,817)	(3,817)	0
Cash Balance Beginning of Year	<u>3,817</u>	<u>3,817</u>	<u>3,817</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			\$ (3,817)	
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
SPECIAL REVENUE FUND-DUAL CREDITS-27103
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grant	\$ 0	\$ 10,739	\$ 0	\$ (10,739)
Total Revenues	<u>0</u>	<u>10,739</u>	<u>0</u>	<u>(10,739)</u>
Expenditures				
Instruction				
Supplies	0	10,739	10,739	0
Total Instruction	<u>0</u>	<u>10,739</u>	<u>10,739</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>10,739</u>	<u>10,739</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(10,739)	(10,739)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (10,739)</u>	<u>\$ (10,739)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (10,739)	
Net change in Due from Grantor			<u>10,739</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
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grant	\$ 1,510	\$ 10,567	\$ 1,510	\$ (9,057)
Total Revenues	<u>1,510</u>	<u>10,567</u>	<u>1,510</u>	<u>(9,057)</u>
Expenditures				
Student Support-Instruction				
Supplies	0	3,885	3,878	7
Supply Assets	0	5,172	3,954	1,218
Total Student Support-Instruction	<u>0</u>	<u>9,057</u>	<u>7,832</u>	<u>1,225</u>
Total Expenditures	<u>0</u>	<u>9,057</u>	<u>7,832</u>	<u>1,225</u>
Excess (Deficiency) of Revenues Over Expenditures	1,510	1,510	(6,322)	(7,832)
Cash Balance Beginning of Year	<u>(1,510)</u>	<u>(1,510)</u>	<u>(1,510)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (7,832)</u>	<u>\$ (7,832)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,322)	
Net change in Due from Grantor			7,540	
Net change in Accounts Payable			<u>(1,218)</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
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, 2011

	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	7,184	7,171	13
Total Instruction	<u>0</u>	<u>7,184</u>	<u>7,171</u>	<u>13</u>
Support Services-General Administration				
Professional & Tech Services	0	547	509	38
Total Support Services-General Administration	<u>0</u>	<u>547</u>	<u>509</u>	<u>38</u>
Total Expenditures	<u>0</u>	<u>7,731</u>	<u>7,680</u>	<u>51</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(7,731)	(7,680)	51
Cash Balance Beginning of Year	<u>7,731</u>	<u>7,731</u>	<u>7,731</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 7,731</u>	<u>\$ 0</u>	<u>\$ 51</u>	<u>\$ 51</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,680)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (7,680)</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Professional & Tech Services	0	2,500	420	2,080
Other Purchased Services	0	1,500	358	1,142
Supplies	0	5,310	3,620	1,690
Total Instruction	<u>0</u>	<u>9,310</u>	<u>4,398</u>	<u>4,912</u>
Support Services-General Administration				
Professional & Tech Services	0	766	335	431
Total Support Services-General Administration	<u>0</u>	<u>766</u>	<u>335</u>	<u>431</u>
Total Expenditures	<u>0</u>	<u>10,076</u>	<u>4,733</u>	<u>5,343</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(10,076)	(4,733)	5,343
Cash Balance Beginning of Year	<u>10,076</u>	<u>10,076</u>	<u>10,076</u>	<u>0</u>
Cash Balance End of Year	\$ <u>10,076</u>	\$ <u>0</u>	\$ <u>5,343</u>	\$ <u>5,343</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(4,733)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(4,733)</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 17,406	\$ 15,029	\$ (2,377)
Total Revenues	<u>0</u>	<u>17,406</u>	<u>15,029</u>	<u>(2,377)</u>
Expenditures				
Instruction				
Other Purchased Services	0	17,406	15,029	2,377
Total Instruction	<u>0</u>	<u>17,406</u>	<u>15,029</u>	<u>2,377</u>
Total Expenditures	<u>0</u>	<u>17,406</u>	<u>15,029</u>	<u>2,377</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
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, 2011

