

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION
COOPERATIVE

Audit Report

For the Year Ended June 30, 2010

RONNY FOUTS
CERTIFIED PUBLIC ACCOUNTANT
Melrose, New Mexico

STATE OF NEW MEXICO
High Plains Regional Education Cooperative

Official Roster
For the year ended June 30, 2010

COORDINATING COUNCIL

James Gallegos Chairman
Jack Wiley..... Vice-Chairman
David Wilden.....Secretary
Jaynee Burchard..... Member
Dr. J. Alan Aufderheide..... Member
Bill Ward..... Member
Rick Hazen..... Member
Zita Lopez Member

COOPERATIVE OFFICIALS

R. Stephen Aguirre..... Executive Director
Mary L. GonzalesBusiness Manager
Gary Gabriele..... Human Resource Manager
Dana Stoltz Gray..... Director of Programs

STATE OF NEW MEXICO
High Plains Regional Education Cooperative

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June 30, 2010

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INDEPENDENT AUDITOR'S REPORT

Hector Balderas, State Auditor
And the Board of Advisors
High Plains Regional Education Cooperative
Raton, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the High Plains Regional Education Cooperative, as of and for the year ended June 30, 2010, which collectively comprise the High Plains Regional Education Cooperative's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the High Plains Regional Education Cooperative's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of the Cooperative's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cooperative, as of June 30, 2010, and the respective changes in financial position and the budgetary comparisons for the major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Cooperative as of June 30, 2010 and the respective changes in financial position, and the respective budgetary comparisons for the nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 27, 2010, on our consideration of High Plains Regional Education Cooperative's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of our audit.

The management's discussion and analysis listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United State of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financials statements and the combining and individual fund financial statements, and budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.



Ronny Fouts, CPA
Melrose, New Mexico
August 27, 2010



**HIGH PLAINS REGIONAL EDUCATION COOPERATIVE #3 – RATON, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2010**

Management of the **High Plains Regional Education Cooperative #3 (HPREC)** offers readers of HPREC's financial statements this narrative overview and analysis of the financial activities of HPREC for the fiscal year ending June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

HIGH PLAINS REGIONAL EDUCATION COOPERATIVE #3

High Plains Regional Education Cooperative #3 (HPREC), located in Raton, is one of nine regional education cooperatives in New Mexico. HPREC is a state agency administratively attached to the Public Education Department responsible for regional education services to eight school districts in Colfax, Union, and Harding counties. Our mission is to research and implement sound educational practices in order to be responsive to our clients needs. HPREC does this by engaging in researched-based practices, developing relationships and implementing systems to transform education. HPREC does this so all of our clients are successful and effective.

HPREC reduces costs to member school districts by using a cooperative system of shared services and programs. These are best managed on a regional basis because they are too costly for an individual district to maintain. As a result, HPREC provides education related services to member school districts as well as direct services to children, families and communities.

HPREC also offers professional development, technical assistance, program coordination, and services to school districts, other agencies and the New Mexico Public Education Department. HPREC provides quality professional development, support, and services to member districts that may otherwise be cost prohibitive.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis provides a review of HPREC's overall financial activities, using the accrual basis of accounting for the year ending June 30, 2010. Fund financial statements are reported on a modified accrual basis of accounting. The analysis focuses on the financial performance of the agency as a whole. This report also contains other supplementary information in addition to the basic financial statements themselves.

FINANCIAL / OPERATIONAL HIGHLIGHTS

- The ending cash balance at June 30, 2010 was **\$3,756,775**.
- Overall revenue (including transfers in and other sources) totaled **\$6,793,626**. Total expenditures were **\$3,873,967**.
- Net Assets increased **\$3,187,088**
- Fund Balance increased **\$2,919,759**.
- Direct Educational Services included **18** Related Service Providers; **482** students with IEP's were served by Related Service Providers.
- **90** Professional Development workshops were offered; **1,870** Educators attended Professional Development Workshops.
- Coordinated a region-wide adolescent literacy program impacting **440** students in **7** school districts.
- Successfully developed and implemented a statewide, online bus driver training piloted to **10** districts within New Mexico. **1,295** modules were taken by qualified bus drivers across New Mexico.
- Provided over **90** customized coaching, mentoring, and modeling sessions in classrooms in all **8** districts to increase teacher effectiveness.
- Responded to **340** technical assistance calls from district on topics including sound fiscal practices, special education compliance, effective instruction, leadership, Web EPSS, STARS, and other areas.
- Created and developed the **HPREC Educators Network**, designed to bring educators from across New Mexico to work on developing interactive literacy lessons, as well as related services therapy lessons.
- Presented at statewide and national conferences.
- Provided over **\$260,000** worth of Value Added support and services to member districts.
- **120** infants, children, and adults were provided services at the HPREC Audiology Clinic.
- For 2009-2010, **60.7%** of the schools within the HPREC region made AYP. In comparison, **22.1%** of schools in New Mexico made AYP.
- Completed the HPREC Broadband Project to implement the HPREC DataBank and HPREC WebPD.
- Exercised lease-purchase buyout of the HPREC building.

High Plains Regional Education Cooperative

101 North Second Street, Raton, New Mexico 87740 575-445-7090 Visit: www.hprec.com

STATEMENT OF NET ASSETS AND STATEMENT OF ACTIVITIES

The Statement of Net Assets and the Statement of Activities are designed to provide readers with a broad overview of HPREC's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of HPREC's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of HPREC's financial position.

