

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
June 30, 2013

Harshwal & Company LLP
Certified Public Accountants
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INTRODUCTORY SECTION

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
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STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Official Roster
June 30, 2013

BOARD OF EDUCATION

Bernie A. Torres	President
Jose Lovato	Vice President
Rosaline Ortega	Secretary
Kenneth D. Gallegos	Member
Joel Flory	Member
Jack Gallegos	Member
Tammy Jaramillo	Member

SCHOOL OFFICIALS

Dr. Lillian Torrez	Superintendent
Susie Martinez	Business Manager
Maria Montes	Payroll Clerk

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Mr. Hector Balderas
State Auditor of the State of New Mexico
The Office of Management and Budget
Board Members of the Questa Independent School District
Mr. Balderas and Members of the Board

Report on Financial Statements

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, 2013, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental, and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, 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 accordance 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 of the District as of June 30, 2013, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 to 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Schedule of Expenditures of federal awards as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the other schedules required by 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of federal awards and other schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures and other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated date of report October 25, 2013 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* in considering the District’s internal control over financial reporting and compliance.

Harshwal & Company LLP
Certified Public Accountants

Harshwal & Company LLP

Albuquerque, New Mexico
October 25, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

This Management Discussion and Analysis of the fiscal performance of the QUESTA INDEPENDENT SCHOOL DISTRICT (District) for the period ending June 30, 2013 represents the District's financial overview. This written analysis is a required part of the District's financial reporting and is an objective and easily readable discussion of the District's financial activities.

The discussion and analysis provide a review of the District's overall financial activities, using the accrual basis of accounting, for the year ending June 30, 2013. Fund financial statements are reported on a modified accrual basis of accounting. Rather than looking at specific areas of performance, this discussion and analysis focuses on the financial performance of the District as a whole. Whenever possible this discussion and analysis will provide the reader multi-year pictures of financial performance and other pertinent information through the use of tables and other graphics information.

In addition to this reporting, this annual report consists of a series of detailed, audited financial statements and the notes to those statements. Also included is the Independent Auditor's Report, The Independent Auditor's Report on Compliance on Internal Control (Governmental Accounting Standards), The Independent Auditor's Report on Compliance with Requirements Applicable in each Major Program (OMB A-133) and a Schedule of Findings.

About QUESTA INDEPENDENT SCHOOL DISTRICT

To completely understand the financial discussion of the QUESTA INDEPENDENT SCHOOL DISTRICT, it is important to understand the nature of the District.

Questa, New Mexico is the northern gateway to the Land of Enchantment. Located about 25 miles north of Taos on State Road 522, the tranquil Village of Questa is home to approximately 2,000 residents. Surrounded by spectacular mountain scenery, Questa lies at an elevation just over 7,600 feet on the western slopes of the Sangre de Cristo Mountains on the Enchanted Circle Scenic Byway. Historically, Questa was discovered by Spanish settlers in 1829 and was officially founded in 1842. The original settlement was named San Antonio Del Rio Colorado after its patron St. Anthony. The name was changed to Questa by a post master who misspelled Cuesta the Spanish word for slope. Outdoor popular activities include fishing, hiking, biking, and hunting. In the winter skiing, snow boarding, cross-country skiing, tubing, sledding and snowmobiling are great activities for all ages. Economically, the Village of Questa is supported by local merchants and Chevron Mine, Inc., previously known as Molycorp Mines, one of the largest employers in the community since 1920. The community is also supported by Taos County, NM State Department of Transportation, Red River Fish Hatchery, Questa Ranger District, and the Game and Fish Department.

Educationally, the Questa Independent Schools has been providing public education to the children of Questa and the outlying communities since 1962. The Questa Independent Schools is another of the community's single largest employer, employing approximately 70 staff members. The school district provides public education for 390 students in grades Pre K-12 which includes the small outlying community of Costilla.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

In Questa, children attend Alta Vista Elementary/Intermediate grades Pre K-6 and Questa Junior High/High School grades 7-12. Students in grades 10th and 11th are offered the opportunity to enroll in college courses with UNM Taos. The Questa School District pays the tuition and transportation costs for those participating students. In Costilla, a small community 20 miles north of Questa, children attend Rio Costilla Southwest Learning Academy grades K-6. The school district also includes a Charter School, Roots and Wings Charter School.

The vision is that all students will graduate college or career ready. The mission is to challenge all Students to accelerate their learning through rigorous instruction. Students from Questa Independent Schools will be prepared for the 21st Century and will have the necessary skills and self esteem to become productive members of society.

Significant Financial Highlights for the Year Ending June 30, 2013

The District has successfully implemented the financial reporting and processes as required by the Governmental Accounting Standards Board Statement No. 34. The implementation includes both the current year reporting of depreciation on Capital Assets and accumulated depreciation to date.

As part of the implementation of GASB 34 requirements, accumulated depreciation of \$(8,967,494) was recorded. This includes current year depreciation of \$(737,803) and prior year accumulated depreciation of \$(8,229,691).

The overall adjusted Fund Balance decreased from \$4,392,373 for the year ending June 30, 2012 to \$4,092,809 for the year ending June 30, 2013. This represents a decrease in the fund balance of \$299,564.

Total revenues decreased from \$8,607,600 in the year ending June 30, 2012 to \$7,974,221 in the year ending June 30, 2013. This is a decrease of \$633,379 reflecting an overall revenue decrease of 7%. The most significant reason for this decrease is due to bonds sold in the previous year due to a General Obligation Bonds and also a decline in student enrollment.

Total expenditures increased from \$9,215,166 for the year ending June 30, 2012 to \$9,259,935 for the year ending June 30, 2013. This is an increase in expenditures of \$44,769.

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 MANAGEMENT DISCUSSION AND ANALYSIS
 For the Year Ended June 30, 2013

DISTRICT WIDE FINANCIAL STATEMENTS

Statement of Net Position

The financial statements of the QUESTA INDEPENDENT SCHOOL DISTRICT are prepared using the accrual method of accounting. This statement shows that the District has total assets of \$14,438,383. The District has \$4,108,065 of cash and cash equivalents on hand as of June 30, 2013 compared to \$6,900,372 in accounts payable and other current liabilities. Net Position totaling \$3,458,423 are "restricted" for debt service and capital projects. Net Position totaling \$572,335 are "unrestricted".

	June 30, 2013
ASSETS	
Cash assets	\$ 4,108,065
Other current assets	93,835
Capital assets	26,104,349
Less: Accumulated depreciation	(8,967,494)
Total assets	21,338,755
LIABILITIES	
Accounts payable	731
Other current liabilities	170,411
Long term liabilities	6,729,230
Total liabilities	6,900,372
Net Position	
Net investment in capital assets	10,407,625
Restricted	3,458,423
Unrestricted	572,335
Total net position	\$ 14,438,383

GASB 34 rules now require public entities to depreciate capital assets. This statement includes an adjusted accumulated depreciation of the District's capital assets in the amount of \$(737,803). The District utilized a "straight line" depreciation method in all cases and standardized lifetime tables in calculating this depreciation.

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 MANAGEMENT DISCUSSION AND ANALYSIS
 For the Year Ended June 30, 2013

Statement of Activities

The Statement of (Governmental) Activities is also a statement required by GASB 34 and is prepared using the accrual method of accounting. This report compliments the Statement of Net Position by showing the overall change in the District's net position for the fiscal year ending June 30, 2013. As of June 30, 2013 the District had net position of \$14,438,383. The Adjusted beginning year total net asset is \$14,522,580 reflecting a decrease in total net asset of \$(84,197) for the year ending June 30, 2013.

	June 30, 2013
Expenses for governmental activities	\$ (8,058,418)
Less charges for services	81,045
Less operating grants and contributions	2,993,221
Net (Expenses) revenues and changes in net position	(4,984,152)
General revenues	
Taxes - general, debt service, capital projects	967,062
Federal and state aid not restricted to specific purpose	3,894,281
Miscellaneous	38,612
Subtotal, general revenues	4,899,955
Changes in net position	(84,197)
Net position - beginning	14,522,580
Net position - ending	\$ 14,438,383

FUND FINANCIAL STATEMENTS

Fund financial statements are based on a modified accrual basis of accounting. The Statement of Revenues and Expenditures and Changes in Fund Balances, is not new to the District's annual financial reports. This report guides the reader to a meaningful overall view for the District revenue, expenditures and changes to the fund balance. Total revenues from state, local and Federal sources were \$7,974,221. Total expenditures for the District were \$9,259,935. The total ending fund balance was \$4,092,809; a decrease of \$299,564 from the prior year.

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 MANAGEMENT DISCUSSION AND ANALYSIS
 For the Year Ended June 30, 2013

Multi-Year District Revenues and Expenditures

A multi-year view of overall District revenues and expenditures indicates significant decreases in both areas. The decrease of both revenues and expenditures are commensurate with decline in student enrollment, as well as decreases in unit value.

<u>Year</u>	<u>Total Revenues</u>	<u>Increase %</u>	<u>Total Expenses</u>	<u>Increase %</u>
2007/2008	5,511,960		6,776,981	
2008/2009	5,731,674	4 %	6,464,412	(4.61)%
2009/2010	5,057,762	(12)%	6,617,831	2.37 %
2010/2011	9,353,723	85 %	9,343,361	41.18 %
2011/2012	8,607,600	(8)%	9,215,166	(1.37)%
2012/2013	8,960,371	4 %	9,259,935	0.49 %

Note: Revenues include proceeds from General Obligation Bonds and exclude cash carryovers; Expenditures include capital outlays.

The Budget

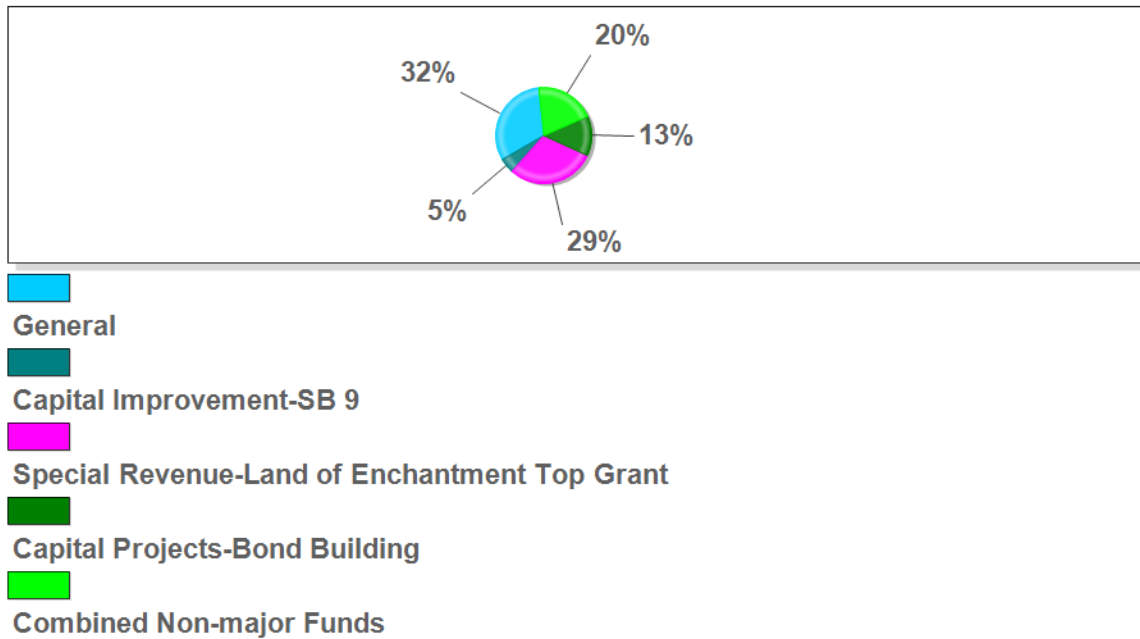
District budgets reflect the same decrease as seen in the revenue and expenditures of the District. The State of New Mexico school budget process is defined under state law and regulation. To enhance the process of developing a budget at the school district level, the District utilizes goals and objectives defined by the District's Board, community input meetings, long term plans and input from various staff groups to develop to the District's budget. District priorities are well defined through this process.

GASB 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

Major budgetary funds in these reports are: The General Fund, Title I - IASA, Land of Enchantment Top Grant, Bond Building, Capital Improvements and Total Education Technology Equipment Act. In addition, included are non-major Special Revenue Funds, non-major Capital Projects Funds and Debt Service funds which are also reported for their budgetary performance. The following graphics and tables show the fiscal relationship of the major funds and the combined non-major funds.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

Budgetary Comparison



The reader will note that the General Fund represents 32% of the total fund dollar amount. This fund provides the salary and benefits for the significant majority of the Direct Instruction, Instructional Support, Administration, Business Support, Food Service Transportation and Maintenance staff as well as classroom materials, special education consulting staff and fixed utility costs.

Revenue from this fund is substantially derived from the State Equalization Guarantee, which is the funding formula appropriated for education by the State Legislature. The General Fund is explored later in the Management Discussion and Analysis.

The following table examines the summary budget performance of the major and combined non-major funds for the fiscal year ending June 30, 2013. Detailed budget performance is examined through the Budgetary Comparison Statement for each major fund and the Schedule of Revenues and Expenditures Budget and Actual for the combined Special Revenue Funds, Capital Projects Funds, and Debt Service.

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 MANAGEMENT DISCUSSION AND ANALYSIS
 For the Year Ended June 30, 2013

MAJOR FUNDS EXPENDITURE BUDGET PERFORMANCE

Fund Type	Final Budget	Actual	Variance
General	\$ 5,097,519	\$ 4,583,233	\$ 514,286
Land of enchantment top grant	4,598,627	1,585,219	3,013,408
Bond building	2,059,292	1,536,026	523,266
Capital improvements	<u>\$ 859,544</u>	<u>\$ 243,736</u>	<u>\$ 615,808</u>

All funds fell within the regulatory criteria set by the State Department of Education and New Mexico Statute. Both the Manual of Procedures for Public School Accounting and NMSA 8-22-5, Annotated require that budget expenditures be within the authorization of the approved budget.

The General Fund

The General Fund revenue represents \$4,601,539 of the total \$7,974,221 in overall District revenues. The impact of this fund must be kept in context. The General Fund began the year with an initial budget of \$4,553,702 and had a final budget of the same amount.

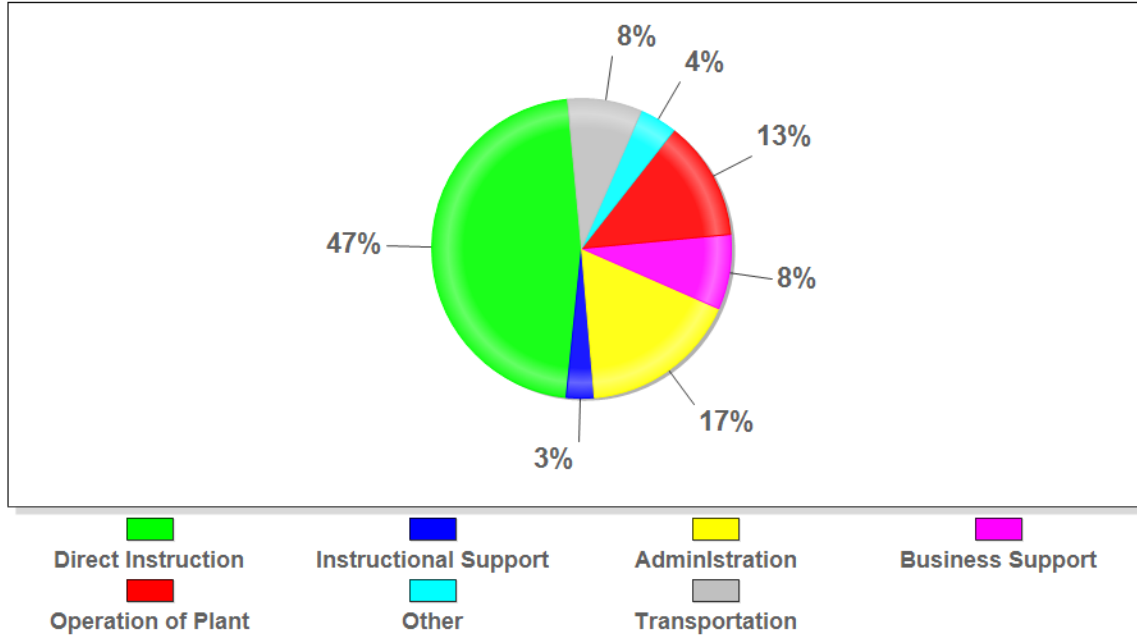
The General Fund is predominately funded by revenues from the State of New Mexico Equalization Guarantee Formula. This fund pays for teaching staff, teaching support staff, special education support staff, maintenance staff and administration staff. The General Fund provides the predominant funding for the entire education process. Because of the student population decrease experienced by the School District, and because of the reduction in the unit value the Equalization Guarantee has decreased. The Operational Fund has seen significant decreases in revenues as seen in the following table.

Year	Revenues	Increase %
2007-2008	\$ 5,191,310	0 %
2008-2009	5,205,438	0 %
2009-2010	4,746,742	(9)%
2010-2011	4,917,244	4 %
2011-2012	4,638,018	(6)%
2012-2013	4,584,366	(1)%

Because the General Fund is the main fund whose expenditures are significantly related to the educational process, \$4,574,793 was expended in the year ending June 30, 2013. The most significant inter-fund expenditure was for the function noted as "Direct Instruction". This expenditure was \$2,138,747 and represents 47% of all general expenditures. Expenditures included in this function are regular and special education teachers and assistants, benefits, payroll taxes, school supplies, training and miscellaneous instructional related contract services.

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 MANAGEMENT DISCUSSION AND ANALYSIS
 For the Year Ended June 30, 2013

Percentage of GF Expenditures



The following discussion on the General Fund Budget will relate functional expenditures for the year ending June 30, 2013 for the General Fund. Direct Instruction represents 47% of all General Fund expenditures. Direct Instruction expenditures account for regular education, special education and kindergarten teachers and educational assistants' salaries, payroll taxes and benefits. Instructional Support represents 3% of General Fund expenditures and account for expenditures for school principals, program coordinators, counselors, school nursing staff, librarians, special education ancillary staff and significant support to special education programs through contract ancillary support staff and contract programs.