	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				
Food Services Operations				
Supplies	0	0	0	0
Total Food Services Operations	<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>36</u>	<u>36</u>	<u>36</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 36</u>	<u>\$ 36</u>	<u>\$ 36</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
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 64,596	\$ 43,048	\$ (21,548)
Total Revenues	<u>0</u>	<u>64,596</u>	<u>43,048</u>	<u>(21,548)</u>
Expenditures				
Support Services-Students				
Personnel Services	0	30,663	22,553	8,110
Employee Benefits	0	12,335	4,175	8,160
Professional & Tech Services	0	9,712	7,463	2,249
Other Purchased Services	0	10,160	49	10,111
Supplies	0	6,500	0	6,500
Supply Assets	0	6,500	0	6,500
Total Support Services-Students	<u>0</u>	<u>75,870</u>	<u>34,240</u>	<u>41,630</u>
Support Services-General Administration				
Professional & Tech Services	0	5,005	2,606	2,399
Total Support Services-General Administration	<u>0</u>	<u>5,005</u>	<u>2,606</u>	<u>2,399</u>
Total Expenditures	<u>0</u>	<u>80,875</u>	<u>36,846</u>	<u>44,029</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(16,279)	6,202	22,481
Cash Balance Beginning of Year	<u>16,279</u>	<u>16,279</u>	<u>16,279</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 16,279</u>	<u>\$ 0</u>	<u>\$ 22,481</u>	<u>\$ 22,481</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,202	
Net change in Deferred Revenue			<u>(6,202)</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
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, 2011

	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				
Personnel Services	1,500	415	0	415
Employee Benefits	304	304	0	304
Other Purchased Services	848	1,933	1,933	0
Supplies	<u>2,000</u>	<u>2,000</u>	<u>700</u>	<u>1,300</u>
Total Instruction	<u>4,652</u>	<u>4,652</u>	<u>2,633</u>	<u>2,019</u>
Total Expenditures	<u>4,652</u>	<u>4,652</u>	<u>2,633</u>	<u>2,019</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,652)	(4,652)	(2,633)	2,019
Cash Balance Beginning of Year	<u>4,652</u>	<u>4,652</u>	<u>4,652</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,019</u>	<u>\$ 2,019</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (2,633)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,633)</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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, 2011