The Statement of Activities presents information showing how HPREC's net assets changed during the most recent fiscal year.

The Governmental Activities of HPREC include instruction, support services, central services, operation and maintenance of plant, and operation of non-instructional services.

FUND FINANCIAL STATEMENTS

The Fund Financial Statements give detailed information about the most significant funds, not HPREC as a whole. Some funds are required to be established by State Statute, while other funds are established by HPREC to help manage funds for particular purposes and compliance with grant provisions.

GOVERNMENTAL FUNDS

Most of HPREC's activities are reported in governmental funds, which focus on how money flows into and out of funds and the year-end balances available for spending in future years. The modified accrual accounting method is used to report these funds. This method measures cash and other financial assets that can be readily converted to cash. The Governmental Fund Statements provide a detailed short-view of HPREC's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are financial resources available to spend in the near future to finance HPREC's programs. The relationship/differences between governmental activities (reported in the Statements of Net Assets and Activities) and the governmental funds are reconciled in the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

At the end of the fiscal year, HPREC assets exceeded liabilities by approximately \$4,521,593. Net assets may serve over time as a useful indicator of a government's financial position. HPREC continues to expand its entrepreneurial & professional development activities.

NET ASSETS FOR THE PERIOD ENDING JUNE 30, 2010

The Statement of Net Assets provides perspective on the Agency as a whole. Table 1 provides a summary of HPREC's net assets as of June 30, 2008 through June 30, 2010.

Table 1

	2008	2009	2010
Total Assets	<u>3,825,823</u>	<u>4,278,472</u>	<u>4,543,576</u>
Total Liabilities	<u>2,707,339</u>	<u>2,959,118</u>	<u>21,983</u>
Net Assets Beginning	939,708	1,118,484	1,334,505
Restatement	-	-	-
Net Change	<u>178,776</u>	<u>216,021</u>	<u>3,187,088</u>
Net Assets End	<u>1,118,484</u>	<u>1,334,505</u>	<u>4,521,593</u>

HPREC's total revenues for the fiscal year ending June 30, 2010 were **\$6,793,626**. The total cost of all programs and services was **\$3,873,867**. Table 2 presents a summary of revenues and expenses for the fiscal years ending June 30, 2007 through June 30, 2010.

Table 2

	Governmental Activities			
	2007	2008	2009	2010
Revenue				
Federal Sources	<u>2,467,665</u>	<u>1,089,812</u>	<u>717,765</u>	<u>871,560</u>
State Sources	<u>3,268,102</u>	<u>611,644</u>	<u>845,128</u>	<u>672,848</u>
Local Sources	<u>97,687</u>	<u>2,669,130</u>	<u>2,327,995</u>	<u>5,249,218</u>
Total Revenue	<u>5,833,454</u>	<u>4,370,586</u>	<u>3,890,888</u>	<u>6,793,626</u>
Expenditures				
Current				
Instruction	<u>586,653</u>	<u>59,997</u>	<u>142,200</u>	<u>73,534</u>
Support Services: Students	<u>1,725,286</u>	<u>2,004,044</u>	<u>1,536,885</u>	<u>1,584,701</u>
Support Services: Instruction	<u>897,832</u>	<u>890,072</u>	<u>697,363</u>	<u>706,596</u>
Support Services: General Admin	<u>1,191,492</u>	<u>756,251</u>	<u>711,281</u>	<u>932,238</u>
Support Services: School Admin	<u>255,008</u>	<u>104,175</u>	<u>155,556</u>	<u>0.00</u>
Support Services: Central Services	<u>795,849</u>	<u>269,988</u>	<u>517,285</u>	<u>155,940</u>
Operation & Maintenance of Plant	<u>110,443</u>	<u>42,633</u>	<u>50,228</u>	<u>44,887</u>
Non-current				
Debt Principal	<u>9,308</u>	<u>11,986</u>	<u>35,103</u>	<u>342,673</u>
Debt Interest	<u>20,100</u>	<u>19,336</u>	<u>17,697</u>	<u>4,962</u>
Capital Outlay	<u>117,867</u>	<u>26,775</u>	<u>0.00</u>	<u>28,336</u>
Total Expenditures	<u>5,691,748</u>	<u>4,185,257</u>	<u>3,863,598</u>	<u>3,873,867</u>

High Plains Regional Education Cooperative

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CAPITAL ASSETS

HPREC exercised the lease-purchase buyout of the HPREC building. See Notes to the Financial Statements: D. Capital Assets.

BUDGETARY INFORMATION

Fund	Adopted	Adjustments	Budget	YTD Expend	Balance
24154	84,995.00	0.00	84,995.00	73,533.50	11,461.50
24157	6,490.00	0.00	6,490.00	4,562.00	1,928.00
25153	301,479.00	15,116.00	316,595.00	147,270.66	169,324.34
26107	2,735,918.00	400,000.00	3,135,918.00	2,897,313.85	238,604.15
27101	133,333.00	67.00	133,400.00	133,400.00	0.00
27200	284,138.00	0.00	284,138.00	284,138.00	0.00
28144	361,413.00	0.00	361,413.00	155,910.52	205,502.48
29102	250,000.00	0.00	250,000.00	212,670.56	37,329.44
	<u>4,157,766.00</u>	<u>415,183.00</u>	<u>4,572,949.00</u>	<u>3,908,799.09</u>	<u>664,149.91</u>

The budget for HPREC is prepared in accordance with requirements from New Mexico Statutes and the New Mexico Public Education Department. The budget is prepared on a **cash basis** of accounting.