The Office of the Superintendent and the Business Office represent the overhead support of the entire operations of the District; these programs combined represent 37% of the total General Fund. Operation of the Plant account for 13% of the General Fund expenditures. Included in the Operation of the Plant expenditures are salaries and benefits for maintenance staff, school custodians, fixed utility costs, maintenance and repairs, maintenance supplies and school custodial supplies. Additional support for maintenance supplies and projects comes from the voter approved SB9 Fund. The General Fund also supports expenditures for athletics and transportation.

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 MANAGEMENT DISCUSSION AND ANALYSIS
 For the Year Ended June 30, 2013

Capital Assets

This District has not added any new facilities. As can be seen from the balance in Capital Assets, the reader can see that the district's facilities are aging.

<u>Assets Type</u>	<u>Balance June 30, 2012</u>	<u>Balance June 30, 2013</u>
Land & improvements	\$ 17,411	\$ 17,411
Furniture, fixtures & equipment	<u>24,339,810</u>	<u>26,086,938</u>
Total capital assets	<u>24,357,221</u>	<u>26,104,349</u>
Less Accumulated depreciation	<u>(8,229,691)</u>	<u>(8,967,494)</u>
Capital assets-Net	<u>\$ 16,127,530</u>	<u>\$ 17,136,855</u>

General Long Term Debt

Article IX, Section 11 of the New Mexico Constitution limits the power of a school district to incur general obligation debt beyond a school year unless such debt is for "the purpose of erecting, remodeling, making additions, and furnishing buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public classrooms or any combination of these purposes." The approval of debt is subject to a vote of the local electors and may not exceed 6% of the assessed valuation of the taxable property within the District.

The School District has never defaulted on any of its debts or other obligations. Listed below is the District's total general obligation debt as of June 30, 2013.

<u>Year Ended June 30</u>	<u>Principle</u>	<u>Interest</u>	<u>Totals</u>
2013	\$	\$	\$
2014	370,000	257,892	627,892
2015	540,000	251,522	791,522
2016	555,000	244,442	799,442
2017	570,000	236,019	806,019
2018	580,000	226,139	806,139
2019-2023	2,030,000	995,719	3,025,719
2024-2027	<u>2,185,000</u>	<u>605,133</u>	<u>2,790,133</u>
Total	<u>\$ 6,830,000</u>	<u>\$ 2,816,866</u>	<u>\$ 9,646,866</u>

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2013

Agency Funds

The District, as a custodian, maintains and monitors special funds on the behalf of school activity groups. Agency funds maintained by the District are to benefit a specific activity or interest and are generally raised by students for student use. The custody and use of these funds are in accordance with Public Education Department Regulations and School District Policy. The Statement of Fiduciary Net Asset has a cash balance of \$79,972 as of June 30, 2013 held on behalf of the students.

Future Trends

The voters of the Questa Independent School District will have the opportunity to support the SB9 Levy Election again in February of 2015. With the recent General Obligation Bond the district was able to construct an Athletic Field which includes a football field, soccer field, baseball field, and a running track. Also, the District was able to renovate the restroom facilities to be ADA compliance. The district will continue to upgrade and renovate the school facilities. The district will continue its collaboration with UNM Taos enabling our students to get a head start on their post secondary education.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT- WIDE
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2013

	<u>Governmental Activities</u>	<u>Roots & Wings Charter School</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,108,065	\$ 73,939
Investment	465	
Due from grantor	87,534	5,076
Inventory	<u>5,836</u>	
Total current assets	<u>4,201,900</u>	<u>79,015</u>
Noncurrent assets		
Capital assets	26,104,349	95,784
Less: accumulated depreciation	<u>(8,967,494)</u>	<u>(68,884)</u>
Total noncurrent assets	<u>17,136,855</u>	<u>26,900</u>
Total assets	<u>21,338,755</u>	<u>105,915</u>
LIABILITIES		
Current liabilities		
Accounts payable	731	
Accrued interest	49,377	
Current amount due for bonds	370,000	
Unearned revenue	<u>108,360</u>	
Total current liabilities	<u>528,468</u>	<u>0</u>
Noncurrent liabilities		
Compensated absences	12,674	
Bonds and notes, net	<u>6,359,230</u>	
Total noncurrent liabilities	<u>6,371,904</u>	<u>0</u>
Total liabilities	<u>6,900,372</u>	<u>0</u>
NET POSITION		
Net investment in capital assets	10,407,625	26,900
Restricted for:		
Special revenue funds	260,124	
Capital projects	2,675,513	
Debt services	522,786	
Unrestricted	<u>572,335</u>	<u>79,015</u>
Total net position	<u>\$ 14,438,383</u>	<u>\$ 105,915</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, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in net position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Governmental Activities</u>	<u>Component Unit's</u>
Governmental activities					
Instruction	\$ 3,592,578	\$ 51,257	\$ 574,807	\$ (2,966,514)	\$
Support services-students	395,256	21,873	129,370	(244,013)	
Support services-instruction	133,080		27,288	(105,792)	
General administration	436,900			(436,900)	
School administration	1,676,455		1,632,071	(44,384)	
Central services	344,488			(344,488)	
Operation & maintenance of plant	720,333		39,041	(681,292)	
Student transportation	347,427		330,651	(16,776)	
Other	5,376			(5,376)	
Food services operations	262,904	7,915	259,993	5,004	
Interest on long-term obligations	<u>143,621</u>			<u>(143,621)</u>	
Total governmental activities	<u>8,058,418</u>	<u>81,045</u>	<u>2,993,221</u>	<u>(4,984,152)</u>	<u>0</u>
Component units					
Roots & wings charter	<u>528,916</u>		<u>64,108</u>		<u>(464,808)</u>
Total component units	<u>\$ 528,916</u>	<u>\$ 0</u>	<u>\$ 64,108</u>	<u>0</u>	<u>(464,808)</u>
General revenues					
Taxes					
Property taxes, levied for general purposes				72,887	
Property taxes, levied for Capital projects				360,281	
Property taxes, levied for Debt service				533,894	
Federal and state aid not restricted to specific purpose					
General				3,894,281	508,643
Interest and investment earnings				38,612	130
Miscellaneous					<u>350</u>
Subtotal, general revenues				<u>4,899,955</u>	<u>509,123</u>
Change in net position				(84,197)	44,315
Net position - beginning				<u>14,522,580</u>	<u>61,600</u>
Net position - ending				<u>\$ 14,438,383</u>	<u>\$ 105,915</u>

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

**GOVERNMENTAL
FUND FINANCIAL STATEMENT**

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS

Balance Sheet
June 30, 2013

	General Fund			
	Operational 11000	Teacherege 12000	Transportation 13000	Instructional Materials 14000
ASSETS				
Cash and cash equivalents	\$ 476,667	\$ 29,811	\$ 13	\$ 17,150
Investment				
Receivables				
Due from grantor				
Interfund balance	114,864			
Inventory				
Total assets	\$ 591,531	\$ 29,811	\$ 13	\$ 17,150
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 731	\$	\$	\$
Interfund balance				
Unearned revenue				
Total liabilities	731	0	0	0
Fund balances				
Nonspendable-inventory				
Restricted-reported in				
Special revenue funds				
Capital improvements				
Debt service				
Unassigned	590,800	29,811	13	17,150
Total fund balance	590,800	29,811	13	17,150
Total liabilities and fund balance	\$ 591,531	\$ 29,811	\$ 13	\$ 17,150

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, 2013

	Special Revenue	
	Title I -IASA 24101	Land of Enchantment Top Grant 25175
ASSETS		
Cash and cash equivalents	\$	\$ 43,305
Investment		
Receivables		
Due from grantor		
Interfund balance	64,410	1,150
Inventory		
Total assets	\$ 64,410	\$ 44,455
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$	\$
Interfund balance	50,000	
Unearned revenue	14,410	44,455
Total liabilities	64,410	44,455
Fund balances		
Nonspendable-inventory		
Restricted-reported in		
Special revenue funds		
Capital improvements		
Debt service		
Unassigned		
Total fund balance	0	0
Total liabilities and fund balance	\$ 64,410	\$ 44,455

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, 2013

	Capital Projects		Debt Service
	Bond Building 31100	Capital Improvements SB-9 31700	Total Ed. Technology Equipment Act. 43000
ASSETS			
Cash and cash equivalents	\$ 883,409	\$ 690,083	\$ 216,806
Investment	465		
Receivables			
Due from grantor			
Interfund balance	1,753	7,397	
Inventory			
Total assets	\$ 885,627	\$ 697,480	\$ 216,806
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	\$	\$
Interfund balance			160,424
Unearned revenue			
Total liabilities	0	0	160,424
Fund balances			
Nonspendable-inventory			
Restricted-reported in			
Special revenue funds			
Capital improvements	885,627	697,480	
Debt service			56,382
Unassigned			
Total fund balance	885,627	697,480	56,382
Total liabilities and fund balance	\$ 885,627	\$ 697,480	\$ 216,806

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, 2013

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	
ASSETS			
Cash and cash equivalents	\$ 1,750,821	\$ 4,108,065	
Investment		465	
Receivables			
Due from grantor	87,534	87,534	
Interfund balance	70,863	260,437	
Inventory	<u>5,836</u>	<u>5,836</u>	
Total assets	<u>\$ 1,915,054</u>	<u>\$ 4,462,337</u>	
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	\$ 731	
Interfund balance	50,013	260,437	
Unearned revenue	<u>49,495</u>	<u>108,360</u>	
Total liabilities	<u>99,508</u>	<u>369,528</u>	
Fund balances			
Nonspendable-inventory	5,836	5,836	
Restricted-reported in			
Special revenue funds	260,124	260,124	
Capital improvements	1,092,406	2,675,513	
Debt service	466,404	522,786	
Unassigned	<u>(9,224)</u>	<u>628,550</u>	
Total fund balance	<u>1,815,546</u>	<u>4,092,809</u>	
Total liabilities and fund balance	<u>\$ 1,915,054</u>	<u>\$ 4,462,337</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 Position
 June 30, 2013

Total fund balance - governmental funds \$ 4,092,809

Amounts reported for governmental activities in the statement of net position 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	\$26,104,349	
Accumulated depreciation	<u>(8,967,494)</u>	17,136,855

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	(6,830,000)	
Issue costs	132,266	
Accumulated amortization	(31,496)	
Accrued interest on bonds	(49,377)	
Compensated absences	<u>(12,674)</u>	<u>(6,791,281)</u>

Total net position - Governmental activities		<u>\$14,438,383</u>
----------------------------------------------	--	---------------------

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2013

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Revenues			
Property taxes	\$ 72,887	\$	\$
Investment income	453	13	
Fees	45,177	6,905	
State & local grants	3,908,189		330,651
Federal grants	27,288		
Miscellaneous	<u>163,641</u>		<u>22,244</u>
Total revenues	<u>4,217,635</u>	<u>6,918</u>	<u>352,895</u>
Expenditures			
Current			
Instruction	2,107,949		
Support services-students	363,994		
Support services-instruction	118,970		
Support services-general administration	287,115		
Support services-school administration	488,415		
Central services	201,358		
Operation & maintenance of plant	589,388	477	
Student transportation			347,427
Other support services	5,376		
Food services operations			
Capital outlay	28,071		5,455
Debt service			
Principal			
Interest			
Total expenditures	<u>4,190,636</u>	<u>477</u>	<u>352,882</u>
Excess (deficiency) of revenues over expenditures	<u>26,999</u>	<u>6,441</u>	<u>13</u>
Other financing sources (uses)			
Proceeds from bonds			
Total other financing sources (uses)			
Net changes in fund balance	26,999	6,441	13
Fund balances at beginning of year	<u>563,801</u>	<u>23,370</u>	<u>0</u>
Fund balances end of year	<u>\$ 590,800</u>	<u>\$ 29,811</u>	<u>\$ 13</u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2013

	<u>General Fund</u>	<u>Special Revenue</u>	
	Instructional Materials <u>14000</u>	Title I -IASA 24101	Land of Enhancement Top Grant <u>25175</u>
Revenues			
Property taxes	\$	\$	\$
Investment income			
Fees			
State & local grants	23,903		
Federal grants		199,852	1,577,896
Miscellaneous	<u>188</u>		
Total revenues	<u>24,091</u>	<u>199,852</u>	<u>1,577,896</u>
Expenditures			
Current			
Instruction	30,798	155,434	336,962
Support services-students			
Support services-instruction			
Support services-general administration		13,291	99,741
Support services-school administration			1,131,809
Central services			
Operation & maintenance of plant			8,962
Student transportation			
Other support services			
Food services operations			
Capital outlay		31,127	422
Debt service			
Principal			
Interest			
Total expenditures	<u>30,798</u>	<u>199,852</u>	<u>1,577,896</u>
Excess (deficiency) of revenues over expenditures	<u>(6,707)</u>	<u>0</u>	<u>0</u>
Other financing sources (uses)			
Proceeds from bonds			
Total other financing sources (uses)			
Net changes in fund balance	(6,707)	0	0
Fund balances at beginning of year	<u>23,857</u>	<u>0</u>	<u>0</u>
Fund balances end of year	<u>\$ 17,150</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
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2013

	Capital Projects		Debt Service
	Bond Building 31100	Capital Improvements SB-9 31700	Total Ed. Technology Equipment Act. 43000
Revenues			
Property taxes	\$	\$ 360,281	\$ 207,180
Investment income		875	
Fees			
State & local grants		24,846	
Federal grants			
Miscellaneous			
Total revenues	0	386,002	207,180
Expenditures			
Current			
Instruction			
Support services-students			
Support services-instruction			
Support services-general administration		3,603	2,072
Support services-school administration		16,325	
Central services	44,791		
Operation & maintenance of plant		112,893	
Student transportation			
Other support services			
Food services operations			
Capital outlay	1,303,413	109,022	
Debt service			
Principal			195,000
Interest			10,343
Total expenditures	1,348,204	241,843	207,415
Excess (deficiency) of revenues over expenditures	(1,348,204)	144,159	(235)
Other financing sources (uses)			
Proceeds from bonds			
Total other financing sources (uses)			
Net changes in fund balance	(1,348,204)	144,159	(235)
Fund balances at beginning of year	2,233,831	553,321	56,617
Fund balances end of year	\$ 885,627	\$ 697,480	\$ 56,382

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2013

	Other Governmental Funds	Total Governmental Funds
Revenues		
Property taxes	\$ 326,714	\$ 967,062
Investment income	856	2,197
Fees	29,788	81,870
State & local grants	33,473	4,321,062
Federal grants	554,774	2,359,810
Miscellaneous	<u>56,147</u>	<u>242,220</u>
Total revenues	<u>1,001,752</u>	<u>7,974,221</u>
Expenditures		
Current		
Instruction	251,413	2,882,556
Support services-students	31,262	395,256
Support services-instruction	1,423	120,393
Support services-general administration	14,352	420,174
Support services-school administration	39,906	1,676,455
Central services	98,339	344,488
Operation & maintenance of plant	392	712,112
Student transportation		347,427
Other support services		5,376
Food services operations	260,006	260,006
Capital outlay	269,618	1,747,128
Debt service		
Principal		195,000
Interest	<u>143,221</u>	<u>153,564</u>
Total expenditures	<u>1,109,932</u>	<u>9,259,935</u>
Excess (deficiency) of revenues over expenditures	<u>(108,180)</u>	<u>(1,285,714)</u>
Other financing sources (uses)		
Proceeds from bonds	<u>986,150</u>	<u>986,150</u>
Total other financing sources (uses)	<u>986,150</u>	<u>986,150</u>
Net changes in fund balance	877,970	(299,564)
Fund balances at beginning of year	<u>937,576</u>	<u>4,392,373</u>
Fund balances end of year	<u>\$ 1,815,546</u>	<u>\$ 4,092,809</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
 For the Year Ended June 30, 2013

Excess (deficiency) of revenues over expenditures \$ (299,564)

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 position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities

Depreciation expense	\$ (737,803)	
Capital outlays	<u>1,747,128</u>	1,009,325

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position

195,000

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 is the amount of the amortized bond issue costs this year.