	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				
Personnel Services	0	0	10,939	(10,939)
Employee Benefits	0	0	885	(885)
Professional & Tech Services	0	0	0	0
Other Purchased Services	8,503	6,725	1,125	5,600
Supplies	5,043	5,043	3,084	1,959
Total Instruction	<u>13,546</u>	<u>11,768</u>	<u>16,033</u>	<u>(4,265)</u>
Support Services-General Administration				
Professional & Tech Services	1,065	1,065	955	110
Total Support Services-General Administration	<u>1,065</u>	<u>1,065</u>	<u>955</u>	<u>110</u>
Total Expenditures	<u>14,611</u>	<u>12,833</u>	<u>16,988</u>	<u>(4,155)</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,611)	(12,833)	(16,988)	(4,155)
Cash Balance Beginning of Year	<u>31,387</u>	<u>31,387</u>	<u>31,387</u>	<u>0</u>
Cash Balance End of Year	\$ <u>16,776</u>	\$ <u>18,554</u>	\$ <u>14,399</u>	\$ <u>(4,155)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (16,988)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(16,988)</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
 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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
State Grants	\$ 0	\$ 109,468	\$ 87,263	\$ (22,205)
Total Revenues	<u>0</u>	<u>109,468</u>	<u>87,263</u>	<u>(22,205)</u>
Expenditures				
Capital Outlay				
Purchased Property Services	0	62,677	40,472	22,205
Fixed Assets	0	24,595	24,595	0
Supply Assets	0	22,196	22,196	0
Total Capital Outlay	<u>0</u>	<u>109,468</u>	<u>87,263</u>	<u>22,205</u>
Total Expenditures	<u>0</u>	<u>109,468</u>	<u>87,263</u>	<u>22,205</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
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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Property Taxes	\$ 385,872	\$ 385,872	\$ 365,004	\$ (20,868)
Investment Income	1,800	1,800	1,419	(381)
State & Local Grants	0	12,921	12,921	0
Total Revenues	<u>387,672</u>	<u>400,593</u>	<u>379,344</u>	<u>(21,249)</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	<u>3,859</u>	<u>3,859</u>	<u>3,650</u>	<u>209</u>
Total Support Services-General Administration	<u>3,859</u>	<u>3,859</u>	<u>3,650</u>	<u>209</u>
Capital Outlay				
Maintenance & Repair	95,000	141,415	139,413	2,002
Construction Services	747,313	691,570	418,240	273,330
Supplies	20,000	20,000	5,746	14,254
Land Improvements	60,000	82,249	80,409	1,840
Fixed Assets	30,000	30,000	7,870	22,130
Supply Assets	43,778	43,778	837	42,941
Total Capital Outlay	<u>996,091</u>	<u>1,009,012</u>	<u>652,515</u>	<u>356,497</u>
Total Expenditures	<u>999,950</u>	<u>1,012,871</u>	<u>656,165</u>	<u>356,706</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(612,278)</u>	<u>(612,278)</u>	<u>(276,821)</u>	<u>335,457</u>
Cash Balance Beginning of Year	<u>656,960</u>	<u>656,960</u>	<u>656,960</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 44,682</u>	<u>\$ 44,682</u>	<u>\$ 380,139</u>	<u>\$ 335,457</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (276,821)	
Net change in Taxes Receivable			1,586	
Net change in Accounts Payable			1,040	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (274,195)</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
 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, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment Income	\$ 250	\$ 250	\$ 253	\$ 3
Miscellaneous	0	0	37,642	37,642
Total Revenues	<u>250</u>	<u>250</u>	<u>37,895</u>	<u>37,645</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	90,000	90,000	26,174	63,826
Supplies	15,000	15,000	750	14,250
Fixed Assets	245,508	245,508	3,072	242,436
Supply Assets	35,000	35,000	1,465	33,535
Total Capital Outlay	<u>385,508</u>	<u>385,508</u>	<u>31,461</u>	<u>354,047</u>
Total Expenditures	<u>385,508</u>	<u>385,508</u>	<u>31,461</u>	<u>354,047</u>
Excess (Deficiency) of Revenues Over Expenditures	(385,258)	(385,258)	6,434	391,692
Cash Balance Beginning of Year	<u>378,929</u>	<u>378,929</u>	<u>378,929</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (6,329)</u>	<u>\$ (6,329)</u>	<u>\$ 385,363</u>	<u>\$ 391,692</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,434	
Net change in Receivables			(11,650)	
Net change in Accounts Payable			1	
Net change in Deferred Revenue			11,650	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 6,435</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE-41000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Property Taxes	\$ 119,592	\$ 143,221	\$ 262,813	\$ 119,592
Investment Income	34	15	49	34
Total Revenues	<u>119,626</u>	<u>143,236</u>	<u>262,862</u>	<u>119,626</u>
Expenditures				
Support Services-General Administration				
Professional & Tech Services	1,432	2,522	2,627	(105)
Total Support Services-General Administration	<u>1,432</u>	<u>2,522</u>	<u>2,627</u>	<u>(105)</u>
Debt Service				
Interest	143,221	143,222	143,221	1
Total Debt Service	<u>143,221</u>	<u>143,222</u>	<u>143,221</u>	<u>1</u>
Total Expenditures	<u>144,653</u>	<u>145,744</u>	<u>145,848</u>	<u>(104)</u>
Excess (Deficiency) of Revenues Over Expenditures	(25,027)	(2,508)	117,014	119,522
Cash Balance Beginning of Year	<u>76,093</u>	<u>76,093</u>	<u>76,093</u>	<u>0</u>
Cash Balance End of Year	\$ <u>51,066</u>	\$ <u>73,585</u>	\$ <u>193,107</u>	\$ <u>119,522</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 117,014	
Net change in Taxes Receivable			2,431	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 119,445</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
 AGENCY FUNDS - ACTIVITY
 Schedule of Changes in Assets and Liabilities
 For the Year Ended June 30, 2011