24000 and 25000 funds are federal dollars with the funds flowing to the participating regional districts based on their budgetary needs. Any balance is a result of the district's actual expenditures as compared to the original federal allocations. 26000, 27000, 28000 and 29000 funds are operational funds. Balances are a result of reduced personnel costs and related costs.

HPREC's fiscal year is July 1-June 30; other programs (i.e. some federal) operate on a different fiscal calendar, but are reflected in HPREC overall budget. Board action that impacts the initial budget includes a two percent pay increase plus an experience step for all employees.

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE
STATEMENT OF NET ASSETS

June 30, 2010

ASSETS	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 3,756,775
Due from other Governments	9,875
Non-current Capital Assets - Net	<u>776,926</u>
TOTAL ASSETS	<u>\$ 4,543,576</u>
 LIABILITIES	
Current:	
Accounts Payable	\$ 4,907
Debt Due Within One Year	<u>1,707</u>
Total Current Liabilities	6,614
Non-current Debt Due in More Than One Year	<u>15,369</u>
TOTAL LIABILITIES	<u>21,983</u>
 NET ASSETS	
Invested in capital assets, net of related debt	776,926
Restricted for Medicaid	748,278
Unassigned	<u>2,996,389</u>
TOTAL NET ASSETS	<u>\$ 4,521,593</u>

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

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE
STATEMENT OF ACTIVITIES

Year ended June 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Primary Government:				
Governmental activities:				
Instruction	\$ 73,534	\$ -	\$ 73,534	\$ -
Support Services - Students	1,657,933	985,085	672,848	-
Support Services - Instruction	706,596	-	706,596	-
Support Services - General Administration	949,314	949,314	-	-
Support Services - Sch Administration	-	-	-	-
Support Services - Central Services	155,940	-	-	(155,940)
Operation & Maintenance of Plant	58,259	58,259	-	-
Debt Interest Paid	4,962	4,962	-	-
Depreciation - Unallocated	-	-	-	-
Total Governmental Activities	\$ 3,606,538	\$ 1,997,620	\$ 1,452,978	\$ (155,940)

General Revenues

Ancillary Fees	3,343,028
Total General Revenues	3,343,028

Change in net assets	3,187,088
Net assets beginning	1,334,505
Net Assets- ending	\$ 4,521,593

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

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

BALANCE SHEET - GOVERNMENTAL FUNDS

Year ended June 30, 2010

	ANCILLIARY 26107	MEDICAID REC 28144	LAW CONFERENCE 29102	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash on Deposit	\$ 2,102,870	\$ 383,537	\$ 904,777	\$ 365,591	\$ 3,756,775
Due from other funds	9,875	-	-	-	9,875
Due from other Governments	-	-	-	9,875	9,875
TOTAL ASSETS	\$ 2,112,745	\$ 383,537	\$ 904,777	\$ 375,466	\$ 3,776,525
LIABILITIES AND FUND BALANCE					
Accounts Payable	\$ 3,957	\$ -	\$ 100	\$ 850	\$ 4,907
Due to other funds	-	-	-	9,875	9,875
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	3,957	-	100	10,725	14,782
FUND BALANCE					
Fund Balance					
Restricted		383,537			383,537
Unassigned	2,108,788	-	904,677	364,741	3,378,206
TOTAL FUND BALANCE	2,108,788	383,537	904,677	364,741	3,761,743
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,112,745	\$ 383,537	\$ 904,777	\$ 375,466	\$ 3,776,525

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

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE
RECONCILIATION OF THE BALANCE SHEET
ALL GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS

June 30, 2010

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

Fund Balance - total governmental funds	\$ 3,761,743
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	776,926
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(17,076)</u>
Net assets of governmental activities	<u>\$ 4,521,593</u>

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

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

Year ended June 30, 2010

	ANCILLARY 26107	MEDICAID REC 28144	LAW CONFERENCE 29102	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUE					
Federal Grants	\$ -	\$ -	\$ -	\$ 871,560	\$ 871,560
State Grants	-	539,448	-	133,400	672,848
Charges for Services	4,974,234	-	274,984	-	5,249,218
Ancillary Fees	-	-	-	-	-
TOTAL REVENUES	4,974,234	539,448	274,984	1,004,960	6,793,626
EXPENDITURES					
Current					
Instruction	-	-	-	73,534	73,534
Support Services - Students	1,379,736	60,380	-	144,585	1,584,701
Support Services - Instruction	489,743	-	212,291	4,562	706,596
Support Services - General Administration	419,169	95,531	-	417,538	932,238
Support Services - Sch Administration	-	-	-	-	-
Support Services - Central Services	155,940	-	-	-	155,940
Operation & Maintenance of Plant	44,887	-	-	-	44,887
Non-current					
Debt Principal	342,673	-	-	-	342,673
Debt Interest	4,962	-	-	-	4,962
Capital Outlay	28,336	-	-	-	28,336
TOTAL EXPENDITURES	2,865,446	155,911	212,291	640,219	3,873,867
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	2,108,788	383,537	62,693	364,741	2,919,759
FUND BALANCE - JUNE 30, 2009	-	-	841,984	-	841,984
FUND BALANCE - JUNE 30, 2010	\$ 2,108,788	\$ 383,537	\$ 904,677	\$ 364,741	\$ 3,761,743