Bond issue costs	13,850	
Amortization expense	<u>(9,368)</u>	4,482

Proceeds from bonds

(1,000,000)

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, 2012	59,320	
Accrued interest, June 30, 2013	<u>49,377</u>	9,943

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, 2012	9,291	
Compensated absences June 30, 2013	<u>12,674</u>	<u>(3,383)</u>

Changes in net position of governmental activities

\$ (84,197)

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 (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual	Variances
	<u>Original</u>	<u>Final</u>	(Budgetary Basis)	Positive (Negative) Final to Actual
Revenues:				
Property taxes	\$ 77,685	\$ 77,685	\$ 76,940	\$ (745)
Investment income	400	400	453	53
Fees	52,039	52,039	45,177	(6,862)
State & local grants	3,844,687	3,876,483	3,908,189	31,706
Federal grants		27,287	27,288	1
Miscellaneous	<u>140,000</u>	<u>140,000</u>	<u>163,641</u>	<u>23,641</u>
Total revenues	<u>4,114,811</u>	<u>4,173,894</u>	<u>4,221,688</u>	<u>47,794</u>
Expenditures:				
Instruction				
Personnel services	1,530,728	1,515,033	1,441,381	73,652
Employee benefits	523,608	525,668	485,163	40,505
Professional & tech services	46,200	51,719	39,398	12,321
Other purchased services	94,235	102,186	87,825	14,361
Supplies	66,998	66,998	54,182	12,816
Supply assets	<u>23,008</u>	<u>24,279</u>	<u>24,278</u>	<u>1</u>
Total instruction	<u>2,284,777</u>	<u>2,285,883</u>	<u>2,132,227</u>	<u>153,656</u>
Support services-students				
Personnel services	177,004	225,151	199,949	25,202
Employee benefits	65,188	75,275	66,145	9,130
Professional & tech services	86,000	108,242	93,791	14,451
Other purchased services	1,000	1,600	730	870
Supplies	900	8,400	3,379	5,021
Supply assets	<u>2,500</u>	<u>9,000</u>	<u>493</u>	<u>8,507</u>
Total support services-students	<u>332,592</u>	<u>427,668</u>	<u>364,487</u>	<u>63,181</u>
Support services-instruction				
Personnel services	81,490	76,336	76,336	
Employee benefits	28,829	34,945	33,514	1,431
Professional & tech services	600	600	498	102
Other purchased services	565	1,165	1,165	
Supplies	9,000	13,000	7,457	5,543
Supply assets	<u>1,100</u>	<u>7,100</u>	<u>7,100</u>	<u>7,100</u>
Total support services-instruction	<u>\$ 121,584</u>	<u>\$ 133,146</u>	<u>\$ 118,970</u>	<u>\$ 14,176</u>

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 (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Support services-general administration				
Personnel services	\$ 147,386	\$ 149,759	\$ 141,051	\$ 8,708
Employee benefits	51,920	51,921	45,698	6,223
Professional & tech services	99,506	103,211	70,466	32,745
Other purchased services	16,800	31,437	24,434	7,003
Supplies	9,415	9,915	6,390	3,525
Supply assets	<u>1,800</u>	<u>1,800</u>	<u>636</u>	<u>1,164</u>
Total support services-general administration	<u>326,827</u>	<u>348,043</u>	<u>288,675</u>	<u>59,368</u>
Support services-school administration				
Personnel services	372,807	345,036	344,587	449
Employee benefits	155,594	149,092	134,505	14,587
Professional & tech services	1,865	1,865	1,320	545
Other purchased services	3,800	4,295	4,294	1
Supplies	3,665	4,870	3,709	1,161
Supply assets	<u>850</u>	<u>5,850</u>	<u>272</u>	<u>5,578</u>
Total support services-school administration	<u>538,581</u>	<u>511,008</u>	<u>488,687</u>	<u>22,321</u>
Central services				
Personnel services	139,872	139,872	138,549	1,323
Employee benefits	48,138	48,372	44,253	4,119
Professional & tech services	14,185	12,550	9,875	2,675
Other purchased services	2,255	2,287	2,286	1
Supplies	6,760	7,260	6,395	865
Supply assets	<u>1,500</u>	<u>1,585</u>	<u>1,585</u>	<u></u>
Total central services	<u>212,710</u>	<u>211,926</u>	<u>202,943</u>	<u>8,983</u>
Operation & maintenance of plant				
Personnel services	188,278	183,233	163,904	19,329
Employee benefits	79,927	79,931	60,818	19,113
Professional & tech services	1,265	2,065	1,622	443
Purchased property services	306,413	353,873	258,389	95,484
Other purchased services	127,352	107,613	107,329	284
Supplies	9,120	9,120	4,843	4,277
Supply assets	<u>2,500</u>	<u>2,500</u>	<u>806</u>	<u>1,694</u>
Total operation & maintenance of plant	<u>\$ 714,855</u>	<u>\$ 738,335</u>	<u>\$ 597,711</u>	<u>\$ 140,624</u>

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 (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Others				
Other support services	\$ 14,575	\$ 14,575	\$ 5,376	\$ 9,199
Total other	<u>14,575</u>	<u>14,575</u>	<u>5,376</u>	<u>9,199</u>
Total expenditures	<u>4,546,501</u>	<u>4,670,584</u>	<u>4,199,076</u>	<u>471,508</u>
Excess (deficiency) of revenues over expenditures	(431,690)	(496,690)	22,612	519,302
Cash balance beginning of year	<u>213,801</u>	<u>(293,785)</u>	<u>568,919</u>	<u>862,704</u>
Cash balance end of year	<u><u>\$ (217,889)</u></u>	<u><u>\$ (790,475)</u></u>	<u><u>591,531</u></u>	<u><u>\$ 1,382,006</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			22,612	
Net change in account receivable			(4,053)	
Net change in accounts payable			<u>8,440</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u><u>\$ 26,999</u></u>	

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 (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues:				
Investment income	\$ 10	\$ 10	\$ 13	\$ 3
Fees	3,000	3,000	6,905	3,905
Total revenues	3,010	3,010	6,918	3,908
Expenditures:				
Operation & maintenance of plant				
Purchased property services	21,780	21,780	225	21,555
Supplies	1,500	1,500	252	1,248
Supply assets	3,000	3,000		3,000
Total operation & maintenance of plant	26,280	26,280	477	25,803
Total expenditures	26,280	26,280	477	25,803
Excess (deficiency) of revenues over expenditures	(23,270)	(23,270)	6,441	29,711
Cash balance beginning of year	(20,745)	(20,745)	23,370	44,115
Cash balance end of year	\$ (44,015)	\$ (44,015)	29,811	\$ 73,826
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			6,441	
Net change in accounts receivable			0	
Net change in accounts payable			0	
Excess (deficiency) of revenues over expenditures-GAAP basis			\$ 6,441	

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

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 GENERAL FUND- PUPIL TRANSPORTATION-13000
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$	\$ 22,244	\$ 22,244	\$
State and local grants	<u>345,734</u>	<u>330,651</u>	<u>330,651</u>	<u> </u>
Total revenues	<u>345,734</u>	<u>352,895</u>	<u>352,895</u>	<u>0</u>
Expenditures				
Student transportation				
Personnel services	39,662	45,822	45,819	3
Employee benefits	36,239	36,267	36,258	9
Professional and technical services		175	175	
Purchased property services	79,440	79,440	79,440	
Other purchased services	190,393	185,615	185,614	1
Supplies		122	122	
Supply assets		<u>5,454</u>	<u>5,454</u>	<u> </u>
Total student transportation	<u>345,734</u>	<u>352,895</u>	<u>352,882</u>	<u>13</u>
Total expenditures	<u>345,734</u>	<u>352,895</u>	<u>352,882</u>	<u>13</u>
Excess (deficiency) of revenues over expenditures	0	0	13	13
Cash balance beginning of year	<u>5,199</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash balance end of year	<u>\$ 5,199</u>	<u>\$ 0</u>	<u>13</u>	<u>\$ 13</u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			13	
Net change in accounts receivable			0	
Net change in accounts payable			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u>\$ 13</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 (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
State & local grants	\$ 23,903	\$ 23,903	\$ 23,903	\$
Miscellaneous			188	188
Total revenues	<u>23,903</u>	<u>23,903</u>	<u>24,091</u>	<u>\$ 188</u>
Expenditures				
Instruction				
Supplies	<u>23,903</u>	<u>47,760</u>	<u>30,798</u>	<u>16,962</u>
Total instruction	<u>23,903</u>	<u>47,760</u>	<u>30,798</u>	<u>16,962</u>
Total expenditures	<u>23,903</u>	<u>47,760</u>	<u>30,798</u>	<u>16,962</u>
Excess (deficiency) of revenues over expenditures	0	(23,857)	(6,707)	17,150
Cash balance beginning of year	<u>(26,665)</u>	<u>(26,665)</u>	<u>23,857</u>	<u>50,522</u>
Cash balance end of year	<u><u>\$ (26,665)</u></u>	<u><u>\$ (50,522)</u></u>	<u>17,150</u>	<u><u>\$ 67,672</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			(6,707)	
Net change in accounts receivable			0	
Net Change in accounts payables			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u><u>\$ (6,707)</u></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- IASA- 24101
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
Revenues				
Federal grants	\$ 125,159	\$ 243,323	\$ 214,262	\$ (29,061)
Total revenues	<u>125,159</u>	<u>243,323</u>	<u>214,262</u>	<u>(29,061)</u>
Expenditures				
Instruction				
Personnel services	52,060	50,105	49,985	120
Employee benefits	19,790	13,467	12,855	612
Professional & tech services	6,000	5,715	5,553	162
Other purchased services	5,850	11,414	180	11,234
Supplies	15,239	98,372	98,370	2
Supplies assets		31,128	31,127	1
Total instruction	<u>98,939</u>	<u>210,201</u>	<u>198,070</u>	<u>12,131</u>
Support services-general administration				
Professional & tech services	<u>8,398</u>	<u>15,300</u>	<u>13,291</u>	<u>2,009</u>
Total support services-general administration	<u>8,398</u>	<u>15,300</u>	<u>13,291</u>	<u>2,009</u>
Support services-school administration				
Personnel services	13,856	13,856		13,856
Employee benefits	3,466	3,466		3,466
Supplies	<u>500</u>	<u>500</u>		<u>500</u>
Total support services-school administration	<u>17,822</u>	<u>17,822</u>	<u>0</u>	<u>17,822</u>
Total expenditures	<u>125,159</u>	<u>243,323</u>	<u>211,361</u>	<u>31,962</u>
Excess (deficiency) of revenues over expenditures	0	0	2,901	2,901
Cash balance beginning of year	<u>1</u>	<u>1</u>	<u>11,508</u>	<u>11,507</u>
Cash balance end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>14,409</u>	<u>\$ 14,408</u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			2,901	
Net change in accounts receivable			(14,410)	
Net change in accounts payable			<u>11,509</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-LAND OF ENCHANTMENT TOP GRANT-25175
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
Revenues				
Federal grants	\$ 4,598,627	\$ 4,598,627	\$ 1,660,938	\$ (2,937,689)
Total revenues	<u>4,598,627</u>	<u>4,598,627</u>	<u>1,660,938</u>	<u>(2,937,689)</u>
Expenditures				
Instruction				
Personnel services	776,530	776,530	181,335	595,195
Employee benefits	214,532	214,532	50,881	163,651
Professional & tech services	229,662	229,662	95,302	134,360
Other purchased services	5,600	5,600	3,718	1,882
Supplies	21,000	21,000	5,727	15,273
Total instruction	<u>1,247,324</u>	<u>1,247,324</u>	<u>336,963</u>	<u>910,361</u>
Support services-general administration				
Professional & tech services	279,246	272,281	93,142	179,139
Other purchased services	<u> </u>	<u>6,600</u>	<u>6,598</u>	<u>2</u>
Total support services-general administration	<u>279,246</u>	<u>278,881</u>	<u>99,740</u>	<u>179,141</u>
Support services-school administration				
Personnel services	1,906,490	1,906,855	727,846	1,179,009
Employee benefits	596,102	596,102	258,421	337,681
Professional & tech services	304,130	304,130	57,884	246,246
Purchased property services	40,000	40,000	17,721	22,279
Other purchased services	135,000	135,000	64,558	70,442
Supplies	44,000	44,000	12,703	31,297
Supply assets	22,335	22,335	422	21,913
Total support services-school administration	<u>3,048,057</u>	<u>3,048,422</u>	<u>1,139,555</u>	<u>1,908,867</u>
Operation & maintenance of plant				
Other purchased services	<u>24,000</u>	<u>24,000</u>	<u>8,961</u>	<u>15,039</u>
Total operation & maintenance of plant	<u>24,000</u>	<u>24,000</u>	<u>8,961</u>	<u>15,039</u>
Total expenditures	<u>\$ 4,598,627</u>	<u>\$ 4,598,627</u>	<u>\$ 1,585,219</u>	<u>\$ 3,013,408</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 (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

Excess (deficiency) of revenues over expenditures	\$	0	\$	0	\$	75,719	\$	75,719
Cash balance beginning of year		<u>0</u>		<u>0</u>		<u>(31,263)</u>		<u>(31,263)</u>
Cash balance end of year	\$	<u>0</u>	\$	<u>0</u>		<u>44,456</u>	\$	<u>44,456</u>
Reconciliation of budgetary basis to GAAP basis								
Excess (deficiency) of revenues over expenditures-cash basis						75,719		
Net change in due from grantor						(83,042)		
Net change in accounts payable						<u>7,323</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 Position-Agency Funds
For the Year Ended June 30, 2013

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ <u>79,972</u>
Total assets	\$ <u><u>79,972</u></u>
Liabilities	
Deposits held for others	\$ <u>79,972</u>
Total liabilities	\$ <u><u>79,972</u></u>

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

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.

In 2013, the District also implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. This statement basically provides a framework that specifies where deferred outflows of resources and deferred inflows of resources—as well as assets and liabilities—should be displayed. The statement also discusses how net position—no longer net assets—should be displayed.

A. Financial Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 61. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

Based upon the application of these criteria, the District has a discretely presented component unit, Roots and Wings Charter School, Box 22, Questa, NM 87556 as defined by GASB Statement No. 61. The Charter School is responsible for separate elementary and secondary education within the Questa Independent School District jurisdiction. Questa Independent School District is accountable for the Charter School because the District approves their charter. The Charter School is presented as a discrete component unit in the government wide financial statements.

B. Government-wide and fund financial statements

The government-wide financial statements (GWFS) consist of the Statement of Net Position 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 Position at the fund financial statement level.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

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 numbers 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.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

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 consists of four sub funds.

Operational Fund(11000). The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

Teacherage Fund(12000). The Teacherage Fund is to provide teachers affordable housing to entice them to teach there.

Transportation Fund(13000). The Transportation fund includes a state grant to provide transportation for students in the District.

Instructional Materials Fund(14000). 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.

Land of Enchantment Top Grant (25175). To provide professional development opportunities to people pursuing careers in Special Education or School Leadership. Funding authorized by the PL Public Law 110-115 HIGHER EDUCATION ACT, AS AMENDED IN 2008. 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.

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

Major Debt service funds

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.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities and Net Position 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 Position 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.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

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, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government-wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures, and equipment in accordance with NMAC 2.20.1.9 C (5).

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2013

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

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

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.

Unearned Revenue

Accounting principles generally accepted in the United States of America require that the grant revenue be recognized at the time when the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as Unearned Revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be “available” under the current financial resources measurement focus are reported as Unearned Revenues in the governmental fund financial statements. GASB 63 amended previous guidance on Unearned Revenues in the Government-Wide Financial Statements to include deferred outflow of resources, which is the consumption of net position by the government that is applicable to a future reporting period and deferred inflow of resources, which is acquisition of net assets by the government that is applicable to a future reporting period.

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 Obligations

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

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

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 Notes to Financial Statements
 June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

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	Day 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.

Net Position

Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In the government-wide financial statements, net position is classified and displayed in three components:

Investment in Capital Assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

Restricted: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The restricted component consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted: All other net positions that do not meet the definition of “restricted” or “investment in capital assets.”

The Government-wide Statement of Net Position reports \$3,458,423 of restricted net position of which \$2,675,513 is restricted by enabling legislation.

The District’s policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

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

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.

Tax revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be ‘measurable’ and ‘available’ on a modified accrual basis. The District recognized \$967,062 in tax revenues during the year ended June 30, 2013. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent 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. Rio Arriba County collects County, City, and School taxes and distributes them to each fund once per month except in June when the taxes are distributed twice to close out the fiscal year.

Transportation distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$330,651 in transportation distributions during the year ended June 30, 2013.

Instructional materials: The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while the other fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2013 totaled \$23,903.

SB-9 State match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary. The District received \$24,846 in state SB-9 Matching during the year ended June 30, 2013.

Federal grants: The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the Federal Department or the flowthrough agency (usually the New Mexico Department of Education). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

The District also receives revenues from Federal department which are unrestricted to expenditures for special purposes. These revenues are reported in the Operational fund.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

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 employee's 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.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

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 expenditure 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.

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 Notes to Financial Statements
 June 30, 2013

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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 there to.

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

Name of account	Centinel Bank Balance 6/30/2013	People's Bank Balance 6/30/2013	Reconciled Balance	Type
Payroll clearing	\$ 344,884	\$	\$	Checking
Account payable clearing	82,110			Checking
Cafeteria	124,361		124,361	Checking
Teacherage	29,811		29,811	Checking
General operational	577,537		573,780	Checking
Debt service	461,386		461,386	Checking
Ed technology	1,309,088		1,309,088	Checking
Federal project	35,985		36,032	Checking
Capital project	1,573,491		1,573,491	Checking
Questa Ind. Schools	10,000		10,000	Savings
Questa Ind. Schools	10,000		10,000	Savings
Athletic Fund Account		114	114	Checking
Activity Fund Account		61,737	59,972	Checking
TOTAL deposited	<u>4,558,653</u>	<u>61,851</u>	<u>\$ 4,188,037</u>	
Less: FDIC coverage	<u>250,000</u>	<u>\$ 61,851</u>		
Uninsured amount	4,308,653			
50% collateral requirement	2,154,327			
Pledged securities	<u>2,686,643</u>			
Over (under) requirement	<u>\$ 532,316</u>			

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 Financial Statements
 June 30, 2013

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

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

Description	CUSIP#	Market Value	Maturity Date	Location
FFCB	31331YR44	\$ <u>2,686,643</u>	5/21/2015	FHLB-Dallas, TX
		\$ <u><u>2,686,643</u></u>		

The carrying amount of deposits shown above is included in the following captions in the financials:

Cash and cash equivalents - Statement of Net Position	\$ 4,108,065
Cash and cash equivalents - Statement of Fiduciary Net Position	<u>79,972</u>
	<u>\$ 4,188,037</u>

Custodial Credit Risk-Deposits

Depository account	Bank Balance
Insured	\$ 311,851
Collateralized:	
Collateral held by the pledging bank in District's name	2,686,643
Uninsured and uncollateralized	<u>1,622,010</u>
Total deposits	<u>\$ 4,620,504</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, 2013 \$1,622,010 of the District's bank balance of \$4,620,504 was exposed to custodial credit risk.

New Mexico State Treasurer

Name of Account	Balance 6/30/2013	Reconciled Balance	Type
QISD Reserve CF	294	294	Investment
QISD Reserve CF	<u>171</u>	<u>171</u>	Investment
Total deposited	<u>\$ 465</u>	<u>\$ 465</u>	

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

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

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.saonm.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.saonm.org. As of June 30, 2013, the LGIP WAM was 60 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 Financial Statements
 June 30, 2013

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Component Unit: Deposits and Investments

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.

Name of Account	Balance as per Bank 6/30/2013	Reconciled Balanced	Type
Roots and Wings	\$ 125,318	\$ 73,939	Checking
Total deposited	125,318	\$ 73,939	
Less: FDIC coverage	(125,318)		
Uninsured amount	\$ 0		

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

Custodial Credit Risk-Deposits

Depository Account	Bank Balance
Insured	\$ 125,318
Collateralized:	
Collateral held by the pledging bank in School's name	0
Uninsured and uncollateralized	0
Total deposits	\$ 125,318

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, 2013 none of the School's bank balance of \$125,318 was exposed to custodial credit risk.