	Balance 6/30/10	Additions	Deletions	Balance 6/30/11
ASSETS				
600 General Activity Fund	\$ 7,975	\$ 2,712	\$ 3,708	\$ 6,979
702 Scholarship Fund	48	175	500	(277)
703 HS Office Assistant	856	250	703	403
704 HS Pepsi Fund	268	0	91	177
709 JRHS Honor Society	1,490	0	1,480	10
710 HS Student Council	2,522	1,869	2,298	2,093
712 FHA Fund	208	0	0	208
714 Science Club Fund	173	0	0	173
715 Library Fund	2,132	650	390	2,392
716 HS Cheerleaders Fund	299	5,102	1,848	3,553
722 Ski Club Fund	1,068	10,476	9,656	1,888
724 Rio Costilla Elementary Fund	2,054	1,017	2,115	956
725 AV 7-8 Grade Fund	103	0	0	103
727 Interest on NOW Accounts	135	27	0	162
728 Interest on CD's	1,091	277	0	1,368
734 AV Yearbook Fund	4,114	2,139	3,303	2,950
736 FFA Fund	847	3,584	4,389	42
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	624	0	330	294
749 AV 4/6 Office Fund	240	0	0	240
752 Athletic General Fund	2,364	4,631	5,529	1,466
754 HS Soccer Club	2,196	0	0	2,196
760 JR High Volleyball	8	0	0	8
762 Volleyball Fund	417	290	0	707
763 Rent & lease Deposit Fund	3,506	0	0	3,506
764 HS Football Fund	3,256	0	0	3,256
765 Jr High Football	122	0	0	122
766 Av Library Fund	700	2,761	2,761	700
785 Class of 2002	236	0	0	236
787 Class of 2004	727	0	0	727
795 JR High Student Council Fund	586	0	0	586
801 HS Yearbook	1,120	2,958	1,539	2,539
802 AV Office Fund	1,024	0	0	1,024
804 Insurance Refunds	1,814	2,611	2,564	1,861
805 Alta Vista Music Program	515	0	0	515
806 Mariachi Fund	998	1,920	2,918	0
810 Drama Club	679	0	0	679
811 NMRSC Pepsi Fund	1,013	1,350	1,280	1,083
812 AV Pepsi Fund	540	0	0	540
815 AV Student Council Fund	595	8,103	8,467	231
816 Science Fair Club Fund	729	0	0	729
819 Project 540 Fund	126	0	0	126
820 Cafeteria Activity Fund	\$ 422	\$ 50	\$ 180	\$ 292

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
 AGENCY FUNDS - ACTIVITY
 Schedule of Changes in Assets and Liabilities
 For the Year Ended June 30, 2011

	Balance 6/30/10	Additions	Deletions	Balance 6/30/11
821 HS Boys Basketball Fund	\$ 540	\$ 0	\$ 0	\$ 540
822 HS Girls Basketball Fund	99	0	0	99
823 Class of 2008	2,239	0	0	2,239
827 Positive Incentive Program	1,900	17,641	19,020	521
828 Class of 2010	363	0	0	363
829 Class of 2011	4,191	161	4,251	101
830 Class of 2012	3,685	3,861	4,534	3,012
831 Class of 2013	1,808	772	0	2,580
832 Class of 2014	250	1,235	0	1,485
863 Class of 2015	2,206	3,283	3,663	1,826
834 Class of 2016	227	178	0	405
835 Class of 2017	245	0	0	245
837 Science Levinson Fund	1,544	0	0	1,544
838 AV PAC	111	1,278	850	539
839 Chevron Mining, Inc.	880	0	880	0
840 Chess Club	26	0	0	26
841 Ski Club-K MacDonald	1,298	2,954	4,104	148
842 HS Track-Girls	225	0	0	225
843 Art Department Fees	1,429	570	201	1,798
845 Class of 2018	0	120	0	120
846 Class of 2019	0	701	0	701
848 Class of 2021	0	160	160	0
849 Class of 2022	0	2,026	750	1,276
850 Future Educators of America	0	60	60	0
851 Athletic Field Dedication	0	8,925	7,985	940
852 Taos Soil and Water Conservation	0	400	0	400
Total Assets	<u>\$ 76,168</u>	<u>\$ 97,277</u>	<u>\$ 102,507</u>	<u>\$ 70,938</u>
LIABILITIES				
Deposits Held for Others	\$ 76,168	\$ 97,277	\$ 102,507	\$ 70,938
Total Liabilities	<u>\$ 76,168</u>	<u>\$ 97,277</u>	<u>\$ 102,507</u>	<u>\$ 70,938</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Cash Reconciliations - All Funds
For the Year Ended June 30, 2011