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

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATIONAL COOPERATIVE

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE-
ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2010

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

Net change in fund balance - total governmental funds	\$ 2,919,759
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current year.	(58,268)
Long Term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources for governmental funds. Neither transaction, however, has any effect on net assets. This is the amount by which Principal retirements exceeded long term debt in the current period.	<u>325,597</u>
Change in Net Assets	<u>\$ 3,187,088</u>

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

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - ANCILLARY - 26107

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ -	\$ -	\$ -	\$ -
Local Sources	3,135,918	3,135,918	3,165,629	29,711
TOTAL REVENUE	3,135,918	3,135,918	\$ 3,165,629	\$ 29,711

BUDGETED CASH BALANCE

- -

TOTAL REVENUE & CASH

\$ 3,135,918 \$ 3,135,918

EXPENDITURES

Current

Support Services - Students	\$ 1,402,840	\$ 1,438,290	\$ 1,378,883	\$ 59,407
Support Services - Instruction	502,288	494,288	489,743	4,545
Support Services - General Administration	451,705	614,296	419,169	195,127
Support Services - Central Services	148,021	156,025	155,940	85
Operation & Maintenance of Plant	231,064	433,019	420,858	12,161
TOTAL EXPENDITURES	\$ 2,735,918	\$ 3,135,918	\$ 2,864,593	\$ 271,325

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 3,165,629
Differences budget to GAAP	
Prior Year Deferral	1,808,605
Current Year Deferral	-
Total Revenues (GAAP Basis)	\$ 4,974,234

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 2,864,593
Differences-budget to GAAP	
Prior Year Accounts Payable	(3,104)
Current Year Accounts Payable	3,957
Total Expenditures (GAAP Basis)	\$ 2,865,446

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

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND -MEDICAID REC - 28144

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ 361,413	\$ 361,413	\$ 141,099	\$ (220,314)
TOTAL REVENUE	361,413	361,413	\$ 141,099	\$ (220,314)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 361,413	\$ 361,413		
EXPENDITURES				
Current				
Support Services - Students	\$ 166,016	\$ 167,416	\$ 60,380	\$ 107,036
Support Services - General Administration	195,397	193,997	95,531	98,466
TOTAL EXPENDITURES	\$ 361,413	\$ 361,413	\$ 155,911	\$ 205,502

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 141,099
Differences budget to GAAP	
Prior Year Deferral	398,349
Current Year Deferral	-
Total Revenues (GAAP Basis)	\$ 539,448

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 155,911
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 155,911

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

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND -LAW CONFERENCE - 29102

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Revenue	\$ 250,000	\$ 250,000	\$ 274,984	\$ 24,984
TOTAL REVENUE	250,000	250,000	274,984	24,984
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 250,000	\$ 250,000		
EXPENDITURES				
Current				
Support Services - Instruction	\$ 250,000	\$ 250,000	\$ 212,671	\$ 37,329
TOTAL EXPENDITURES	\$ 250,000	\$ 250,000	\$ 212,671	\$ 37,329

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 274,984
Differences budget to GAAP	-
	-
Total Revenues (GAAP Basis)	\$ 274,984

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 212,671
Differences-budget to GAAP	
Prior Year Accounts Payable	(480)
Current Year Accounts Payable	100
Total Expenditures (GAAP Basis)	\$ 212,291

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

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND - FEDERAL EARMARK GRANT - 25225

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ -	\$ 31,706	\$ 31,706
TOTAL REVENUE	-	-	<u>\$ 31,706</u>	<u>\$ 31,706</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Current				
Support Services - General Administration	\$ -	\$ -	\$ -	\$ -
Support Services - Ceentral Services	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 31,706
Differences budget to GAAP	
Prior Year Receivable	(31,706)
Current Year Receivable	-
Total Revenues (GAAP Basis)	<u><u> </u></u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Prior Year Prepaid Expense	-
Total Expenditures (GAAP Basis)	<u><u> </u></u>

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

**STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE
JUNE 30, 2010
NOTES TO FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The ten Regional Cooperative Centers established throughout New Mexico in 1984 were originally organized to provide supplementary special education services to local education agencies utilizing federal PL 94-142 funds. The role of the Cooperatives has expanded under the authorization of the regional Coordinating Councils to include a variety of other projects, both federally funded and funded from other sources. High Plains Regional Education Cooperative, through the governing council, has established as its purpose the delivery to local districts and communities those services deemed critical to the ongoing success of regular and special education programs provided by the local agencies. For financial reporting purposes, the Cooperative includes all funds and account groups that are controlled by or dependent on the Cooperative for financial support. The Cooperative has no component units.

The summary of significant accounting policies of the Cooperative is presented to assist in the understanding of the Cooperative's financial statements. The financial statements and notes are the representation of High Plains Regional Education Cooperative's management who is responsible for their integrity and objectivity. The financial statements of the Cooperative conform to generally accept accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the cooperative. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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. No property tax revenue is available. 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 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

**STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE
JUNE 30, 2010
NOTES TO FINANCIAL STATEMENTS**

judgments, are recorded only when payment is due. Grant revenues and deferrals are recognized in accordance with GASB 33.

The Cooperative reports the following major governmental funds:

Law Conference (Special Revenue) – to account for funds received to provide training and workshops to explain the law as it pertains to Special Education Programs. The authority for this fund is the State Department of Education.