B. Receivables

Following is a schedule of receivables as of June 30, 2013:

	General Fund 11000	Other Governmental	Total Governmental Funds
Property taxes:			
Available	\$	\$	\$
Due from grantors:			
Federal agencies		87,534	87,534
Total	\$	\$ 87,534	\$ 87,534

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 Notes to Financial Statements
 June 30, 2013

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

C. Interfund Receivables, Payables and Transfers

Interfund balances during the year ending June 30, 2013 were as follows:

Due from other funds	Amount	Due to other funds	Amount
Major governmental funds:		Major governmental funds:	
Operational	\$ 114,864	Title I -IASA	\$ 50,000
Title I - IASA	64,410	Total ed. technology equipment Act.	160,424
Land of enchantment top grant	1,150		
Bond building	1,753		
Capital improvements SB-9	<u>7,397</u>		
Total major governmental funds	<u>\$ 189,574</u>	Total major governmental funds	<u>\$ 210,424</u>
Nonmajor governmental funds:		Nonmajor governmental funds:	
Food services	30,028	IDEA, Part B Entitlement	25,829
Athletics	41	IDEA Preschool	1,835
Medicaid	26,427	Improving teacher quality	13,125
State directed activities	9,225	2010 GO Bonds student library	3,394
Ed tech	124	Breakfast in elementary	228
Debt services	<u>5,018</u>	Science instructional	<u>5,602</u>
Total nonmajor governmental funds	<u>70,863</u>	Total Nonmajor governmental funds	<u>50,013</u>
Grand total	<u>\$ 260,437</u>	Grand total	<u>\$ 260,437</u>

The due to/due from balances have been caused by negative cash balances at year end.

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.

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 Notes to Financial Statements
 June 30, 2013

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital Assets Balances and Activity for the Year Ended June 30, 2013 is as follows:

	<u>Balance</u> <u>6/30/2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2013</u>
Capital assets not being depreciated:				
Land	\$ <u>17,411</u>	\$ _____	\$ _____	\$ <u>17,411</u>
Total capital assets, not being depreciated	<u>17,411</u>	<u>0</u>	<u>0</u>	<u>17,411</u>
Capital assets being depreciated:				
Buildings & improvements	22,670,513	1,297,985		23,968,498
Equipment and vehicles information technology equipment, software & library books	<u>1,669,297</u>	<u>449,143</u>	_____	<u>2,118,440</u>
Total capital assets being depreciated:	<u>24,339,810</u>	<u>1,747,128</u>	<u>0</u>	<u>26,086,938</u>
Total capital assets	<u>24,357,221</u>	<u>1,747,128</u>	<u>0</u>	<u>26,104,349</u>
Less: accumulated depreciation for:				
Building & improvements	(7,260,795)	(677,888)		(7,938,683)
Equipment and vehicles information technology equipment, software & library books	<u>(968,896)</u>	<u>(59,915)</u>	_____	<u>(1,028,811)</u>
Total accumulated depreciation:	<u>(8,229,691)</u>	<u>(737,803)</u>	<u>0</u>	<u>(8,967,494)</u>
Capital assets, net	<u>\$16,127,530</u>	<u>\$ 1,009,325</u>	<u>\$ 0</u>	<u>\$17,136,855</u>

Depreciation expense was charged to Governmental activities as follows:

Instruction	\$ 697,271
Support instruction	12,687
General administration	16,726
Operation of plant	8,221
Food services	<u>2,898</u>
Total depreciation expenses	<u>\$ 737,803</u>

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 Notes to Financial Statements
 June 30, 2013

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

Component Unit:

Roots & Wings Charter School

Capital Assets Balances and Activity for the Year Ended June 30, 2013 is as follows:

	<u>Balance</u> <u>6/30/2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2013</u>
Governmental activities				
Capital assets being depreciated				
Buildings & improvements	\$ 48,106	\$	\$	\$ 48,106
Equipment and vehicles information technology equipment, software & library books	<u>47,678</u>	<u> </u>	<u> </u>	<u>47,678</u>
Total capital assets being depreciated:	<u>95,784</u>	<u>0</u>	<u>0</u>	<u>95,784</u>
Total capital assets	<u>95,784</u>	<u>0</u>	<u>0</u>	<u>95,784</u>
Less: accumulated depreciation for:				
Building & improvements	(20,454)	(2,244)		(22,698)
Equipment and vehicles information technology equipment, software & library books	<u>(45,888)</u>	<u>(298)</u>	<u> </u>	<u>(46,186)</u>
Total accumulated depreciation:	<u>(66,342)</u>	<u>(2,542)</u>	<u>0</u>	<u>(68,884)</u>
Capital assets, net	<u>\$ 29,442</u>	<u>\$ (2,542)</u>	<u>\$ 0</u>	<u>\$ 26,900</u>

Depreciation expense was charged to Governmental activities as follows:

Instruction	\$ 298
Operation & maintenance of plant	<u>2,244</u>
Total depreciation expenses	<u>\$ 2,542</u>

E. Unearned Revenue

Revenues are deferred in accordance with the modified accrual basis of accounting for the fund financial statements. The following unearned revenues are measurable but do not represent available expendable resources for the fund financial statements for the fiscal year ended June 30, 2013:

	<u>Other</u> <u>Governmental</u>
Federal grants	\$ <u>108,360</u>
Total unearned revenue	<u>\$ 108,360</u>

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 Notes to Financial Statements
 June 30, 2013

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

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

	Balance <u>6/30/2012</u>	Additions	Reductions	Balance <u>6/30/2013</u>	Amount Due Within One Year
Governmental activities					
Education technology Notes	\$ <u>6,025,000</u>	\$ <u>1,000,000</u>	\$ <u>195,000</u>	\$ <u>6,830,000</u>	\$ <u>370,000</u>
Total Notes	<u>6,025,000</u>	<u>1,000,000</u>	<u>195,000</u>	<u>6,830,000</u>	<u>370,000</u>
Other liabilities					
Compensated absences	<u>9,291</u>	<u>36,164</u>	<u>32,781</u>	<u>12,674</u>	<u>0</u>
Total other liabilities	<u>9,291</u>	<u>36,164</u>	<u>32,781</u>	<u>12,674</u>	<u>0</u>
Long-term liabilities	<u>\$ 6,034,291</u>	<u>\$ 1,036,164</u>	<u>\$ 227,781</u>	<u>\$ 6,842,674</u>	<u>\$ 370,000</u>

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
2009	3/3/2029	4,000,000	4.80%	\$ 3,830,000
2010	9/1/2026	2,000,000	0.00%	2,000,000
2012	7/1/2017	1,000,000	2.00%	1,000,000
				<u>\$ 6,830,000</u>

The annual requirements to amortize the general obligation bonds as of June 30, 2013 including interest payments are as follows:

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 Notes to Financial Statements
 June 30, 2013

NOTE 3: DETAILED NOTES ON ALL FUNDS (Continued)

On May, 2009 School obtained a loan in the amount of \$4,000,000 with an interest rate of 4.80% and matured on March, 2029. The future requirements for the loan are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u>
2014	180,000	136,721	316,721
2015	190,000	132,096	322,096
2016	200,000	127,221	327,221
2017	210,000	121,571	331,571
2018	215,000	115,196	330,196
2019-2023	1,255,000	450,719	1,705,719
2024-2028	<u>1,580,000</u>	<u>169,133</u>	<u>1,749,133</u>
Total	<u>\$ 3,830,000</u>	<u>\$ 1,252,657</u>	<u>\$ 5,082,657</u>

On December, 2010 School obtained a loan in the amount of \$2,000,000 with an interest rate of 00% and matured on September, 2026. The future requirements for the loan are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u>
2014	\$ 155,000	\$ 109,000	\$ 264,000
2015	155,000	109,000	264,000
2016	155,000	109,000	264,000
2017	155,000	109,000	264,000
2018	155,000	109,000	264,000
2019-2023	775,000	545,000	1,320,000
2024-2027	<u>605,000</u>	<u>436,000</u>	<u>1,041,000</u>
Total	<u>\$ 2,000,000</u>	<u>\$ 1,526,000</u>	<u>\$ 3,526,000</u>

On July, 2012 School obtained a loan in the amount of \$1,000,000 with an interest rate of 2.00% and matured on July, 2017. The future requirements for the loan are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u>
2014	\$ 190,000	\$ 12,171	\$ 202,171
2015	195,000	10,426	205,426
2016	200,000	8,221	208,221
2017	205,000	5,448	210,448
2018	<u>210,000</u>	<u>1,943</u>	<u>211,943</u>
Total	<u>\$ 1,000,000</u>	<u>\$ 38,209</u>	<u>\$ 1,038,209</u>

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 4: OTHER INFORMATION

A. Pension Plan- Educational Retirement Board

Plan Description. Substantially all of the District's full-time employees participate in an educational 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, other employees of State public school District's, colleges and universities and some state agency employees) 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.

Funding Policy.

Member Contributions. Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 9.40% of their gross salary in fiscal year 2013; 10.1% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions. In fiscal year 2013, the District was required to contribute 12.4% of gross covered salary for employees whose annual salary is \$20,000 or less, and 10.9% of the gross covered salary for employees whose annual salary is more than \$20,000.

In the future, District will contribute the following percentages of the gross covered salary of employees: 13.15% of gross covered salary in fiscal year 2014; and 13.9% of gross covered salary in fiscal year 2015.

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, 2013, 2012, and 2011, were \$389,845, \$817,660 and \$789,680 respectively, which equal the amount of the required contributions for each fiscal year.

B. Post-Employment Benefits- State Retiree Healthcare Plan

Plan Description. 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.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 4: OTHER INFORMATION (Continued)

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 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.

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

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

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. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plans 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 4: OTHER INFORMATION (Continued)

For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$71,115, \$111,282, and \$101,064 respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 4: OTHER INFORMATION (Continued)

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 Changes in Fund balances and reconciliation 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, 2013.

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 Notes to Financial Statements
 June 30, 2013

NOTE 4: OTHER INFORMATION (Continued)

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.

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.

J. Deficit fund balance of individual funds.

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

Deficit fund balances of individual funds are the following:

<u>Fund names</u>	<u>Amounts</u>
2010 GO Bonds student library fund (27106)	(3,394)
Breakfast in elementary (27155)	(228)
SCIENCE INSTRUCTIONAL MATERIALS (27176)	(5,602)

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 5. Subsequent Accounting Standard Pronouncements

The GASB issued Statement No. 65, *Financial reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net Position* which is effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The District is reviewing the effects of implementation of this statement.

The GASB issued Statement No. 66 *Technical Corrections-2012-an amendment of the GASB Statements No. 10 and No. 62*, which is effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The objective of this statement is to amend Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state and local government’s risk financing activities to the general fund and the internal service fund type. As a result, government would base their decisions about governmental fund type usage for risk financing activities on the definitions in State N0. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement also amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and that principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee. These changes would eliminate any uncertainty regarding the application of Statement No. 13, *Accounting for Operating Leases with Schedule Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales of Pledges of receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The District is reviewing the effects of the implementation of this statement.

In June 2012, Statement No. 67 *Financial Reporting for Pension Plans—an amendment of GASB Statements No. 25*, which is effective for financial statements for periods beginning after June 15, 2013. Earlier application is encouraged. The District is still evaluating how this reporting standard will affect the reporting entity.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 5. Subsequent Accounting Standard Pronouncements (Continued)

In June 2012, Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statements No. 27*, which is effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. The standard will be implemented during fiscal year June 30, 2016.

In January 2013, GASB Statement No. 69 *Government Combinations and Disposals of Government Operations*, which is effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. Earlier application is encouraged. The provisions of this Statement generally are required to be applied prospectively.

In April 2013, GASB Statement No 70 *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which is effective for reporting periods beginning after June 15, 2013. Earlier application is encouraged. Except for disclosures related to cumulative amounts paid or received in relation to a financial guarantee, the provisions of this Statement are required to be applied retroactively. Disclosures related to cumulative amounts paid or received in relation to a financial guarantee may be applied prospectively. The District is still evaluating how this reporting standard will affect the reporting entity.

**SUPPLEMENTARY INFORMATION RELATED TO
NON MAJOR FUNDS**

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
AGENCY FUNDS - ACTIVITY
SCHEDULE OF CHANGES IN ASSETS & LIABILITIES
For the Year Ended June 30, 2013

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 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.

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.

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.

Title I School Improvement (24162). To account for federal funds to provide family-center education projects to help parents become full partners in the education of their children and to assist children in reaching their full potential as leaders.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
AGENCY FUNDS - ACTIVITY
SCHEDULE OF CHANGES IN ASSETS & LIABILITIES
For the Year Ended June 30, 2013

NONMAJOR FUNDS

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

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

IDEA, Part B Recovery Act (24206). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the American Recovery and Reinvestment Act of 2009. The fund was created by the authority of federal grant provisions.

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.

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.

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.

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 (27106). To provide funding for the purchase of library books. The fund was created by the authority of state grant provision.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
AGENCY FUNDS - ACTIVITY
SCHEDULE OF CHANGES IN ASSETS & LIABILITIES
For the Year Ended June 30, 2013

NONMAJOR FUNDS

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

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

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.

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

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.

Private Direct Grants (29102). To account for various private direct grants allocated to the school district.

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.

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
 For the Year Ended June 30, 2013

	<u>Food Services</u> 21000	<u>Athletics</u> 22000	<u>IDEA, Part B</u> <u>Entitlement</u> 24106
ASSETS			
Cash and cash equivalents	\$ 124,361	\$ 114	\$
Investment			
Receivables			
Property taxes			
Due from grantor	28,420		25,829
Interfund balance	30,028	41	
Inventory	<u>5,836</u>	<u> </u>	<u> </u>
Total assets	<u>\$ 188,645</u>	<u>\$ 155</u>	<u>\$ 25,829</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable			
Interfund balance			25,829
Unearned revenue	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>0</u>	<u>0</u>	<u>25,829</u>
Fund balances			
Nonspendable-inventory	5,836		
Restricted-reported in			
Special revenue funds	182,809	155	
Debt service			
Capital improvements			
Unassigned	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>188,645</u>	<u>155</u>	<u>0</u>
Total liabilities and fund balance	<u>\$ 188,645</u>	<u>\$ 155</u>	<u>\$ 25,829</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
 For the Year Ended June 30, 2013

	IDEA Preschool 24109	Fresh Fruits & Vegetables 24118	English Language Acquisition 24153
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$	\$ 1,738	\$
Investment			
Receivables			
Property taxes			
Due from grantor	1,835		
Interfund balance			
Inventory			
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,835</u>	<u>\$ 1,738</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable			
Interfund balance	1,835		
Unearned revenue		1,738	
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>1,835</u>	<u>1,738</u>	<u>0</u>
Fund balances			
Nonspendable-inventory			
Restricted-reported in			
Special revenue funds			
Debt service			
Capital improvements			
Unassigned			
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities and fund balance	<u>\$ 1,835</u>	<u>\$ 1,738</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
 For the Year Ended June 30, 2013

	<u>Improving Teacher Quality 24154</u>	<u>Safe & Drug Free Schools 24157</u>	<u>TITLE I SCHOOL IMPROVEM ENT 24162</u>
ASSETS			
Cash and cash equivalents	\$	\$ 540	\$
Investment			
Receivables			
Property taxes			
Due from grantor	13,125		
Interfund balance			
Inventory	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 13,125</u>	<u>\$ 540</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable			
Interfund balance	13,125		
Unearned revenue	<u> </u>	<u>540</u>	<u> </u>
Total liabilities	<u>13,125</u>	<u>540</u>	<u>0</u>
Fund balances			
Nonspendable-inventory			
Restricted-reported in			
Special revenue funds			
Debt service			
Capital improvements			
Unassigned	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities and fund balance	<u>\$ 13,125</u>	<u>\$ 540</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
 For the Year Ended June 30, 2013

	<u>Reading First</u> 24167	<u>Title I</u> Recovery Act 24201	<u>IDEA-B</u> Entitlement - Stimulus 24206
ASSETS			
Cash and cash equivalents	\$	\$	\$
Investment			
Receivables			
Property taxes			
Due from grantor			
Interfund balance			
Inventory	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u> 0</u>	\$ <u> 0</u>	\$ <u> 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable			
Interfund balance			
Unearned revenue	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u> 0</u>	<u> 0</u>	<u> 0</u>
Fund balances			
Nonspendable-inventory			
Restricted-reported in			
Special revenue funds			
Debt service			
Capital improvements			
Unassigned	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u> 0</u>	<u> 0</u>	<u> 0</u>
Total liabilities and fund balance	\$ <u> 0</u>	\$ <u> 0</u>	\$ <u> 0</u>

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

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 NONMAJOR FUNDS
 Combining Balance Sheet
 For the Year Ended June 30, 2013

	IDEA Preschool Recovery Act 24209	Medicaid 25153	Rural Education Achievement Program 25233
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$	\$ 21,462	\$ 179
Investment			
Receivables			
Property taxes			
Due from grantor		18,325	
Interfund balance		26,427	
Inventory			
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 0</u>	<u>\$ 66,214</u>	<u>\$ 179</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable			
Interfund balance			
Unearned revenue			179
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>0</u>	<u>0</u>	<u>179</u>
Fund balances			
Nonspendable-inventory			
Restricted-reported in			
Special revenue funds		66,214	
Debt service			
Capital improvements			
Unassigned			
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>0</u>	<u>66,214</u>	<u>0</u>
Total liabilities and fund balance	<u>\$ 0</u>	<u>\$ 66,214</u>	<u>\$ 179</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
 For the Year Ended June 30, 2013

	State Fiscal Stabilization Program Fund <u>25250</u>	Education Job Fund 25255 <u> </u>	Duel Credits <u>27103</u>
ASSETS			
Cash and cash equivalents	\$	\$	\$
Investment			
Receivables			
Property taxes			
Due from grantor			
Interfund balance			
Inventory	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u> 0</u>	\$ <u> 0</u>	\$ <u> 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable			
Interfund balance			
Unearned revenue	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u> 0</u>	<u> 0</u>	<u> 0</u>
Fund balances			
Nonspendable-inventory			
Restricted-reported in Special revenue funds			
Debt service			
Capital improvements			
Unassigned	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u> 0</u>	<u> 0</u>	<u> 0</u>
Total liabilities and fund balance	\$ <u> 0</u>	\$ <u> 0</u>	\$ <u> 0</u>