		Beginning Cash Balance 6/30/10	Revenue	Expenditures	Transfer/ Loans	Ending Cash Balance 6/30/11
Operational	11000	\$ 249,464	\$ 4,559,740	\$ 4,363,587	\$ 6,814	\$ 452,431
Teacherage	12000	16,410	5,809	325	0	21,894
Transportation	13000	2,412	324,461	326,873	0	(0)
Instructional Materials	14000	18,204	20,069	11,526	0	26,747
Food Services	21000	88,346	292,836	223,321	0	157,861
Athletics	22000	1,972	23,038	25,006	0	4
Federal Flowthrough	24000	(80,697)	324,905	425,221	(6,814)	(187,827)
Federal Direct	25000	79,507	1,872,363	1,872,316	0	79,554
Local Grants	26000	3,817	0	3,817	0	0
State Flowthrough	27000	32,613	59,587	82,859	0	9,340
State Direct	28000	36,039	0	19,622	0	16,417
Bond Building	31100	1,511,345	2,557,100	811,284	0	3,257,161
Special Capital Outlay State	31400	0	87,263	87,263	0	0
Senate Bill Nine	31700	656,960	379,344	656,165	0	380,139
Ed Tech	31900	378,929	37,895	31,461	0	385,363
Debt Service	41000	76,094	262,862	145,849	0	193,107
Debt Service-Ed Tech	43000	56,193	348,898	194,717	0	210,374
Agency Funds		76,168	97,277	102,507	0	70,938
Total		<u>\$ 3,203,777</u>	<u>\$ 11,253,447</u>	<u>\$ 9,383,719</u>	<u>\$ 0</u>	<u>\$ 5,073,505</u>

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

COMPLIANCE

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2011

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			
School Breakfast Program	10.553	21000	111,053
National School Lunch Program	10.555	21000	\$ 183,651
ARRA National School Lunch Program	10.555	21000	4,500
Total Child Nutrition Cluster			299,204
 Fruits & Vegetables	 10.582	 24118	 11,895
Pass-Through Program from:			
New Mexico Human Service Department			
Commodities Program	10.551	21000	14,376
Direct Program			
Forest Reserve	10.670	11000	28,808
Total U. S. Department of Agriculture			354,283
<u>U. S. Department of Education</u>			
Pass-Through Program from:			
New Mexico Public Education Department			
Special Education Cluster			
IDEA, Part B Entitlement	84.027	24106	104,910
IDEA Preschool	84.173	24109	3,979
IDEA, Part B Risk Pool	84.027	24120	1,062
IDEA, Part B Recovery Act	84.391	24206	118,427
IDEA Preschool Recovery Act	84.392	24209	4,283
Northern New Mexico Regional Education Cooperative			
IDEA, Part B State Directed	84.027	27200	36,846
Red River Valley Charter School			
IDEA, Part B	84.027		12,773
Roots and Wings Community School			
IDEA, Part B	84.027		2,934
Pass-Through Program from:			
New Mexico Public Education Department			
Roots and Wings Community School			
IDEA, Part B, Recovery Act	84.391		13,596
Total Special Education Cluster			\$ 298,810

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2011

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
Title I Basic Education Grant	84.010	24101	\$ 142,622
English Language Acquisition	84.365	24153	13,040
Improving Teacher Quality	84.367	24154	40,362
Safe & Drug Free Schools	84.186	24157	2,414
Title I Recovery Act	84.389	24201	9,339
Teacher Quality Partnerships, Recovery Act	84.405	25175	1,705,920
State Fiscal Stabilization Program Fund	84.394	25250	45,776
Education Job Fund	84.410	25255	123,335
Red River Valley Charter School			
State Fiscal Stabilization Program Fund	84.394		6,633
Education Job Fund	84.410		15,239
Roots and Wings Community School			
State Fiscal Stabilization Program Fund	84.394		5,270
Education Job Fund	84.410		11,987
Direct Programs			
Rural Education Achievement Program	84.358	25233	4,093
Roots and Wings Community School			
Safe Routes to School	84.041		598
Total US Department of Education			<u>2,425,438</u>
Total Federal Assistance			<u>\$ 2,779,721</u>
Reconciliation with the financial statements			
Federal Revenues			
Questa Independent School District			\$ 2,710,691
Red River Valley Charter School			34,645
Roots and Wings Community School			34,385
			<u>\$ 2,779,721</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.