Medicaid (Special Revenue) – to account for federal reimbursement of health-related services for Medicaid eligible children receiving related services and for administrative time study. The fund was created by the authority of Title XIX of the Social Security Act.

Ancillary (Special Revenue) – to account for revenue and to administer the cost of operating the program. The authority for the creation of this fund is the New Mexico Department of Education.

The cooperative does not have a general fund.

Similar to private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, particularly fees for workshops, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

State statutes authorize the investment of the cooperative's funds in a wide variety of instruments including certificated of deposit and other similar obligations, state investment pool, and money market accounts. The cooperative is also allowed to invest in United States Government obligations. All funds of the cooperative must follow the above investment policies.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings or loan associations within the geographical boundaries of the cooperative. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution. The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and

**STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE
JUNE 30, 2010
NOTES TO FINANCIAL STATEMENTS**

which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (Le., the current portion of interfund loans) or "advances to/from other funds" (Le., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Amounts shown as "due from other governments" are amount due from pass through agencies and are fully collectible.

3. Inventories

None

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life extending beyond a single reporting period. Effective June 17, 2005, the value of capital assets that must be inventoried and listed was increased to \$5,000 (amount not rounded). Old inventory items that do not meet the updated capitalization threshold will remain on the inventory list and will continue to be depreciated. The Cooperative is capitalizing qualifying software as required. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Cooperative does not have a library.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the cooperative is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Equipment	5, 10
Buildings	50
Building Renovations	50
Computers & Electronics	5, 10
Vehicles	12

5. Long-Term Obligations

In government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. The cooperative has no bonded debt.

Employees are not compensated for accumulated sick leave upon termination of employment. Unused vacation leave is accounted for and is shown in the long term debt obligations section of these notes.

**STATE OF NEW MEXICO
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JUNE 30, 2010
NOTES TO FINANCIAL STATEMENTS**

6. Fund Equity

Reservations of fund balance represent amounts that are not appropriable for expenditures or legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

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

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

Imposed by law through constitutional provisions or enabling legislation.

7. Estimates

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

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(58,268) difference are as follows:

Capital Outlay	\$	28,336
Depreciation Expense		<u>(86,604)</u>
Net adjustment to increase net changes in fund balances - total government funds to arrive at changes in net assets of Governmental activities		<u>\$ (58,268)</u>

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets for the Special Revenue Funds are prepared by management and are approved by the local Board and the Public School Budget and Planning Unit of the Department of Education.

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HIGH PLAINS REGIONAL EDUCATION COOPERATIVE
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NOTES TO FINANCIAL STATEMENTS**

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be reappropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., every budgeted expenditure must be within budgeted amounts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures. The Cooperative follows these procedures in establishing the budgetary data reflected in the financial statements:

In April or May, the director submits to the Board a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.

In May or June, the budget is approved by the Board of Education.

The board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.

The director is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the board and the State of New Mexico Department of Education.

Budgets for the Special Revenue Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2010 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	Original Budget	Final Budget	Performance
Special Revenue Fund	\$ 4,557,766	\$ 4,572,949	\$ 3,876,080

B. Deficit Fund Equity

There were not any deficit fund balances at June 30, 2010.

IV. Detailed Notes on all Funds

A. Cash and Temporary Investments

**STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE
JUNE 30, 2010
NOTES TO FINANCIAL STATEMENTS**

At June 30, 2010, the carrying amount of the Cooperative's deposits was \$3,841,988 and the bank balance was \$3,756,775. Of this balance \$350,000 was covered by federal depository insurance and \$1,178,607 was covered by collateral held in the entities name and in joint safekeeping by a third party. The remaining \$1,288,531 is comprised of amounts in excess of those required to be collateralized under State law.

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the cooperative for at least one half of the amount on deposit with the institution.

The collateral pledged is shown as listed in the table of contents of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing Now accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

B. Custodial Credit Risk – Deposits

Custodial Credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2010, \$3,491,988 of the government's bank balance of \$3,841,988 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	1,703,381
Collateralized by bank, not in entity's name		1,788,607
		<u>\$ 3,491,988</u>

C. Deferred Revenue

Governmental funds reported *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

Grant draw downs prior to meeting all eligibility requirements	\$	-
Total deferred/unearned revenue for governmental funds	\$	-

D. Capital Assets

A summary of Changes in general capital assets follows:

**STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE
JUNE 30, 2010
NOTES TO FINANCIAL STATEMENTS**

	Balance per Prior Year	Additions	Retirements	Balance at End of Year
Capital assets not being depreciated:				
Land	\$ 15,190	\$ -	\$ -	\$ 15,190
Total assets not being depreciated	15,190	-	-	15,190
Capital Assets Being Depreciated:				
Buildings	567,340	21,108	-	588,448
Equipment & Furniture	581,619	7,228	-	588,847
Total Assets being Depreciated	1,148,959	28,336	-	1,177,295
Less accumulated depreciation for:				
Buildings	40,759	13,372		54,131
Equipment & Furniture	288,196	73,232		361,428
Total Accumulated depreciation	328,955	86,604	-	415,559
Total Assets being depreciated, net	820,004	(58,268)	-	761,736
Capital Assets, Net	\$ 835,194	\$ (58,268)	\$ -	\$ 776,926

E. Long-Term Obligations

The Cooperative entered into a note agreement with International Bank for the lease purchase of an office building. This note was in the amount of \$404,387.38 with a monthly payment of \$3,200 and a balloon payment at the end of each year. The REC exercised their option and purchased the building during the current year. At June 30, there was no liability for the building.