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

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 NONMAJOR FUNDS
 Combining Balance Sheet
 For the Year Ended June 30, 2013

	2010 GO Bonds Stu Library Fund <u>27106</u>	Technology For Education <u>27117</u>	Incentives for School Improvements <u>27138</u>
ASSETS			
Cash and cash equivalents	\$	\$ 51	\$
Investment			
Receivables			
Property taxes			
Due from grantor			
Interfund balance			
Inventory	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 0</u>	<u>\$ 51</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable			
Interfund balance	3,394		
Unearned revenue	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>3,394</u>	<u>0</u>	<u>0</u>
Fund balances			
Nonspendable-inventory			
Restricted-reported in			
Special revenue funds		51	
Debt service			
Capital improvements			
Unassigned	<u>(3,394)</u>	<u> </u>	<u> </u>
Total fund balance	<u>(3,394)</u>	<u>51</u>	<u>0</u>
Total liabilities and fund balance	<u>\$ 0</u>	<u>\$ 51</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
 For the Year Ended June 30, 2013

	Breakfast in Elementary 27155	SCIENCE INSTRUCTIO NAL MATERI ALS 27176	State Directed Activities 27200
	<u>27155</u>	<u>27176</u>	<u>27200</u>
ASSETS			
Cash and cash equivalents	\$	\$	\$ 37,813
Investment			
Receivables			
Property taxes			
Due from grantor			
Interfund balance			9,225
Inventory			
	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u> 0</u>	\$ <u> 0</u>	\$ <u>47,038</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable			
Interfund balance	228	5,602	
Unearned revenue			47,038
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u> 228</u>	<u> 5,602</u>	<u> 47,038</u>
Fund balances			
Nonspendable-inventory			
Restricted-reported in			
Special revenue funds			
Debt service			
Capital improvements			
Unassigned	(228)	(5,602)	
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u> (228)</u>	<u> (5,602)</u>	<u> 0</u>
Total liabilities and fund balance	\$ <u> 0</u>	\$ <u> 0</u>	\$ <u>47,038</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
 For the Year Ended June 30, 2013

	Sun Safety <u>28146</u>	Gear Up <u>28178</u>	PRIVATE DIR GRANTS (CATEGORI CAL) 29102
ASSETS			
Cash and cash equivalents	\$	\$ 10,013	\$ 882
Investment			
Receivables			
Property taxes			
Due from grantor			
Interfund balance			
Inventory	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u> 0</u>	\$ <u> 10,013</u>	\$ <u> 882</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable			
Interfund balance			
Unearned revenue	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u> 0</u>	<u> 0</u>	<u> 0</u>
Fund balances			
Nonspendable-inventory			
Restricted-reported in			
Special revenue funds		10,013	882
Debt service			
Capital improvements			
Unassigned	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u> 0</u>	<u> 10,013</u>	<u> 882</u>
Total liabilities and fund balance	\$ <u> 0</u>	\$ <u> 10,013</u>	\$ <u> 882</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
 For the Year Ended June 30, 2013

	Special Capital Outlay State <u>31400</u>	Ed Tech <u>31900</u>	Debt Services <u>41000</u>
ASSETS			
Cash and cash equivalents	\$	\$ 1,092,282	\$ 461,386
Investment			
Receivables			
Property taxes			
Due from grantor			
Interfund balance		124	5,018
Inventory	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 0</u>	<u>\$ 1,092,406</u>	<u>\$ 466,404</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable			
Interfund balance			
Unearned revenue	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances			
Nonspendable-inventory			
Restricted-reported in			
Special revenue funds			
Debt service			466,404
Capital improvements		1,092,406	
Unassigned	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>0</u>	<u>1,092,406</u>	<u>466,404</u>
Total liabilities and fund balance	<u>\$ 0</u>	<u>\$ 1,092,406</u>	<u>\$ 466,404</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
 For the Year Ended June 30, 2013

	<u>TOTAL</u>
ASSETS	
Cash and cash equivalents	\$ 1,750,821
Investment	
Receivables	
Property taxes	
Due from grantor	87,534
Interfund balance	70,863
Inventory	5,836
Total assets	\$ 1,915,054
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	
Interfund balance	50,013
Unearned revenue	49,495
Total liabilities	99,508
Fund balances	
Nonspendable-inventory	5,836
Restricted-reported in	
Special revenue funds	260,124
Debt service	466,404
Capital improvements	1,092,406
Unassigned	(9,224)
Total fund balance	1,815,546
Total liabilities and fund balance	\$ 1,915,054

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, 2013

	Food Services 21000	Athletics 22000	IDEA, Part B Entitlement 24106
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Property taxes	\$	\$	\$
Investment income	62	1	
Fees	7,915	21,873	
State & local grants			
Federal grants	249,130		96,245
Miscellaneous		36	
Total revenues	<u>257,107</u>	<u>21,910</u>	<u>96,245</u>
Expenditures			
Current			
Instruction		22,667	75,696
Support services-students			
Support services-instruction			
Support services-general administration			6,052
Support services-school administration			
Central services			14,497
Operation & maintenance of plant			
Student transportation			
Food services operations	248,456		
Capital outlay	673		
Debt service			
Principal			
Interest			
Total expenditures	<u>249,129</u>	<u>22,667</u>	<u>96,245</u>
Excess (deficiency) of revenues over expenditures	<u>7,978</u>	<u>(757)</u>	<u>0</u>
Other financing sources (uses)			
Proceeds from bonds			
Total other financing sources (uses)			
Net Change in fund balance	7,978	(757)	
Fund balances at beginning of year	<u>180,667</u>	<u>912</u>	<u>0</u>
Fund balance end of year	<u>\$ 188,645</u>	<u>\$ 155</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, 2013

	IDEA Preschool <u>24109</u>	Fresh Fruits & Vegetables <u>24118</u>	English Language Acquisition <u>24153</u>
Revenues			
Property taxes	\$	\$	\$
Investment income			
Fees			
State & local grants			
Federal grants	2,356	10,863	
Miscellaneous			
Total revenues	<u>2,356</u>	<u>10,863</u>	<u>0</u>
Expenditures			
Current			
Instruction	2,096		
Support services-students	260		
Support services-instruction			
Support services-general administration			
Support services-school administration			
Central services			
Operation & maintenance of plant			
Student transportation			
Food services operations		10,863	
Capital outlay			
Debt service			
Principal			
Interest			
Total expenditures	<u>2,356</u>	<u>10,863</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other financing sources (uses)			
Proceeds from bonds			
Total other financing sources (uses)			
Net Change in fund balance			
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, 2013

	Improving Teacher Quality <u>24154</u>	Safe & Drug Free Schools <u>24157</u>	TITLE I SCHOOL IMPROVEM ENT <u>24162</u>
Revenues			
Property taxes	\$	\$	\$
Investment income			
Fees			
State & local grants			
Federal grants	33,309		112,168
Miscellaneous	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>33,309</u>	<u> 0</u>	<u>112,168</u>
Expenditures			
Current			
Instruction	31,215		88,935
Support services-students			
Support services-instruction			
Support services-general administration	2,094		
Support services-school administration			
Central services			
Operation & maintenance of plant			
Student transportation			
Food services operations			
Capital outlay			23,233
Debt service			
Principal			
Interest			
Total expenditures	<u>33,309</u>	<u> 0</u>	<u>112,168</u>
Excess (deficiency) of revenues over expenditures	<u> 0</u>	<u> 0</u>	<u> 0</u>
Other financing sources (uses)			
Proceeds from bonds	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>
Net Change in fund balance			
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, 2013

	<u>Reading First 24167</u>	<u>Title I Recovery Act 24201</u>	<u>IDEA B Entitlement Stimulus 24206</u>
Revenues			
Property taxes	\$	\$	\$
Investment income			
Fees			
State & local grants			
Federal grants			
Miscellaneous	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u> 0</u>	<u> 0</u>	<u> 0</u>
Expenditures			
Current			
Instruction			
Support services-students			
Support services-instruction			
Support services-general administration			
Support services-school administration			
Central services			
Operation & maintenance of plant			
Student transportation			
Food services operations			
Capital outlay			
Debt service			
Principal			
Interest	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u> 0</u>	<u> 0</u>	<u> 0</u>
Excess (deficiency) of revenues over expenditures	<u> 0</u>	<u> 0</u>	<u> 0</u>
Other financing sources (uses)			
Proceeds from bonds	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>
Net Change in fund balance			
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, 2013

	IDEA Preschool Recovery Act <u>24209</u>	Medicaid <u>25153</u>	Rural Education Achievement Program <u>25233</u>
Revenues			
Property taxes	\$	\$	\$
Investment income			
Fees			
State & local grants			
Federal grants		32,926	17,777
Miscellaneous			
Total revenues	<u>0</u>	<u>32,926</u>	<u>17,777</u>
Expenditures			
Current			
Instruction			16,659
Support services-students		31,002	
Support services-instruction			
Support services-general administration		1,170	1,118
Support services-school administration			
Central services			
Operation & maintenance of plant			
Student transportation			
Food services operations			
Capital outlay		754	
Debt service			
Principal			
Interest			
Total expenditures	<u>0</u>	<u>32,926</u>	<u>17,777</u>
Excess (deficiency) of revenues over expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other financing sources (uses)			
Proceeds from bonds			
Total other financing sources (uses)			
Net Change in fund balance			
Fund balances at beginning of year	<u>0</u>	<u>66,214</u>	<u>0</u>
Fund balance end of year	<u>\$ 0</u>	<u>\$ 66,214</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, 2013

	State Fiscal Stabilization Program <u>Fund 25250</u>	Education Job Fund <u>25255</u>	Duel Credits <u>27103</u>
Revenues			
Property taxes	\$	\$	\$
Investment income			
Fees			
State & local grants			1,148
Federal grants			
Miscellaneous			
Total revenues	<u>0</u>	<u>0</u>	<u>1,148</u>
Expenditures			
Current			
Instruction			1,148
Support services-students			
Support services-instruction			
Support services-general administration			
Support services-school administration			
Central services			
Operation & maintenance of plant			
Student transportation			
Food services operations			
Capital outlay			
Debt service			
Principal			
Interest			
Total expenditures	<u>0</u>	<u>0</u>	<u>1,148</u>
Excess (deficiency) of revenues over expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other financing sources (uses)			
Proceeds from bonds			
Total other financing sources (uses)			
Net Change in fund balance			
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, 2013

	2010 GO Student Library Fund <u>27106</u>	Technology For Education <u>27117</u>	Incentives for School Improvements <u>27138</u>
Revenues			
Property taxes	\$	\$	\$
Investment income			
Fees			
State & local grants			
Federal grants			
Miscellaneous			
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
Instruction			1,175
Support services-students			
Support services-instruction	1,423		
Support services-general administration			
Support services-school administration			
Central services			
Operation & maintenance of plant			
Student transportation			
Food services operations			
Capital outlay	1,971		
Debt service			
Principal			
Interest			
Total expenditures	<u>3,394</u>	<u>0</u>	<u>1,175</u>
Excess (deficiency) of revenues over expenditures	<u>(3,394)</u>	<u>0</u>	<u>(1,175)</u>
Other financing sources (uses)			
Proceeds from bonds			
Total other financing sources (uses)			
Net Change in fund balance	(3,394)		(1,175)
Fund balances at beginning of year	<u>0</u>	<u>51</u>	<u>1,175</u>
Fund balance end of year	<u><u>\$ (3,394)</u></u>	<u><u>\$ 51</u></u>	<u><u>\$ 0</u></u>

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

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 NONMAJOR FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 For the Year Ended June 30, 2013

	Breakfast in Elementary 27155	SCIENCE INSTRUCTIO NAL MATERI ALS 27176	State Directed Activities 27200
Revenues			
Property taxes	\$	\$	\$
Investment income			
Fees			
State & local grants	2,996		
Federal grants			
Miscellaneous			
Total revenues	2,996	0	0
Expenditures			
Current			
Instruction		4,051	
Support services-students			
Support services-instruction			
Support services-general administration			
Support services-school administration			
Central services			
Operation & maintenance of plant			
Student transportation			
Food services operations	687		
Capital outlay		1,551	
Debt service			
Principal			
Interest			
Total expenditures	687	5,602	0
Excess (deficiency) of revenues over expenditures	2,309	(5,602)	0
Other financing sources (uses)			
Proceeds from bonds			
Total other financing sources (uses)			
Net Change in fund balance	2,309	(5,602)	
Fund balances at beginning of year	(2,537)	0	0
Fund balance end of year	\$ (228)	\$ (5,602)	\$ 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 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 For the Year Ended June 30, 2013

	Sun Safety <u>28146</u>	Gear Up <u>28178</u>	PRIVATE DIR GRANTS (CATEGORI CAL) <u>29102</u>
Revenues			
Property taxes	\$	\$	\$
Investment income			
Fees			
State & local grants			
Federal grants			
Miscellaneous			<u>17,070</u>
Total revenues	<u>0</u>	<u>0</u>	<u>17,070</u>
Expenditures			
Current			
Instruction	2,019	3,734	2,018
Support services-students			
Support services-instruction			
Support services-general administration		251	
Support services-school administration			
Central services			
Operation & maintenance of plant			
Student transportation			
Food services operations			
Capital outlay			14,170
Debt service			
Principal			
Interest			
Total expenditures	<u>2,019</u>	<u>3,985</u>	<u>16,188</u>
Excess (deficiency) of revenues over expenditures	<u>(2,019)</u>	<u>(3,985)</u>	<u>882</u>
Other financing sources (uses)			
Proceeds from bonds			
Total other financing sources (uses)			
Net Change in fund balance	(2,019)	(3,985)	882
Fund balances at beginning of year	<u>2,019</u>	<u>13,998</u>	<u>0</u>
Fund balance end of year	<u>\$ 0</u>	<u>\$ 10,013</u>	<u>\$ 882</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, 2013

	Special Capital Outlay State <u>31400</u>	Ed Tech <u>31900</u>	Debt Services <u>41000</u>
Revenues			
Property taxes	\$	\$	\$ 326,714
Investment income		637	156
Fees			
State & local grants	29,329		
Federal grants			
Miscellaneous		<u>39,041</u>	
Total revenues	<u>29,329</u>	<u>39,678</u>	<u>326,870</u>
Expenditures			
Current			
Instruction			
Support services-students			
Support services-instruction			
Support services-general administration			3,667
Support services-school administration		39,906	
Central services		83,842	
Operation & maintenance of plant		392	
Student transportation			
Food services operations			
Capital outlay	29,329	197,937	
Debt service			
Principal			
Interest			<u>143,221</u>
Total expenditures	<u>29,329</u>	<u>322,077</u>	<u>146,888</u>
Excess (deficiency) of revenues over expenditures	<u>0</u>	<u>(282,399)</u>	<u>179,982</u>
Other financing sources (uses)			
Proceeds from bonds		<u>986,150</u>	
Total other financing sources (uses)		<u>986,150</u>	
Net Change in fund balance		703,751	179,982
Fund balances at beginning of year	<u>0</u>	<u>388,655</u>	<u>286,422</u>
Fund balance end of year	<u>\$ 0</u>	<u>\$ 1,092,406</u>	<u>\$ 466,404</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, 2013