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Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards*

Mr. Hector Balderas
State Auditor of the State of New Mexico
Board Members of the Questa Independent School District

Mr. Balderas and Members of the Board

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, the budgetary comparisons for the major capital project fund and the major debt service fund and the combining individual funds and related budgetary comparison presented as supplemental information of the Questa Independent School District (District) as of and for the year ended June 30, 2011, and have issued our report thereon dated September 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

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 correct on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting; 10-1, 10-3, 10-4, 11-1, 11-2, 11-3, 11-4, 11-5, 11-6 and 11-6. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs; 07-01, 07-02, 07-03, 07-04, 07-06, 10-1, 10-3, 10-4, 11-1, 11-2, 11-3, 11-4, 11-5, 11-6, 11-7 and 11-8.

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 responses 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.

De'Ann Willoughby CPA PC

September 23, 2011

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

Mr. Balderas and Members of the Board

Compliance

We have audited Questa Independent School District (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, 2011. 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, 2011.

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

September 23, 2011

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2011

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting

* Material weaknesses identified? No

* Significant deficiencies identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

* Material weaknesses identified? No

* Significant deficiencies identified? No

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 No

Identification of major programs:

<u>CFDA Numbers)</u>	<u>Name of Federal Program of Cluster</u>
84.394	State Fiscal Stabilization Program
84.405	Teacher Quality Partnerships, Recovery Act

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

Audited qualified as low risk auditee Yes

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
 Schedule of Findings and Questioned Cost
 For the Year Ended June 30, 2011

B. Prior Year Audit Findings	<u>Status</u>
07-01 LEASE OF PREMISES - School must obtain approval of the State Board of Finance Prior to Lease of Real Property - Compliance	Repeated
07-02 LEASE OF PREMISES - The QISD Board of Directors must ensure that the terms of the lease between QISD and Artesanos are being complied with - Compliance	Repeated
07-03 LEASE OF PREMISES - The QISD Board of Directors must approve leases entered into between Artesanos and third-parties - Compliance	Repeated
07-04 LEASE OF PREMISES - The QISD Board of Directors must ensure leases entered into between Artesanos and third-parties are for fair market value - Compliance	Repeated
07-06 QISD BOARD CONFLICT OF INTEREST - Involvement of Board member in sub-lease with Artesanos de Questa created an appearance of impropriety - Compliance	Repeated
09-01 Late Audit Report	Resolved
10-1 Personnel Files	Repeated & Modified
10-2 Reporting of NMPSIA	Resolved
10-3 Cash Appropriations in Excess of Available Cash Balances	Repeated & Modified
10-4 PED CASH REPORTS	Repeated & Modified

C. Current Year Audit Findings - Financial Statement Audit

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

Condition

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

Criteria

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

Cause

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

Effect

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

Recommendation

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

Response

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

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

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

Criteria

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

Cause

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

Effect

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

Recommendation

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

Response

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

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

Condition

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

Criteria

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

Cause

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

Effect

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

Recommendation

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

Response

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

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

Condition

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

Criteria

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

Cause

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

Effect

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

Recommendation

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

Response

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

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

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

Criteria

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

Cause

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

Effect

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

Recommendation

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

Response

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

10-1 Personnel Files-Compliance and Internal Control**Condition**

During our test of 31 personnel files, we noted the following:
16 I-9s were incomplete and one was missing
2 background checks missing

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.

Cause

The District was unaware that the employees had incomplete files.

Effect

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

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.

10-3 Cash Appropriations in Excess of Available Cash Balances-Compliance and Internal Control**Condition**

The District maintained a deficit budget in excess of available cash balance in the Educational Technology Equipment Fund (31900) of \$(6,329) and the Athletics Fund (22000) of (\$2,179).