Accumulated compensated leave is shown as follows

Date	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010	Amount Due in 1 Year
June 30, 2010	\$ -	\$ 17,076	\$ -	\$ 17,076	\$ 1,707

**STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE
JUNE 30, 2010
NOTES TO FINANCIAL STATEMENTS**

V. Other Information

A. Risk Management

The Cooperative is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The Cooperative is one of state members that participate in GSD/Risk Management Division. The Cooperative pays an annual premium to the pool for its general insurance coverage.

B. Contingent Liabilities

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

The government is not currently involved in any lawsuits or litigation nor have they been in the previous years as was previously reported.

C. Employee Retirement Plan

Plan Description – Substantially all of High Plains Regional Education Cooperative's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERA) is the administrator of the plan, which is a cost sharing multiple employer defined benefit retirement plan. The plan provides for retirement, disability benefits and cost-of-living adjustments to plan members and beneficiaries. ERA issues a separate, publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to ERA, P.O. Box 26129, Santa Fe, New Mexico 87502-6129. The report is also available on ERA's website at www.nmerb.org.

Funding Policy – Plan members are required to contribute 7.9% of their gross salary. High Plains Regional Education Cooperative is required to contribute 11.65% of the gross covered salary. The contribution requirements of plan members and the High Plains Regional Education Cooperative are established in Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of legislature. The High Plains Regional Educational Cooperative's contributions to the ERA for the years ended June 30, 2010, 2009, and 2008 were: \$293,270, \$261,178, and \$278,300, respectively, equal to the amount of the required contribution for the year.

D. Post-Retirement Health Care Benefits

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

**STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE
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NOTES TO FINANCIAL STATEMENTS**

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 Retiree Health Care Act on the person's behalf, unless that person retired on or before July 1, 1995, in which event the time period for contributions becomes the time between July 1, 1990, and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

The RHA 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 member are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

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

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

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

High Plains Regional Education Cooperative's contributions to the RHCA for the years ended June 30, 2010, 2009, and 2008 were \$28,193, \$26,701 and \$29,620 respectively, which equal the required contributions for each year.

SUPPLEMENTAL INFORMATION

SPECIAL REVENUE FUNDS

Medicaid – to account for federal reimbursement of health-related services for Medicaid eligible children receiving related services and for administrative time study. The fund was created by the authority of Title XIX of the Social Security Act.

Title II – Math/Science – to account for a federal grant restricted to the operation and maintenance of the Eisenhower Mathematics and Science Education state grant program to enhance math and science education in public schools. Authority for the creation of this fund is ESEA of 1965, Title II, Part A, Public Law 100-297, as amended; Public Law 101-589, reauthorized by Public Law 103-382.

Title IV-A – to account for a federal grant restricted to the establishment and implementation of substance abuse education and prevention programs in the elementary and secondary schools. Authority for fund creation DFS & C Act of 1986, Title V, Part B; ESEA as amended; Public Laws 99-750, 100-297, 100-690, 101-226 and 101-647, Public Law 103-382.

REC Operating Appropriation – to account for an appropriation from the State of New Mexico to provide administrative expenses for the Cooperative. Authority of the New Mexico State Legislature.

State Directed Activities – To account for funds received from the Federal Government passed through the State of New Mexico to provide services and materials to further the education of students included in the districts that are members of the cooperative. Authority of the IDEA B P194-142..

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2010

	TITLE II-A 24154	TITLE IV-A 24157	MEDICAID 25153	REC OPERATING APPROPRIATION 27101	STATE DIRECTED ACTIVITIES 27200
ASSETS					
Cash on Deposit	\$ -	\$ -	\$ 365,591	\$ -	\$ -
Due from other Governments	9,875	-	-	-	-
TOTAL ASSETS	\$ 9,875	\$ -	\$ 365,591	\$ -	\$ -
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 850	\$ -	\$ -
Due to Other Funds	9,875	-	-	-	-
Deferred Revenue	-	-	-	-	-
TOTAL LIABILITIES	9,875	-	850	-	-
FUND BALANCE					
Fund Balance					
Restricted	-	-	364,741	-	-
TOTAL LIABILITIES & FUND BALANCE	\$ 9,875	\$ -	\$ 365,591	\$ -	\$ -

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

TOTAL
NONMAJOR
SPECIAL
REVENUE
FUNDS

\$	365,591
	9,875
\$	<u>375,466</u>

\$	850
	9,875
	-
	<u>10,725</u>

	<u>364,741</u>
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\$	<u>375,466</u>
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STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2010

	TITLE II-A 24154	TITLE IV-A 24157	MEDICAID 25153	REC OPERATING APPROPRIATION 27101
REVENUES				
Federal Grants	\$ 73,534	\$ 4,562	\$ 509,326	\$ -
State Grants	-	-	-	133,400
TOTAL REVENUES	73,534	4,562	509,326	133,400
EXPENDITURES				
Current				
Instruction	73,534	-	-	-
Support Services - Students	-	-	144,585	-
Support Services - Instruction	-	4,562	-	-
Support Services - General Administration	-	-	-	133,400
Support Services - Sch Administration	-	-	-	-
Support Services - Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
TOTAL EXPENDITURES	73,534	4,562	144,585	133,400
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	364,741	-
FUND BALANCE- JUNE 30, 2009	-	-	-	-
FUND BALANCE - JUNE 30, 2010	\$ -	\$ -	\$ 364,741	\$ -