	<u>TOTAL</u>
Revenues	
Property taxes	\$ 326,714
Investment income	856
Fees	29,788
State & local grants	33,473
Federal grants	554,774
Miscellaneous	<u>56,147</u>
Total revenues	<u>1,001,752</u>
Expenditures	
Current	
Instruction	251,413
Support services-students	31,262
Support services-instruction	1,423
Support services-general administration	14,352
Support services-school administration	39,906
Central services	98,339
Operation & maintenance of plant	392
Student transportation	
Food services operations	260,006
Capital outlay	269,618
Debt service	
Principal	
Interest	<u>143,221</u>
Total expenditures	<u>1,109,932</u>
Excess (deficiency) of revenues over expenditures	<u>(108,180)</u>
Other financing sources (uses)	
Proceeds from bonds	<u>986,150</u>
Total other financing sources (uses)	<u>986,150</u>
Net Change in fund balance	877,970
Fund balances at beginning of year	<u>937,576</u>
Fund balance end of year	<u>\$ 1,815,546</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 (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Investment income	\$ 73	\$ 73	\$ 62	\$ (11)
Fees	7,800	7,800	7,915	115
Federal grants	<u>253,800</u>	<u>253,800</u>	<u>225,233</u>	<u>(28,567)</u>
Total revenues	<u>261,673</u>	<u>261,673</u>	<u>233,210</u>	<u>(28,463)</u>
Expenditures				
Food service operations				
Personnel services	116,698	115,721	97,732	17,989
Employee benefits	44,991	45,009	29,335	15,674
Purchased property services	2,500	2,500		2,500
Professional & tech services	1,500	2,251	2,249	2
Other purchased services	1,500	1,500	194	1,306
Supplies	180,141	180,349	118,946	61,403
Supply assets	<u>65,443</u>	<u>65,443</u>	<u>676</u>	<u>64,767</u>
Total food service operations	<u>412,773</u>	<u>412,773</u>	<u>249,132</u>	<u>163,641</u>
Total expenditures	<u>412,773</u>	<u>412,773</u>	<u>249,132</u>	<u>163,641</u>
Excess (deficiency) of revenues over expenditures	(151,100)	(151,100)	(15,922)	135,178
Cash balance beginning of year	<u>(320,721)</u>	<u>(67,150)</u>	<u>170,311</u>	<u>237,461</u>
Cash balance end of year	<u>\$ (471,821)</u>	<u>\$ (218,250)</u>	<u>154,389</u>	<u>\$ 372,639</u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			(15,922)	
Net change in accounts receivable			23,897	
Net change in accounts payable			<u>3</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u>\$ 7,978</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 (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment income	\$	\$	\$ 1	\$ 1
Fees	22,500	22,500	21,873	(627)
Miscellaneous	<u> </u>	<u> </u>	<u>36</u>	<u>36</u>
Total revenues	<u>22,500</u>	<u>22,500</u>	<u>21,910</u>	<u>(590)</u>
Expenditures				
Instruction				
Personnel services	12,000	12,514	12,514	
Professional & tech services	8,800	9,479	9,479	
Supplies	<u>1,952</u>	<u>759</u>	<u>674</u>	<u>85</u>
Total instruction	<u>22,752</u>	<u>22,752</u>	<u>22,667</u>	<u>85</u>
Total expenditures	<u>22,752</u>	<u>22,752</u>	<u>22,667</u>	<u>85</u>
Excess (deficiency) of revenues over expenditures	(252)	(252)	(757)	(505)
Cash balance beginning of year	<u>(4,223)</u>	<u>(4,193)</u>	<u>912</u>	<u>5,105</u>
Cash balance end of year	<u><u>\$ (4,475)</u></u>	<u><u>\$ (4,445)</u></u>	<u>155</u>	<u><u>\$ 4,600</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			(757)	
Net change in accounts receivable			0	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u><u>\$ (757)</u></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 (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal grants	\$ 99,055	\$ 138,549	\$ 86,389	\$ (52,160)
Total revenues	<u>99,055</u>	<u>138,549</u>	<u>86,389</u>	<u>(52,160)</u>
Expenditures				
Instruction				
Personnel services	42,889	43,654	43,653	1
Employee benefits	23,281	23,128	18,206	4,922
Professional & tech services		3,500		3,500
Other purchased services	11,487	25,245	13,758	11,487
Supplies		10,029	81	9,948
Supply assets		8,000		8,000
Total instruction	<u>77,657</u>	<u>113,556</u>	<u>75,698</u>	<u>37,858</u>
Support services-general administration				
Professional & tech services	<u>6,646</u>	<u>9,296</u>	<u>6,052</u>	<u>3,244</u>
Total support services-general administration	<u>6,646</u>	<u>9,296</u>	<u>6,052</u>	<u>3,244</u>
Support services-student				
Other purchased services	11,485			
Professional and technical services	1,037	1,037		1,037
Supplies	<u>2,230</u>	<u>151</u>		<u>151</u>
Total support services-student	<u>14,752</u>	<u>1,188</u>	<u>0</u>	<u>1,188</u>
Central services				
Other purchased services		<u>14,509</u>	<u>14,497</u>	<u>12</u>
Total central services	<u>0</u>	<u>14,509</u>	<u>14,497</u>	<u>12</u>
Total expenditures	<u>99,055</u>	<u>138,549</u>	<u>96,247</u>	<u>42,302</u>
Excess (deficiency) of revenues over expenditures	0	0	(9,858)	(9,858)
Cash balance beginning of year	<u>0</u>	<u>0</u>	<u>(15,972)</u>	<u>(15,972)</u>
Cash balance end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>(25,830)</u>	<u>\$ (25,830)</u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash Basis			(9,858)	
Net change in accounts receivable			9,856	
Net change in accounts Payable			<u>2</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 PRESCHOOL-24109
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal grants	\$ <u>2,697</u>	\$ <u>5,983</u>	\$ <u>2,665</u>	\$ <u>(3,318)</u>
Total revenues	<u>2,697</u>	<u>5,983</u>	<u>2,665</u>	<u>(3,318)</u>
Expenditures				
Instruction				
Supplies	<u>1,000</u>	<u>4,286</u>	<u>2,096</u>	<u>2,190</u>
Total instruction	<u>1,000</u>	<u>4,286</u>	<u>2,096</u>	<u>2,190</u>
Support services-school administration				
Supplies	<u>1,697</u>	<u>1,697</u>	<u>260</u>	<u>1,437</u>
Total support services-school administration	<u>1,697</u>	<u>1,697</u>	<u>260</u>	<u>1,437</u>
Total expenditures	<u>2,697</u>	<u>5,983</u>	<u>2,356</u>	<u>3,627</u>
Excess (deficiency) of revenues over expenditures	0	0	309	309
Cash balance beginning of year	<u>0</u>	<u>0</u>	<u>(2,144)</u>	<u>(2,144)</u>
Cash balance end of year	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>(1,835)</u></u>	<u><u>(1,835)</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			309	
Net change in accounts receivable			(309)	
Net change in accounts payable			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u><u>0</u></u>	

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

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 SPECIAL REVENUE FUND-FRESH FRUIT & VEGETABLES-24118
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) <u>Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal grants	\$ <u>10,863</u>	\$ <u>10,863</u>	\$ <u>10,863</u>	\$ _____
Total revenues	<u>10,863</u>	<u>10,863</u>	<u>10,863</u>	<u>0</u>
Expenditures				
Food service operations				
Supplies	<u>10,863</u>	<u>10,863</u>	<u>10,863</u>	_____
Total food service	<u>10,863</u>	<u>10,863</u>	<u>10,863</u>	<u>0</u>
Total expenditures	<u>10,863</u>	<u>10,863</u>	<u>10,863</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>1,738</u>	<u>1,738</u>
Cash balance end of year	<u><u>0</u></u>	<u><u>0</u></u>	<u>1,738</u>	<u><u>1,738</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			0	
Net change in due from grantor			0	
Net change in accounts payable			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u><u>0</u></u>	

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

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 SPECIAL REVENUE FUND-ENGLISH LANGUAGE ACQUISITION-24153
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal grants	\$ <u> </u>	\$ <u> </u>	\$ <u> 5,561</u>	\$ <u> 5,561</u>
Total revenues	<u> 0</u>	<u> 0</u>	<u> 5,561</u>	<u> 5,561</u>
Total expenditures	<u> 0</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>
Excess (deficiency) of revenues over expenditures	0	0	5,561	5,561
Cash balance beginning of year	<u> 0</u>	<u> 0</u>	<u> (5,561)</u>	<u> (5,561)</u>
Cash balance end of year	<u><u> 0</u></u>	<u><u> 0</u></u>	<u> 0</u>	<u><u> 0</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			5,561	
Net change in due from grantor			(5,561)	
Net change in accounts payable			<u> 0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u><u> 0</u></u>	

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

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 SPECIAL REVENUE FUND- TEACHER/PRINCIPAL TRAINING & RECRUITING- 24154
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal grants	\$ 26,470	\$ 57,782	\$ 20,573	\$ (37,209)
Total revenues	<u>26,470</u>	<u>57,782</u>	<u>20,573</u>	<u>(37,209)</u>
Expenditures				
Instruction				
Personnel services	14,000	14,664	14,663	1
Employee benefits	3,466	3,466	2,929	537
Professional & tech services	3,667	15,714	12,300	3,414
Other purchased services	2,088	13,588	1,325	12,263
Supplies	1,473	6,473		6,473
Total instruction	<u>24,694</u>	<u>53,905</u>	<u>31,217</u>	<u>22,688</u>
Support services-general administration				
Professional & tech services	1,776	3,877	2,094	1,783
Total support services-general administration	<u>1,776</u>	<u>3,877</u>	<u>2,094</u>	<u>1,783</u>
Total expenditures	<u>26,470</u>	<u>57,782</u>	<u>33,311</u>	<u>24,471</u>
Excess (deficiency) of revenues over expenditures	0	0	(12,738)	(12,738)
Cash balance beginning of year	<u>32,660</u>	<u>0</u>	<u>(389)</u>	<u>(389)</u>
Cash balance end of year	<u>\$ 32,660</u>	<u>\$ 0</u>	<u>(13,127)</u>	<u>\$ (13,127)</u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			(12,738)	
Net change in due from grantor			12,736	
Net change in accounts payable			<u>2</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 I SCHOOL IMPROVEMENT- 24162
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u> <u>Basis)</u>	<u>positive</u> <u>(Negative)</u> <u>Final to Actual</u>
Revenues				
Federal grants	\$	112,168	112,168	\$
Total revenues	<u>0</u>	<u>112,168</u>	<u>112,168</u>	<u>0</u>
Expenditures				
Instruction				
Professional & tech services		70,700	70,700	
Supplies		18,235	18,235	
Supply assets		<u>23,233</u>	<u>23,233</u>	
Total instruction	<u>0</u>	<u>112,168</u>	<u>112,168</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>112,168</u>	<u>112,168</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	
Net change in due from grantor			0	
Net change in accounts payable			<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- TITLE IV-A SAFE & DRUG FREE SCH & COMMUNITY- 24157
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Total revenues	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	0	0	0	0
Cash balance beginning of year	<u>1</u>	<u>1</u>	<u>540</u>	<u>539</u>
Cash balance end of year	<u><u>1</u></u>	<u><u>1</u></u>	<u>540</u>	<u><u>539</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			0	
Net change in due from grantor			0	
Net change in accounts payable			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u><u>0</u></u>	

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

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 SPECIAL REVENUE FUND-READING FIRST-24167
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances positive (Negative) <u>Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
Total revenues	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	0	0	0	0
Cash balance beginning of year	<u>342</u>	<u>342</u>	<u>0</u>	<u>(342)</u>
Cash balance end of year	\$ <u><u>342</u></u>	\$ <u><u>342</u></u>	<u>0</u>	\$ <u><u>(342)</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash Basis			0	
Net change in due from grantor			0	
Net change in accounts payable			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			\$ <u><u>0</u></u>	

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

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 SPECIAL REVENUE FUND-TITLE XIX MEDICAID 3/12 YEAR- 25153
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal grants	\$ _____	\$ <u>8,253</u>	\$ <u>20,656</u>	\$ <u>12,403</u>
Total revenues	<u>0</u>	<u>8,253</u>	<u>20,656</u>	<u>12,403</u>
Expenditures				
Support services-students				
Personnel services	12,800	12,800	7,400	5,400
Employee benefits	1,142	1,142	573	569
Professional & tech services	2,318	27,247	23,029	4,218
Supply assets	_____	<u>754</u>	<u>754</u>	_____
Total support services-students	<u>16,260</u>	<u>41,943</u>	<u>31,756</u>	<u>10,187</u>
Support services-general administration				
Professional & tech services	<u>1,170</u>	<u>1,170</u>	<u>1,170</u>	_____
Total support services-general administration	<u>1,170</u>	<u>1,170</u>	<u>1,170</u>	<u>0</u>
Total expenditures	<u>17,430</u>	<u>43,113</u>	<u>32,926</u>	<u>10,187</u>
Excess (deficiency) of revenues over expenditures	(17,430)	(34,860)	(12,270)	22,590
Cash balance beginning of year	<u>(63,672)</u>	<u>(63,672)</u>	<u>60,159</u>	<u>123,831</u>
Cash balance end of year	\$ <u>(81,102)</u>	\$ <u>(98,532)</u>	<u>47,889</u>	\$ <u>146,421</u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			(12,270)	
Net change in due from grantor			12,270	
Net change in accounts payable			<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-RURAL EDUCATION ACHIEVEMENT PROGRAM-25233
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary BASIS)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Federal grants	\$ <u>28,213</u>	\$ <u>28,213</u>	\$ <u>9,198</u>	\$ <u>(19,015)</u>
Total revenues	<u>28,213</u>	<u>28,213</u>	<u>9,198</u>	<u>(19,015)</u>
Expenditures				
Instruction				
Personnel services	19,424	19,424	6,785	12,639
Employee benefits	6,647	6,647	2,959	3,688
Supplies	<u>13,342</u>	<u>12,842</u>	<u>6,915</u>	<u>5,927</u>
Total instruction	<u>39,413</u>	<u>38,913</u>	<u>16,659</u>	<u>22,254</u>
Support services- general administration				
Professional & tech services	1,893	2,393	1,118	1,275
Other purchased services	<u>249</u>	<u>249</u>	<u> </u>	<u>249</u>
Total support services- general administration	<u>2,142</u>	<u>2,642</u>	<u>1,118</u>	<u>1,524</u>
Total expenditures	<u>41,555</u>	<u>41,555</u>	<u>17,777</u>	<u>23,778</u>
Excess(deficiency) of revenues over expenditures	(13,342)	(13,342)	(8,579)	4,763
Cash balance beginning of year	<u>0</u>	<u>0</u>	<u>8,758</u>	<u>8,758</u>
Cash balance end of year	\$ <u>(13,342)</u>	\$ <u>(13,342)</u>	<u>179</u>	\$ <u>13,521</u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			(8,579)	
Net change in due from grantor			8,579	
Net change in accounts payable			<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-DUAL CREDITS-27103
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
State & local grant	\$	1,148	\$ 2,212	\$ 1,064
Total revenues	<u>0</u>	<u>1,148</u>	<u>2,212</u>	<u>1,064</u>
Expenditures				
Instruction				
Supplies		1,148	1,148	
Total instruction	<u>0</u>	<u>1,148</u>	<u>1,148</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>1,148</u>	<u>1,148</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	0	0	1,064	1,064
Cash balance beginning of year	<u>0</u>	<u>0</u>	<u>(1,064)</u>	<u>(1,064)</u>
Cash balance end of year	<u><u>0</u></u>	<u><u>0</u></u>	<u>0</u>	<u><u>0</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			1,064	
Net change in due from grantor			(1,064)	
Net change in accounts payable			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u><u>\$ 0</u></u>	

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

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 2010 GO BONDS STU LIBRARY FUND- 27106
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
Revenues				
State & local grant	\$ <u>8,386</u>	\$ <u>8,386</u>	\$ _____	\$ <u>(8,386)</u>
Total revenues	<u>8,386</u>	<u>8,386</u>	<u>0</u>	<u>(8,386)</u>
Expenditures				
Student support - instruction				
Supplies	5,586	5,586	1,423	4,163
Supply assets	<u>2,800</u>	<u>2,800</u>	<u>1,971</u>	<u>829</u>
Total student support - instruction	<u>8,386</u>	<u>8,386</u>	<u>3,394</u>	<u>4,992</u>
Total expenditures	<u>8,386</u>	<u>8,386</u>	<u>3,394</u>	<u>4,992</u>
Excess (deficiency) of revenues over expenditures	0	0	(3,394)	(3,394)
Cash balance beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash balance end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>(3,394)</u>	<u>\$ (3,394)</u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			(3,394)	
Net change in due from grantor			0	
Net Change in accounts payable			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u>\$ (3,394)</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 (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Total revenues	\$ <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>7,731</u>	<u>0</u>	<u>51</u>	<u>51</u>
Cash balance end of year	\$ <u><u>7,731</u></u>	\$ <u><u>0</u></u>	<u>51</u>	\$ <u><u>51</u></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><u>0</u></u>	

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

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 SPECIAL REVENUE FUND-INCENTIVES FOR SCHOOL IMPROVEMENTS ACT PED-27138
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
State & local grant	\$ _____	\$ <u>1,174</u>	\$ _____	\$ <u>(1,174)</u>
Total revenues	<u>0</u>	<u>1,174</u>	<u>0</u>	<u>(1,174)</u>
Expenditures				
Instruction				
Supplies	_____	<u>1,174</u>	<u>1,175</u>	<u>(1)</u>
Total instruction	<u>0</u>	<u>1,174</u>	<u>1,175</u>	<u>(1)</u>
Total expenditures	<u>0</u>	<u>1,174</u>	<u>1,175</u>	<u>(1)</u>
Excess (deficiency) of revenues over expenditures	0	0	(1,175)	(1,175)
Cash balance beginning of year	<u>10,076</u>	<u>0</u>	<u>1,175</u>	<u>1,175</u>
Cash balance end of year	<u>\$ 10,076</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			(1,175)	
Net change in due from grantor			0	
Net Change in accounts payable			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u>\$ (1,175)</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 FOR ELEM STUDENTS 27155
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
State & local grant	\$ _____	\$ _____ 748	\$ _____ 2,996	\$ _____ 2,248
Total revenues	<u> 0</u>	<u> 748</u>	<u> 2,996</u>	<u> 2,248</u>
Expenditures				
Food services operations				
Supplies	_____	_____ 748	_____ 687	_____ 61
Total food services operations	<u> 0</u>	<u> 748</u>	<u> 687</u>	<u> 61</u>
Total expenditures	<u> 0</u>	<u> 748</u>	<u> 687</u>	<u> 61</u>
Excess (deficiency) of revenues over expenditures	0	0	2,309	2,309
Cash balance beginning of year	<u> 36</u>	<u> 36</u>	<u> (2,537)</u>	<u> (2,573)</u>
Cash balance end of year	\$ <u> 36</u>	\$ <u> 36</u>	<u> (228)</u>	\$ <u> (264)</u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			2,309	
Net change in due from grantor			0	
Net Change in accounts payable			<u> 0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			\$ <u> 2,309</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-SCIENCE INSTRUCTIONAL MATERIALS-27176
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
State & local grant	\$	5,649	\$	(5,649)
Total revenues	<u>0</u>	<u>5,649</u>	<u>0</u>	<u>(5,649)</u>
Expenditures				
Food services operations				
Supplies		4,097	4,051	46
Supply assets		<u>1,552</u>	<u>1,551</u>	<u>1</u>
Total food services operations	<u>0</u>	<u>5,649</u>	<u>5,602</u>	<u>47</u>
Total expenditures	<u>0</u>	<u>5,649</u>	<u>5,602</u>	<u>47</u>
Excess (deficiency) of revenues over expenditures	0	0	(5,602)	(5,602)
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>(5,602)</u>	<u>\$ (5,602)</u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			(5,602)	
Net change in due from grantor			0	
Net change in accounts payable			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u>\$ (5,602)</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 (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
State & local grant	\$	\$	\$ 24,530	\$ 24,530
Total revenues	<u>0</u>	<u>0</u>	<u>24,530</u>	<u>24,530</u>
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	0	0	24,530	24,530
Cash balance beginning of year	<u>16,279</u>	<u>0</u>	<u>22,508</u>	<u>22,508</u>
Cash balance end of year	<u>\$ 16,279</u>	<u>\$ 0</u>	<u>47,038</u>	<u>\$ 47,038</u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			24,530	
Net change in due from grantor			(24,530)	
Net Change in accounts payable			<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-SUN SAFETY-28146
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Total revenues	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Expenditures				
Instruction				
Professional and technical services		1,359	1,359	
Supplies	<u>2,019</u>	<u>660</u>	<u>660</u>	
Total instruction	<u>2,019</u>	<u>2,019</u>	<u>2,019</u>	<u>0</u>
Total expenditures	<u>2,019</u>	<u>2,019</u>	<u>2,019</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	(2,019)	(2,019)	(2,019)	0
Cash balance beginning of year	<u>0</u>	<u>0</u>	<u>2,019</u>	<u>2,019</u>
Cash balance end of year	<u><u>\$ (2,019)</u></u>	<u><u>\$ (2,019)</u></u>	<u>0</u>	<u><u>\$ 2,019</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash Basis			(2,019)	
Net change in due from grantor			0	
Net Change in accounts payable			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u><u>\$ (2,019)</u></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 (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Total revenues	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Expenditures				
Instruction				
Other purchased services	8,125	8,125	3,734	4,391
Supplies	<u>2,674</u>	<u>2,674</u>	<u> </u>	<u>2,674</u>
Total instruction	<u>10,799</u>	<u>10,799</u>	<u>3,734</u>	<u>7,065</u>
Support services- general administration				
Professional & tech services	<u>890</u>	<u>890</u>	<u>251</u>	<u>639</u>
Total support services-general administration	<u>890</u>	<u>890</u>	<u>251</u>	<u>639</u>
Total expenditures	<u>11,689</u>	<u>11,689</u>	<u>3,985</u>	<u>7,704</u>
Excess (deficiency) of revenues over expenditures	(11,689)	(11,689)	(3,985)	7,704
Cash balance beginning of year	<u>(4,799)</u>	<u>(3,021)</u>	<u>13,998</u>	<u>17,019</u>
Cash balance end of year	<u><u>\$ (16,488)</u></u>	<u><u>\$ (14,710)</u></u>	<u>10,013</u>	<u><u>\$ 24,723</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			(3,985)	
Net change in due from grantor			0	
Net Change in accounts payable			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u><u>\$ (3,985)</u></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- PRIVATE DIR GRANTS (CATEGORICAL) 29102
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	\$	17,070	17,070	\$
Total revenues	<u>0</u>	<u>17,070</u>	<u>17,070</u>	<u>0</u>
Expenditures				
Instruction				
Professional & tech services		370	370	
Supplies		2,530	1,648	882
Supply assets		14,170	14,170	
Total instruction	<u>0</u>	<u>17,070</u>	<u>16,188</u>	<u>882</u>
Total expenditures	<u>0</u>	<u>17,070</u>	<u>16,188</u>	<u>882</u>
Excess (deficiency) of revenues over expenditures	0	0	882	882
Cash balance beginning of year	<u>16,279</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash balance end of year	<u>\$ 16,279</u>	<u>\$ 0</u>	<u>882</u>	<u>\$ 882</u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			882	
Net change in taxes receivable			0	
Net change in accounts payable			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u>\$ 882</u>	