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.

Cause

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

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.

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-Compliance and Internal Control

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.

Cause

We made adjustment to the various fund cash balances with the approval of the business manager causing the PED cash report to be different than the audit report.

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.

Recommendation

We have no recommendation. The bank accounts reconcile to the general ledger. The only reason the PED report did not agree to the audited cash balance is because of the correction of grant balances from prior years.

Response

Thank you for helping with the clean up of old grant balances.

11-1 Stale Dated Transactions-Compliance and Internal Control

Condition

The District is in violation of state statutes regarding stale-dated checks. The District maintained 9 checks that were dated over one year old at June 30, 2011. The checks totaled \$698.61 respectively.

Criteria

Section 7-8A, NMSA 1978, and related regulations require that the District provide information about the payees and the related funds to Unclaimed Property Division of the New Mexico Taxation and Revenue Department for outstanding checks that were distributed but not cashed within one year.

Cause

The District did not implement an internal control policy to account for stale dated outstanding checks and did not clear these checks on a timely basis.

Effect

Carrying numerous bank reconciling items could result in a misstatement in the accounting records or related misappropriation of funds.

Recommendation

We recommend that the District implement a procedure to review the outstanding check listings for all bank accounts and track stale-dated checks. If checks on the outstanding check listings are greater than one year old we recommend these checks be voided.

Response

We will void the stale checks in accordance with Section 7-8 A, NMSA 1978.

11-2 Budget Violations-Compliance and Internal Control

Condition

The District has maintained expenditures at the function level in which actual expenditures exceeded budgetary authority in the following funds:

Gear Up-28178	
Instruction	(\$4,265)
Debt Service-41000	
Support Services-General Administration	(\$105)

Criteria

Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. For School District's, the expenditure function is the legal level of control.

Cause

Gear Up was an unexpected expenditure at year end. Debt Service was caused by property tax collections in June were much larger than expected causing the one percent collection fee to the county to be greater than the budgeted expenditure. It was too late to issue BARs to increase the budgeted amounts.

Effect

As a result, the District is in non compliance with New Mexico law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditures.

Recommendation

The District must establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Response

The District will be watching budgets closely in the future and monitoring for these occurrences in order to make budget adjustments in a timely manner.

11-3 Negative activity cash balances-Compliance and Internal Control

Condition

There is one negative activity account, Scholarship \$(277).

Criteria

Internal control should exist to provide reasonable assurance that no disbursement is made that would result in a deficit balance. PSAB Supplement 18 and 6-10-2 NMSA 1978.

Cause

Expected donations for the scholarship fund were not received until after year end and after the scholarship had been paid.

Effect

The District has violated PSAB Supplement 18 and 6-10-2 NMSA 1978.

Recommendation

Management should not allow expenditures of activity funds when there is not adequate funds to cover the expenditure.

Response

We expected the donations to arrive before the expenditure was made. We should have transferred money for our general activity fund to cover the expenditure.

11-4 Receipt numbers not used in sequence-Compliance and Internal Control

Condition

Sequential receipt numbers were not used at the central office.

Criteria

In accordance with 6.20.2.14 Cash Control Standard, receipts should be used in a manner that allows the District to ensure that funds received are timely deposited and recorded in the appropriate account.

Cause

The treasurer was not always issuing receipts when money was received. The receipt would then be back dated to the date the money was received causing the receipts to be issued out of date order.

Effect

Using receipt numbers out of sequence could allow employees to keep the money received instead of depositing it or recording the receipts in the incorrect fund.

Recommendation

We recommend receipts always be issued in order of receipts of money.

Response

A new employee has assumed the responsibility and we do not expect this finding again.

11-5 Expenditure Issues-Compliance and Internal Control

Condition

During the examination of the sample of 252 expenditures, we noted the following:

- (1) A staff party was paid for from operational funds using the board expense line item.
- (2) There was a late fee paid.
- (3) Three bill packages had no invoices.
- (4) Three purchase orders were issued after the purchase was made.
- (5) Ten PO s were issued for less than the amount of the expenditures.
- (6) One purchase was made using an expired PO.

Criteria

In accordance with 6.20.2.17 Purchasing each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq, NMSA 1978.