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

STATE DIRECTED ACTIVITIES 27200	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ 284,138	\$ 871,560
-	133,400
<u>284,138</u>	<u>1,004,960</u>

-	73,534
-	144,585
-	4,562
284,138	417,538

-	-
-	-
<u>284,138</u>	<u>640,219</u>

-	364,741
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-	-
<u>\$ -</u>	<u>\$ 364,741</u>

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND -TITLE II-A - 24154

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 84,995	\$ 84,995	\$ 80,154	\$ (4,841)
TOTAL REVENUE	84,995	84,995	80,154	(4,841)
BUDGETED CASH BALANCE				
	-	-		
TOTAL REVENUE & CASH	84,995	84,995		
EXPENDITURES				
Current				
Support Services - Instruction	\$ 84,995	\$ 84,995	\$ 73,534	\$ 11,461
Support Services - General Administration	-	-	-	-
TOTAL EXPENDITURES	84,995	84,995	73,534	-

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 80,154
Differences budget to GAAP	
Prior Year Receivable	(16,495)
Current Year Receivable	9,875
Total Revenues (GAAP Basis)	\$ 73,534

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 73,534
Differences-budget to GAAP	-
Total Expenditures (GAAP Basis)	\$ 73,534

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

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND -TITLE IV-A - 24157

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 6,490	\$ 6,490	\$ 5,681	\$ (809)
TOTAL REVENUE	6,490	6,490	5,681	(809)
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 6,490	\$ 6,490		
EXPENDITURES				
Current				
Support Services - Instruction	\$ 6,490	\$ 6,490	\$ 4,562	\$ 1,928
TOTAL EXPENDITURES	\$ 6,490	\$ 6,490	\$ 4,562	\$ 1,928

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources		
Actual amounts (budgetary basis)		\$ 5,681
Differences budget to GAAP		
Prior Year Receivable		(1,119)
Current Year Receivable		-
Total Revenues (GAAP Basis)		\$ 4,562
 Uses/Outflows of Resources		
Actual amounts (budgetary basis)		\$ 4,562
Differences-budget to GAAP		
		-
Total Expenditures (GAAP Basis)		\$ 4,562

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

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND -MEDICAID - 25153

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 301,479	\$ 316,595	\$ 171,426	\$ (145,169)
TOTAL REVENUE	301,479	316,595	<u>171,426</u>	<u>(145,169)</u>
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	<u>\$ 301,479</u>	<u>\$ 316,595</u>		
EXPENDITURES				
Current				
Support Services - Students	\$ 301,479	\$ 316,595	\$ 147,271	\$ 169,324
TOTAL EXPENDITURES	<u>\$ 301,479</u>	<u>\$ 316,595</u>	<u>\$ 147,271</u>	<u>\$ 169,324</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 171,426
Differences budget to GAAP	
Prior Year Deferral	337,900
Current Year Deferral	-
Total Revenues (GAAP Basis)	<u>\$ 509,326</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 147,271
Differences-budget to GAAP	
Prior Year Accounts Payable	(3,536)
Current Year Accounts Payable	850
Total Expenditures (GAAP Basis)	<u>\$ 144,585</u>

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

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND -REC OPERATING APPROPRIATION - 27101

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Revenue	\$ 133,333	\$ 133,400	\$ 133,400	\$ -
TOTAL REVENUE	<u>133,333</u>	<u>133,400</u>	<u>\$ 133,400</u>	<u>\$ -</u>
BUDGETED CASH BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 133,333</u>	<u>\$ 133,400</u>		
EXPENDITURES				
Current				
Support Services - General Administration	\$ 133,333	\$ 133,400	\$ 133,400	\$ -
Support Services - Central Services	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 133,333</u>	<u>\$ 133,400</u>	<u>\$ 133,400</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 133,400
Differences budget to GAAP	
Prior Year Receivable	-
Current Year Receivable	-
Total Revenues (GAAP Basis)	<u>\$ 133,400</u>

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 133,400
Differences-budget to GAAP	
	-
Total Expenditures (GAAP Basis)	<u>\$ 133,400</u>

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

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE

STATEMENT OF REVENUE & EXPENDITURES - BUDGET (NON-GAAP)
AND ACTUAL - SPECIAL REVENUE FUND -STATE DIRECTED ACTIVITIES - 27200

Year Ended June 30, 2010

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 284,138	\$ 284,138	\$ 284,138	\$ -
TOTAL REVENUE	284,138	284,138	284,138	-
BUDGETED CASH BALANCE	-	-		
TOTAL REVENUE & CASH	\$ 284,138	\$ 284,138		
EXPENDITURES				
Current				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services - General Administration	284,138	284,138	284,138	-
TOTAL EXPENDITURES	\$ 284,138	\$ 284,138	\$ 284,138	\$ -

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis)	\$ 284,138
Differences budget to GAAP	
Prior Year Deferral	-
Current Year Deferral	-
Total Revenues (GAAP Basis)	\$ 284,138

Uses/Outflows of Resources

Actual amounts (budgetary basis)	\$ 284,138
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	\$ 284,138