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

CAPITAL PROJECT FUNDS

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 CAPITAL PROJECT FUND- BOND BUILDING- 31100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) <u>Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Bond issue	\$ <u>1,000,000</u>	\$ _____	\$ _____	\$ _____
Total revenues	<u>1,000,000</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>
Expenditures				
Capital outlay				
Professional & tech services	629,361	329,361	45,257	284,104
Purchased property services	2,279,548	1,579,548	1,479,069	100,479
Supplies	<u>150,383</u>	<u>150,383</u>	<u>11,700</u>	<u>138,683</u>
Total capital outlay	<u>3,059,292</u>	<u>2,059,292</u>	<u>1,536,026</u>	<u>523,266</u>
Total expenditures	<u>3,059,292</u>	<u>2,059,292</u>	<u>1,536,026</u>	<u>523,266</u>
Excess (deficiency) of revenues over expenditures	(2,059,292)	(2,059,292)	(1,536,026)	523,266
Cash balance beginning of year	<u>(2,767,405)</u>	<u>(2,767,405)</u>	<u>2,421,653</u>	<u>5,189,058</u>
Cash balance end of year	\$ <u>(4,826,697)</u>	\$ <u>(4,826,697)</u>	<u>885,627</u>	\$ <u>5,712,324</u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			(1,536,026)	
Net change in due from grantor			0	
Net change in accounts payable			<u>187,822</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			\$ <u>(1,348,204)</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 (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
State & local grants	\$	29,329	\$ 29,329	\$
Total revenues	<u>0</u>	<u>29,329</u>	<u>29,329</u>	<u>0</u>
Expenditures				
Capital outlay				
Supply assets		29,329	29,329	
Total capital outlay	<u>0</u>	<u>29,329</u>	<u>29,329</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>29,329</u>	<u>29,329</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><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u>0</u>	<u><u>\$ 0</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			0	
Net change in due from grantor			0	
Net change in accounts payable			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u><u>\$ 0</u></u>	

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

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 CAPITAL PROJECT FUND-SENATE BILL NINE-31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Property taxes	\$ 369,195	\$ 369,195	\$ 360,281	\$ (8,914)
Investment income	1,685	1,685	875	(810)
State & local grants	<u> </u>	<u>12,137</u>	<u>24,846</u>	<u>12,709</u>
Total revenues	<u>370,880</u>	<u>383,017</u>	<u>386,002</u>	<u>2,985</u>
Expenditures				
Support services-general administration				
Professional & tech services	<u>3,692</u>	<u>4,192</u>	<u>3,603</u>	<u>589</u>
Total support services-general administration	<u>3,692</u>	<u>4,192</u>	<u>3,603</u>	<u>589</u>
Capital outlay				
Purchased property services	638,715	644,352	127,382	516,970
Supplies	20,000	26,000	18,218	7,782
Supply assets	<u>185,000</u>	<u>185,000</u>	<u>94,533</u>	<u>90,467</u>
Total capital outlay	<u>843,715</u>	<u>855,352</u>	<u>240,133</u>	<u>615,219</u>
Total expenditures	<u>847,407</u>	<u>859,544</u>	<u>243,736</u>	<u>615,808</u>
Excess (deficiency) of revenues over expenditures	(476,527)	(476,527)	142,266	618,793
Cash balance beginning of year	<u>(238,003)</u>	<u>(312,003)</u>	<u>555,214</u>	<u>867,217</u>
Cash balance end of year	<u>\$ (714,530)</u>	<u>\$ (788,530)</u>	<u>697,480</u>	<u>\$ 1,486,010</u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			142,266	
Net change in taxes receivable			0	
Net change in accounts payable			<u>1,893</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u>\$ 144,159</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 (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances
	<u>Original</u>	<u>Final</u>		Positive (Negative) <u>Final to Actual</u>
Revenues				
Investment income	\$ 240	\$ 240	\$ 637	\$ 397
Proceeds from Bonds		1,000,000	986,150	(13,850)
Miscellaneous			<u>39,041</u>	<u>39,041</u>
Total revenues	<u>240</u>	<u>1,000,240</u>	<u>1,025,828</u>	<u>25,588</u>
Expenditures				
Capital outlay				
Professional & tech services	107,602	255,102	98,842	156,260
Supplies	15,500	65,500	35,328	30,172
Purchased property services	16,350	18,850	1,477	17,373
Supply assets	<u>272,000</u>	<u>1,072,000</u>	<u>197,937</u>	<u>874,063</u>
Total capital outlay	<u>411,452</u>	<u>1,411,452</u>	<u>333,584</u>	<u>1,077,868</u>
Total expenditures	<u>411,452</u>	<u>1,411,452</u>	<u>333,584</u>	<u>1,077,868</u>
Excess (deficiency) of revenues over expenditures	(411,212)	(411,212)	692,244	1,103,456
Cash balance beginning of year	<u>(389,938)</u>	<u>(389,938)</u>	<u>400,162</u>	<u>790,100</u>
Cash balance end of year	<u><u>\$ (801,150)</u></u>	<u><u>\$ (801,150)</u></u>	<u>1,092,406</u>	<u><u>\$ 1,893,556</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			692,244	
Net change in taxes receivable			0	
Net change in accounts payable			<u>11,507</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u><u>\$ 703,751</u></u>	

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

DEBT SERVICE FUNDS

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 DEBT SERVICE FUND- DEBT SERVICES- 41000
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 262,110	\$ 262,110	\$ 326,714	\$ 64,604
Investment income	<u>75</u>	<u>75</u>	<u>156</u>	<u>81</u>
Total revenues	<u>262,185</u>	<u>262,185</u>	<u>326,870</u>	<u>64,685</u>
Expenditures				
Support services- general administration				
Professional & tech services	<u>2,621</u>	<u>3,271</u>	<u>3,267</u>	<u>4</u>
Total support services- general administration	<u>2,621</u>	<u>3,271</u>	<u>3,267</u>	<u>4</u>
Debt service				
Reserve	<u>450,053</u>	<u>449,403</u>	<u>143,621</u>	<u>305,782</u>
Total debt service	<u>450,053</u>	<u>449,403</u>	<u>143,621</u>	<u>305,782</u>
Total expenditures	<u>452,674</u>	<u>452,674</u>	<u>146,888</u>	<u>305,786</u>
Excess (deficiency) of revenues over expenditures	(190,489)	(190,489)	179,982	370,471
Cash balance beginning of year	<u>(87,326)</u>	<u>(64,807)</u>	<u>286,422</u>	<u>351,229</u>
Cash balance end of year	<u><u>\$ (277,815)</u></u>	<u><u>\$ (255,296)</u></u>	<u>466,404</u>	<u><u>\$ 721,700</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			179,982	
Net change in taxes receivable			0	
Net change in accounts payable			<u>0</u>	
Excess (deficiency) of revenues over expenditures-GAAP basis			<u><u>\$ 179,982</u></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 (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 203,950	\$ 203,950	\$ 207,180	\$ 3,230
Total revenues	<u>203,950</u>	<u>203,950</u>	<u>207,180</u>	<u>3,230</u>
Expenditures				
Support services- general administration				
Professional & tech services	<u>2,040</u>	<u>2,540</u>	<u>2,071</u>	<u>469</u>
Total Support services- general administration	<u>2,040</u>	<u>2,540</u>	<u>2,071</u>	<u>469</u>
Debt service				
Principle	<u>410,421</u>	<u>409,921</u>	<u>210,343</u>	<u>199,578</u>
Total debt service	<u>410,421</u>	<u>409,921</u>	<u>210,343</u>	<u>199,578</u>
Total expenditures	<u>412,461</u>	<u>412,461</u>	<u>212,414</u>	<u>200,047</u>
Excess (deficiency) of revenues over expenditures	(208,511)	(208,511)	(5,234)	203,277
Cash balance beginning of year	<u>0</u>	<u>(1,865)</u>	<u>222,040</u>	<u>223,905</u>
Cash balance end of year	<u><u>\$ (208,511)</u></u>	<u><u>\$ (210,376)</u></u>	<u>216,806</u>	<u><u>\$ 427,182</u></u>
Reconciliation of budgetary basis to GAAP basis				
Excess (deficiency) of revenues over expenditures-cash basis			(5,234)	
Net change in taxes receivable			(207,180)	
Net change in accounts payable			<u>212,414</u>	

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

OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 AGENCY FUNDS - ACTIVITY
 SCHEDULE OF CHANGES IN ASSETS & LIABILITIES
 For the Year Ended June 30, 2013

FIDUCIARY FUND

Activity Trust Fund

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

<u>ASSETS</u>	Balance 6/30/2012	Additions	Deletions	Balance 6/30/2013
600 General Activity Fund	\$ 6,921	\$ 37	\$ 3,312	\$ 3,646
702 Scholarship Fund	838	921	1,000	759
703 HS Office Assistant	69	505	565	9
704 HS Pepsi Fund	91			91
709 JRHS Honor Society	707	548	200	1,055
710 HS Student Council	1,682	2,349	1,738	2,293
712 FHA Fund	208			208
714 Science Club Fund	173			173
715 Library Fund	2,752	707	500	2,959
716 HS Cheerleaders Fund	1,004	6,765	7,028	741
719 Music Fund		60		60
722 Ski Club Fund	900	4,824	4,830	894
724 Rio Costilla Elementary Fund	328	4,826	3,287	1,867
725 AV 7-8 Grade Fund	103			103
727 Interest on NOW Accounts	185			185
728 Interest on CD's	1,565	198		1,763
734 AV Yearbook Fund	3,565	3,381	4,450	2,496
736 FFA Fund	477			477
739 AV K-3	2,685	119	1,749	1,055
742 Spanish Club	274			274
743 AV Office Fund	3			3
745 AV 4/5/6 Grades Fund	294		199	95
749 AV 4/6 Office Fund	240			240
751 AV Cheerleader Fund		3,465	2,106	1,359
752 Athletic General Fund	99		58	41
754 HS Soccer Club	2,196		698	1,498
760 JR High Volleyball	153	247	532	(132)
761 Night School		23		23
762 Volleyball Fund	1,463	12,362	10,578	3,247
763 Rent & lease Deposit Fund	3,506	900	250	4,156
764 HS Football Fund	3,248	1,865	4,440	673
765 JR High Football	122			122
766 Av Library Fund	699	2,755	3,159	295
785 Class of 2002	236		236	
787 Class of 2004	727			727

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 AGENCY FUNDS - ACTIVITY
 SCHEDULE OF CHANGES IN ASSETS & LIABILITIES
 For the Year Ended June 30, 2013

ASSETS	Balance 6/30/2012	Additions	Deletions	Balance 6/30/2013
795 JR High Student Council Fund	125	545		670
801 HS Yearbook	2,722	3,507	4,245	1,984
802 AV Office Fund	1,024		455	569
803 Travel Club Fund	20			20
804 Insurance Refunds	2,092	2,501	2,626	1,967
805 Alta Vista Music Program	515	1,805	306	2,014
808 Woodshop & Metals Fund	510	15		525
810 Drama Club	679	2,262	2,159	782
811 NMRSC Pepsi Fund	1,127	1,000	924	1,203
812 AV Pepsi Fund	540			540
815 AV Student Council Fund	7	9,061	9,152	(84)
816 Science Fair Club Fund	729			729
819 Project 540 Fund	126			126
820 Cafeteria Activity Fund	142		142	
821 HS Boys Basketball Fund	1	700	80	621
822 HS Girls Basketball Fund	99	700	197	602
823 Class of 2008	2,239			2,239
827 Positive Incentive Program	2,937	11,945	8,442	6,440
828 Class of 2010	363			363
829 Class of 2011	101			101
830 Class of 2012	277			277
831 Class of 2013	851	2,739	3,589	1
832 Class of 2014	3,926	3,715	4,518	3,123
833 Class of 2015	1,690	2,050	405	3,335
863 Class of 2015	1,826			1,826
834 Class of 2016	1,165	118		1,283
835 Class of 2017	1,334	949	113	2,170
837 Science Levinson Fund	1,544	157	116	1,585
838 AV PAC	1,305	1,334	1,750	889
839 Chevron Mining, Inc.		3,000	1,315	1,685
840 Chess Club	26			26
841 Ski Club-K MacDonald		1,991	1,701	290
842 HS Track-Girls	225			225
843 Art Department Fees	2,788	810		3,598
845 Class of 2018	120			120
846 Class of 2019	701		67	634
849 Class of 2022	913	118	72	959
850 Future Educators of America		305		305
851 Athletic Field Dedication	674			674
852 Taos Soil and Water Conservation	700	300		1,000

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 AGENCY FUNDS - ACTIVITY
 SCHEDULE OF CHANGES IN ASSETS & LIABILITIES
 For the Year Ended June 30, 2013

<u>ASSETS</u>	Balance 6/30/2012	Additions	Deletions	Balance 6/30/2013
854 JH Girls Basketball	134			134
855 ELEM Jaguar BB Team	9			9
857 End of year event	226	200	426	
858 Class Of 2023 (K 2010-2011)	20	1,261	1,075	206
859 Culinary Arts Program		260	89	171
860 Envirothon Club		<u>804</u>	<u>223</u>	<u>581</u>
Total Assets	<u>\$ 74,065</u>	<u>\$ 101,009</u>	<u>\$ 95,102</u>	<u>\$ 79,972</u>
LIABILITIES				
Deposits held for others	<u>\$ 74,065</u>	<u>\$ 101,009</u>	<u>\$ 95,102</u>	<u>\$ 79,972</u>
Total liabilities	<u><u>\$ 74,065</u></u>	<u><u>\$ 101,009</u></u>	<u><u>\$ 95,102</u></u>	<u><u>\$ 79,972</u></u>

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 CASH RECONCILIATIONS - ALL FUNDS
 For the Year Ended June 30, 2013

		Beginning Balance <u>6/30/2012</u>	Revenue	Expenditures	Prior Year Warrants Voided/Other Adjustments	Ending Cash Balance <u>6/30/2013</u>
Operational	11000	\$ 582,674	\$ 4,221,688	\$ 4,199,076	\$ (48,665)	\$ 556,621
Teachorage	12000	23,370	6,918	477		29,811
Transportation	13000		352,895	352,882		13
Instructional materials	14000	23,857	24,091	30,799		17,149
Food services	21000	140,280	233,212	249,131		124,361
Athletics	22000	912	21,910	22,668	(40)	114
Federal flowthrough	24000	(113,853)	452,481	466,305	50,000	(77,677)
Federal direct	25000	10,076	1,690,793	1,635,921		64,948
State flowthrough	27000	20,133	29,738	12,007		37,864
State direct	28000	16,017		6,004		10,013
Local or state	29000		17,070	16,188		882
Bond building	31100	2,418,874		1,536,026	561	883,409
Special capital outlay state	31400		29,329	29,329		
Senate bill nine	31700	547,817	386,002	243,736		690,083
Ed tech	31900	392,704	1,025,828	333,585	7,335	1,092,282
Debt service	41000	281,404	326,870	146,888		461,386
Debt service-ed tech	43000	222,041	207,180	212,415		216,806
Agency funds		<u>74,065</u>	<u>101,009</u>	<u>95,102</u>		<u>79,972</u>
Total		<u>\$ 4,640,371</u>	<u>\$ 9,127,014</u>	<u>\$ 9,588,539</u>	<u>\$ 9,191</u>	<u>\$ 4,188,037</u>

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

COMPLIANCE

**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*
INDEPENDENT AUDITORS REPORT**

Mr. Hector Balderas
State Auditor of the State of New Mexico
The Office of Management and Budget
Board Members of the Questa Independent School District
Mr. Balderas and Members of the Board

We have audited, in accordance with the 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds of the Questa Independent School District (District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated October 25, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be material weaknesses. The material weakness is described as FS 13-1.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. The significant deficiencies are described as FS 12-4, FS 12-5 and FS 13-2.