Cause

The staff are not following the procurement act. They are sending bills to the central office expecting them to be paid without the purchase requisition or purchase order. Revised purchase orders should be issued when the amount of the purchase is greater than expected. Staff did not get the invoice to central office to complete the bill package before the bill was paid.

Effect

Without proper documentation and following the procurement act, there are not adequate controls over expenditures. Results are over spending.

Recommendation

Staff meeting need to be held with training on the procurement process. The Superintendent needs to enforce the process and write up those who violate it. There should be consequences to violations.

Response

We welcome leadership from the Superintendent is enforcing the procurement act.

11-6 1099's completed incorrectly-Compliance and Internal Control

Condition

In reviewing a small sample of 1099s we noted one that had a business name and a social security number of the 1099.

Criteria

In accordance with the Internal Revenue Service, A Guide to Information Returns, the social security number much match the name on line one of the 1099.

Cause

This problem is set up error in the Visions software. However, the employees should be more diligent in the review process for such errors.

Effect

IRS regulations were not followed. IRS could assess a \$100 penalty per 1099 form not prepared or prepared incorrectly. These penalties are not budgeted for.

Recommendation

The District should request Visions to write a program matching names with social security numbers or business names with federal identification numbers.

Response

We will be more diligent in our review of the 1099s before they are submitted to the Internal Revenue Service and will discuss a software check with Visions.

11-7 RHCA & ERB-Compliance and Internal Control**Condition**

During our sampling of employee retirement programs we noticed the following:

We noted that ten of the twelve months wages reported to RHCA was more than the wages reported to ERB. Total wages reported to RHCA was \$3,890,048.40, ERB was \$4,044,191.50 or a difference of \$154,143.00.

Criteria

The Office of the State Auditor has added NMRHCA to their 2010 State Auditor Rule under State Compliance, Section 2.2.2.10 (G) (19). The rule states: "Retiree Health Care Authority Act (Section 10-7C-1 to 10-7C-19 NMSA 1978). Auditors should test to ensure 100% of payroll is reported to NMRHCA. RHCA employer and employee contributions are set forth in Section 10-7C-15 NMSA 1978. As of June 30, 2010 the contribution rates will increase. See applicable statute for more information."

Cause

The District failed to file the reports with correct contributions, due to the lack of internal control. The district stated the difference for part of it was for the wages on subs and board members.

Effect

As a result of filing incorrect wages with the RHCA the school could absorb additional expenditures due to the penalties of unpaid late penalty assessment transactions.

Recommendation

The School must implement controls to ensure that compliance to all ERB requirements are adhere to completely.

Response

We will implement controls to ensure that compliance requirements are meet.

11-8 Clearing accounts not reconciling to zero-Compliance and**Condition**

Both the accounts payable and payroll clearing accounts are not reconciling to zero each month.

Criteria

In accordance with 6.20.2.14 Cash Control Standards, clearing accounts shall reconcile to a zero balance at the end of each month.

Cause

Clearing accounts are tough to reconcile. Transfers are not always the correct amount, PED wires funds into the wrong bank account, etc.

Effect

Cash can be misstated, there can be opportunities for misappropriation of funds and management is relying on incorrect financial information to make decisions.

Recommendation

We recommend closing the clearing accounts and only using one bank account for all funds except activity accounts.

Response

We will consider your recommendations.

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

10-1 Employee Files

10-2 Cash Appropriations in Excess of Available Cash Balances

Status

Resolved

Resolved

There were no prior year audit findings

Current Year Audit Findings

11-1 PED CASH REPORTS

Condition

The School's New Mexico Public Education Department (PED) Cash Report was inconsistent with the audited cash balances as of June 30, 2011.

Criteria

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

Cause

The reconciled balances did not agree with the School's PED cash report balances because of an incorrect coding of a deposit between funds 11000 and 25146 of \$1,000. The Business Manager did not know the grant had it's own fund number.

Effect

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

Recommendation

The School 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.

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 September 23, 2011 in attendance were Albert Martinez-Superintendent, Susie Martinez-Business Manager, Bernie Torres-Board President and auditor, De'Aun Willoughby, CPA.