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 as items FS 12-1, FS 13-2 and RWC 12-01.

The District's Response to Findings

The District's responses to the findings identified in our audit as described in the accompanying schedule of findings and questioned cost. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harshwal & Company LLP
Certified Public Accountants

Harshwal & Company LLP

Albuquerque, New Mexico
October 25, 2013

FEDERAL FINANCIAL ASSISTANCE

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

Mr. Hector Balderas
State Auditor of the State of New Mexico
The Office of Management and Budget
Board Members of the Questa Independent School District
Mr. Balderas and Members of the Board

Report on Compliance for Each Major Federal Program

We have audited Questa Independent School District (the 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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the types of 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, 2013

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item FA 13-3. Our opinion on each major federal program is not modified with respect to these matters.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item FA 13-2 to be material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items FA 13-1 and FA 13-3 to be significant deficiencies.

District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Harshwal & Company LLP
Certified Public Accountants

Harshwal & Company LLP

Albuquerque, New Mexico
October 25, 2013

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2013

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			
National School Lunch Program	10.555	21000	\$ <u>249,130</u>
Total Child Nutrition Cluster			<u>249,130</u>
Fruits & Vegetables	10.582	24118	10,863
Pass-Through Program from:			
New Mexico Human Service Department			
Direct Program			
Forest Reserve	10.670	11000	<u>27,288</u>
Total U. S. Department of Agriculture			<u>287,281</u>
<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	96,246
IDEA Preschool	84.027	24109	2,355
Rural Education Achievement Program	84.358	25233	17,777
Roots and Wings Community School			
IDEA, Part B	84.027		<u>14,497</u>
Total Special Education Cluster			<u>130,875</u>
Improving Teacher Quality	84.367	24154	33,309
Title I School Improvement	84.010	24162	112,168
Teacher Quality Partnerships, Recovery Act	84.405	25175	<u>1,579,011</u>
Total US Department of Education			<u>1,855,363</u>
Total Federal Assistance			
Questa Independent School District			2,128,147
Roots & Wings Community School			<u>14,497</u>
Total Federal Assistance			<u>\$ 2,142,644</u>

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total Federal Awards Expended Per Schedule of Expenditures of Federal Awards	\$ 2,128,147
Total Expenditures Funded by Other Sources	<u>7,131,788</u>
Total expenditures	<u>\$ 9,259,935</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2013

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Questa Independent School District (the District) and is presented on the accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

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.

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2013

A. SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditors' report issued Unqualified

Internal control over financial reporting:

* Material weaknesses identified? Yes

* Significant deficiencies identified Yes

Noncompliance material to the financial statements noted? Yes

Federal Awards:

Internal control over major programs:

* Material weaknesses identified? Yes

* Significant deficiencies identified Yes

Type of auditors' report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes

Identification of major programs:

CFDA Numbers	Name of Federal Program of Cluster
84.405	Teacher Quality Partnerships, Recovery Act

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

Auditee qualified as low-risk auditee? No

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2013

<u>Section I</u>	<u>Prior Year Audit Findings</u>	<u>Status</u>
11-5	Expenditure Issues-Compliance and Internal Control	Resolved
12-1	Internal Control Deficiencies Payroll - Compliance and Internal Control	Repeated & Modified
12-2	Disaster Recovery Plan - Compliance and Internal Control	Resolved
12-3	Inadequate Review and Documentation of Manual Journal Entries - Internal Control	Resolved
12-4	Segregation of Duties over Cash Receipts Process - Internal Control	Repeated
12-5	Internal Control Deficiencies over Agency Accounts - Internal Control	Repeated

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013

Section II. Current Year Audit Findings - Financial Statement Audit

FS 12-1 Internal Control Deficiencies Payroll - Modified & Repeated (Compliance)

Condition

During the payroll testwork, we noted that 6 out of 25 employees tested did not have the background check that were conducted at least 5 years ago.

Criteria

NMAC 6.20.2.18 states that School Districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Cause

The District and State policies are not being followed or reviewed to ensure proper execution.

Effect

The District is not in compliance with NMAC 6.20.2.18.

Recommendation

We recommend that the District shall review all personnel files and ensure that all required documentation is filed and updated.

Management Response

The District will adhere to and comply with the NMAC 6.20.2.18 which states that School Districts shall maintain and have available for inspection employee record documentation which in this case was background checks. The District will review all employee personnel files and insure background checks are updated every five years.

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013

Section II. Current Year Audit Findings - Financial Statement Audit - Continued

FS 12-4 Segregation of Duties over Cash Receipts Process - Internal Control - Repeated (Significant Deficiency)

Condition

During the 2013 fiscal year, there are no segregation of duties over cash receipts cycle. No one other than the Account payable clerk is involved in the counting of the cash receipts and the acceptance of the same through the issue of a receipt.

Criteria

Strong internal controls are present when accountability has been established for all employees. Accountability is most commonly established by segregating job duties between employees.

Cause

Staff size and training does not address the said segregation of duties.

Effect

The lack of segregation of duties increases the risk of asset misappropriation.

Recommendation

We recommend that the District implement a process that allows for an oversight of the functions by someone other than the person directly responsible.

Management Response

All cash is collected at the different school sites, verified by the school secretaries with the individuals collecting and/or reporting the cash. The cash is then brought to the administration office. The internal controls that have been implemented this year in addition to what was already in place is that the funds are re-verified by both the accounts payable clerk and the payroll clerk at the Administration Office. As per the auditor's recommendation sporadic site visits where funds are actually collected and receipted will be administered by the Business Manager

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013

Section II. Current Year Audit Findings - Financial Statement Audit - Continued

FS 12-5 Internal Control Deficiencies over Agency Accounts - Internal Control - Repeated (Significant Deficiency)

Condition

The billing and collections process of the Agency account is not overseen by the finance department and there is little communication and reconciliation of the balances between the two departments.

Criteria

Management is responsible for establishing and maintaining internal control. The objectives of internal control are to provide management with reasonable, but not absolute, assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations and (c) compliance with applicable laws and regulations.

Cause

There are no established controls to follow to ensure the transactions are properly accounted for and monitored.

Effect

Without proper review processes, there is a greater risk that accounts could be misstated and not detected in a timely manner.

Recommendation

We recommend that the finance department provide oversight services to the agency account and work to reconcile the revenues and receivables.

Management Response

The finance department will continue to oversee all of the agency accounts which include reconciliation of revenues and expenditures. The billing and collection process of the Agency Accounts are processed through the Visions Accounting System with regards to all cash received, all receipts which are pre-numbered at both the schools and the district office. Student Activity Accounts are treated in the same manner as all district revenues and expenditures, purchase order process, bank reconciliations, etc. Bank reconciliations are entered by the payroll clerk and reconciled by the business manager. At the end of the month Activity Fund Balances are provided to the school staff/departments. In addition all expenditures are reviewed by the Finance Committee which is made up of two school board members, business manager, and school superintendent

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Section II. Current Year Audit Findings - Financial Statement Audit - Continued

FS 13-1 Capital Asset Addition - Internal Control (Material Weakness)

Condition

During the Capital Outlay expenditures review, it was noted that the capital asset additions for 8 out of 41 items tested, were not properly capitalized.

Criteria

Per section 2.20.1.10 of NMAC, capital assets acquired through purchase shall be recorded at cost. Capital assets include assets constructed by agency personnel. Section 12-6-10, NMSA 1978 also changed the capitalization threshold to items that cost more than \$5,000, effective June 17, 2005.

Cause

The District does not have adequate internal controls to verify that the capital assets are being accounted and are capitalized accurately.

Effect

The District could misstate the value of their capital assets which could materially misstate the financial statements.

Recommendation

The District should implement internal controls to verify that all capital assets are added to the capital asset inventory correctly.

Management Response

The District will comply with Section 2.20.1.10 of NMAC with regards to capital assets acquired which will be recorded accurately and the District will also change the capitalization threshold for items that cost more than \$5,000. The District will implement adequate internal controls to verify that the capital assets are being accounted and are capitalized according to the requirement.

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For the Year Ended June 30, 2013

Section II. Current Year Audit Findings - Financial Statement Audit - Continued

FS 13-2 Violation of Open Meeting Act with regards to date of meeting (Significant Deficiency & Non Compliance)

Condition

While reviewing the Board Minutes for the Questa Independent School District, we noted that in 7 instances, the board meetings were not held on the date specified in the policies of School District. The following are the 7 instances:

- Meeting for the month of July 2012 was held on July 17, 2012 i.e. 3rd Tuesday, not held on 2nd Tuesday i.e. July 10, 2012.
- Meeting for the month of September 2012 was held on September 25, 2012 i.e. 4th Tuesday, not held on 1st or 3rd Tuesday i.e. September 04, 2012 or September 18, 2012 respectively; and also only one regular meeting was held in this month.
- Meeting for the month of October 2012 was held on October 23, 2012 i.e. 4th Tuesday, not held on 1st or 3rd Tuesday i.e. October 02, 2012 or October 16, 2012 respectively; and also only one regular meeting was held in this month.
- Meeting for the month of December 2012 was held on December 18, 2012 i.e. 3rd Tuesday, not held on 2nd Tuesday i.e. December 11, 2012.
- Meeting for the month of January 2013 was held on January 15, 2013 i.e. 3rd Tuesday, not held on 2nd Tuesday i.e. January 08, 2013.
- Meeting for the month of February 2013 was held on February 19, 2013 i.e. 3rd Tuesday, not held on 2nd Tuesday i.e. February 12, 2013.
- Meeting for the month of March 2013 was held on March 05, 2013 i.e. 1st Tuesday, not held on 2nd Tuesday i.e. March 10, 2013.

Criteria

As per By Laws of the District and required by Board Policy, regular meetings of the Governing Board will be held on the 2nd Tuesday of each Calendar Month at Questa Board of Education, Questa, New Mexico.

As per the Open Meeting Notice Resolution approved on 17th July, 2012 regular meetings of the Governing Board will be held on 1st and 3rd Tuesday of each Calendar Month which was again modified and approved by the resolution on 23rd October, 2012, which stated that the regular meetings of the Governing Board will be held on the 2nd Tuesday of each Calendar Month.

Cause

The District does not follow the Board Policy for regular meeting of the Governing Board.

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For the Year Ended June 30, 2013

Section II. Current Year Audit Findings - Financial Statement Audit - Continued

Effect

The District is not in compliance with the Resolution passed in July, 2012 and October, 2012 . The meetings were not held as per the By Laws of the District and on the fixed date.

Recommendation

The District should follow the By Laws and Board Policy.

Management Response

During the suspension of the school board the board meetings were not held on the date specified as per the Open Meeting Act and Policies of School District. The District will comply with the By Laws of the District and Board Policies. The District will follow the approved Open Meeting Notice Resolution.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013

Section III. Audit Findings and Questioned Costs in Relation to Federal Awards

FA 13-1 Procurement and Suspension and Debarment (Significant Deficiency)

Federal program information:

Funding agency:	U.S. Department of Education
Title:	All major programs
CFDA number:	All major programs

Condition: During the procurement testwork, we noted that the District does not refer the Excluded Parties List System for contracts of goods or services amounting to \$25,000 and above.

Criteria or Specific Requirement: According to 34 CFR 85 and 43 CFR 42, entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction that are expected to equal or exceed \$25,000.

Questioned Costs: Unknown.

Cause: As per Business Manager, the District does not check whether the vendor is suspended/debarred since the vendors they used are already approved by the State New Mexico.

Effect: The District is not in compliance with the compliance requirement of CFR.

Auditors' Recommendations: The District should ensure that any vendors used for purchases made with federal funds in excess of \$25,000 have not been suspended or debarred.

Management Response:

The District will require contractors who are expected to equal or exceed \$25,000 complete a Debarment or Suspension Disclosure Form, which has already been implemented, and comply with the requirement.

STATE OF NEW MEXICO
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013

Section III. Audit Findings and Questioned Costs in Relation to Federal Awards - Continued

FA 13-2 Costs Allowable/Unallowable (Material Weakness)

Federal program information:

Funding agency:	U.S. Department of Education
Title:	All major programs
CFDA number:	All major programs

Condition: During our test work of major program expenditures, we noted that 3 out of 25 expenditures, with total amount of \$38,582 were approved after receiving the vendor's invoice.

Criteria: As per OMB Circular-87 - "Cost Principles For State, Local and Indian Tribal Governments"(2 CFR 225), the costs are allowable if they are incurred and necessary and reasonable for proper and efficient performance and administration of Federal awards, allocable to Federal awards under the provisions of this circular, authorized or not prohibited under state or local laws or regulations, Conform to any limitations or exclusions set forth in these principles, federal laws, terms and conditions of the federal award, or other governing regulations as to types or amounts of cost items, consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit, except as otherwise provided for in this circular, be determined in accordance with generally accepted accounting principles, not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or prior period, except as specifically provided by Federal law or regulation, the net of all applicable credits, adequately documented and are reasonable.

Questioned Costs: \$38,582

Cause: The management did not follow proper internal control procedures.

Effect: The District is not in compliance with OMB Circular A-87(2 CFR 225), which could result in the loss or delay of fund grant.

Auditors' Recommendations: The District should implement procedures to maintain proper supporting documentation and also train thier personnel to adhere to the policies and procedures.

Management Response:

The District does have procedures in place to maintain proper supporting documentation and will follow the procedures and proper internal control procedures. The District will continue to request that staff submit expenditure requests prior to the actual expenditure taking place so that expenses are not made before approval and/or invoiced. The district will also comply with OMB Circular A-87(2 CFR 225), and continue to train district school site staff to adhere to the policies and procedures.

STATE OF NEW MEXICO
 QUESTA INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2013

Section III. Audit Findings and Questioned Costs in Relation to Federal Awards - Continued

FA 13-3 Reporting regarding Performance Report (Non-Compliance & Significant Deficiency)

Federal program information:

Funding agency: U.S. Department of Education
 Title: All major programs
 CFDA number: All major programs

Condition: The District did not submit the Annual Performance Report within due time. The details are as follows:

Name of Program	Grant Number	Period	Due Date	Submitted Date
Teacher Quality Partnership	U405A100040	Ending on 06/30/2013	May 15, 2013	June 03, 2013

Criteria: Grantees are required to submit an annual program and performance reports on or about May 15th of each fiscal year so that the Department may determine whether substantial progress has been made and a continuation award is warranted.

Questioned Costs: None

Cause: The management did not submit the report in time. This is due to lack of oversight by the management.

Effect: The District is not in compliance with OMB Circular A-87 and with the grant requirement, which could result in the loss or delay of fund grant.

Auditors' Recommendations: The District should held one person accountable for submitting the reports within due time and also train personnel to adhere to the policies and procedures.

Management Response:

The District will request that the Federal Grant Administrator submit the Annual Performance Report on or before the due date. The District will also comply with OMB Circular A-87, with the grant requirement and adhere to the policies and procedures.

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QUESTA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2013

Section IV Component Unit Findings

Roots & Wings Community School

Prior Year Audit Findings

Status

12-1	Personnel files - compliance and internal control	Modified & Repeated
12-2	Expenditure issues-compliance and internal control	Resolved

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2013

Current Year Audit Findings

RWC 12-01 Personnel Files - Modified & Repeated - Compliance

Condition

During our walkthrough and testwork of the payroll transaction cycle, we noted that management does not review payroll reports for accuracy or irregularities, we noted the following exceptions:

- 3 out of 9 employees tested did not have background checks that were conducted at least 5 years ago.
- 5 out of 9 employees tested, did not attend the personal development programs.

Criteria

A review of payroll reports and proper authorization and approval for wages, as indicated in NMSA 1978 Section 6-6-3 are required to be maintained in order to have proper and sufficient internal controls to reduce the risk of fraudulent activities.

NMAC 6.20.2.18 states the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Cause

For the fiscal year 2013 management did not follow its own policies to ensure internal controls were in place and working properly.

Effect

The School is not in compliance with New Mexico State Statutes. The School could be subject to penalties or possibly legal action. Not having correct supporting documentation is a serious failure of internal control procedures and could result in various legal complications in the event of noncompliance with a contract. Internal controls over payroll are not monitored and maintained to prevent or detect intentional misappropriation of the School's assets.

Recommendation

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

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QUESTA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2013

Section IV Component Unit Findings (Continued)

Response

1 – Three employee files did not have background checks that were conducted at least 5 years ago: We have gone back through employee files to determine whose licenses are over 4 years since issuance and have already requested a current background check for some them. We will continue to monitor our files to stay in compliance with current employees.

2 – Five employees did not attend the personal development programs: The long-term substitute and the director did attend all the professional development days during their employ (the director actually ran the professional development on many occasions). This year we have begun to have a sign-in sheet for PD days that indicates the date, type of training, and signature of each person in attendance. The other three employees identified were substitute teachers and were not required to attend professional development days. (One of these substitutes worked only 1 day, another 11 days, and still another on various days totaling 79.75 hours for the entire year).

STATE OF NEW MEXICO
QUESTA INDEPENDENT SCHOOL DISTRICT
OTHER DISCLOSURES
June 30, 2013

A. Preparation of Financial Statements

The combining and individual fund financial statements and notes to the financial statements for the year ended June 30, 2013 were prepared by Harshwal & Company LLP, CPA, based on management's chart of accounts and trial balances including any adjusting, correcting or closing entries approved by management. These services are allowable under SAS 115.

B. Exit Conference

An exit conference was held on November 12, 2013. The following individuals were in attendance:

Questa Independent School District New Mexico

Dr. Lillian Torrez, Superintendent
Sandra Houston, Instruction/Federal Program Coordinator
Susie Martinez, Business Manager
Maria Montes, Payroll Clerk
Megan Jenkins, Accounts Payable Clerk
Bernie A. Torrez, Board President & Audit Committee Member
Al Spungen, Director Roots & Wings Community School
Michelle Chandler, Governance Council Member
Karen Quintana, Business Manager for Roots & Wings Community School

Harshwal & Company LLP

Sanwar Harshwal, CPA, Managing Partner
Vaishali Shukla, Senior Auditor