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

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATIONAL COOPERATIVE

SCHEDULE OF PLEDGED COLLATERAL

June 30, 2010

	TOTAL DEPOSITS	FDIC INSURANCE	UNINSURED DEPOSITS	COLLATERAL PLEDGED	UNINSURED & UNCOLLATERIZED DEPOSITS
INTERNATIONAL BANK	<u>\$ 3,841,988</u>	<u>\$ 350,000</u>	<u>\$3,491,988</u>	<u>\$ 1,788,607</u>	<u>\$ 1,703,381</u>
<u>COLLATERAL</u>				<u>MATURES</u>	
FHLB Non CBL 3133XCSY0 CUSIP#	100,690			8/16/2010	
FHLB Non CBL 31339X4H4 CUSIP#	613,140			12/10/2010	
FHLB Non CBL 31339X4H4 CUSIP#	178,832			12/10/2010	
FHLB Non CBL 3133XF5T9 CUSIP#	315,720			9/9/2011	
FHLB Non CBL 3133XDTB7 CUSIP#	217,720			12/14/2012	
FHLB Non CBL 3133XKTV7 CUSIP#	83,655			6/13/2014	
FHLB Non CBL 3133XKTV7 CUSIP#	278,850			6/13/2014	
	<u>\$ 1,788,607</u>				

COLLATERAL IS HELD BY FEDERAL RESERVE BANK IN KANSAS CITY, MISSOURI

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE
CASH RECONCILIATION
June 30, 2010

	Beginning Cash	Receipts	Distributions
HIGH PLAINS REGIONAL EDUCATION COOPERATIVE			
Fund 27200 State Directed Activities	\$ -	\$ 284,138	\$ 284,138
Fund 27101 State Appropriation	-	133,400	133,400
Fund 24154 Title II	(16,495)	80,154	73,534
Fund 24157 Title IV	(1,119)	5,681	4,562
Fund 25153 Title XIX Medicaid 3/21 Years	341,436	171,426	147,271
Fund 26107 Ancillary (Operational)	1,811,709	3,188,475	2,897,314
Fund 25225 Federal Earmark Grant	(31,706)	31,706	-
Fund 28144 Medicaid HSD	398,349	141,099	155,911
Fund 29102 Law Conference	842,464	274,984	212,671
Total Grady Municipal Schools	\$ 3,344,638	\$ 4,311,063	\$ 3,908,801

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>
High Plains Regional Education Cooperative			
Operating	Checking	International Bank	\$ 100,000
Operating	CD	International Bank	3,741,988
Total High Plains Regional Education Cooperative			\$ 3,841,988
Total Bank Balances			\$ 3,841,988
Reconciling Items			(85,213)
Report Balance			\$ 3,756,775

Other	Net Cash end of Period	Adjustments to the report	Total Cash on Report
\$ -	\$ -	\$ -	\$ -
-	-	-	-
9,875	-	-	-
-	-	-	-
-	365,591	-	365,591
-	2,102,870	-	2,102,870
-	-	-	-
-	383,537	-	383,537
-	904,777	-	904,777
<u>\$ 9,875</u>	<u>\$ 3,756,775</u>	<u>\$ -</u>	<u>\$ 3,756,775</u>

STATE OF NEW MEXICO
HIGH PLAINS REGIONAL EDUCATIONAL COOPERATIVE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2010

<u>US DEPARTMENT OF EDUCATION</u>	<u>Federal CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>PROGRAM EXPENDITURES</u>
Passed through the State Department of Education			
Medicaid Title XIX	93.778	25153	\$ 147,271
Title II	84.367	24154	73,534
Title IV -A	84.186	24157	4,562
State Directed Activities <1>	84.391	27200	284,138
Total Passthrough Grants			<u>509,505</u>
 Total Federal Awards Expenditures			 <u><u>\$ 509,505</u></u>

<1> Major Program

Note 1 This schedule is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133, Audits of States, Local Governments , and Non-Profit Organizations.

RONNY FOUTS
CERTIFIED PUBLIC ACCOUNTANT
P.O. Box 425
Melrose, NM 88124

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Hector Balderas, State Auditor
High Plains Regional Education Cooperative and
Board of Advisors
Raton, New Mexico

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons for the major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of High Plains Regional Educational Cooperative as of and for the year ended June 30, 2010, and have issued our report thereon dated August 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether High Plains Regional Education Cooperative 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 disclose no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

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

A handwritten signature in black ink that reads "Ronny Fouts, CPA". The signature is written in a cursive, flowing style.

Ronny Fouts, CPA
Melrose, New Mexico
August 27, 2010

RONNY FOUTS
CERTIFIED PUBLIC ACCOUNTANT
P.O. Box 425
Melrose, NM 88124

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Independent Auditor's Report

Hector Balderas, State Auditor
High Plains Regional Education Cooperative and
Board of Advisors
Raton, New Mexico

Compliance

We have audited the compliance of High Plains Regional Education Cooperative, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. High Plains Regional Education Cooperative's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of High Plains Regional Education Cooperative's management. Our responsibility is to express an opinion on High Plains Regional Education Cooperative's compliance based on our audit.

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

In our opinion, High Plains Regional Education Cooperative complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of High Plains Regional Education Cooperative is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered High

Plains Regional Education Cooperative's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 High Plains Regional Education Cooperative's internal control over compliance.

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

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

This report is intended solely for the information and use of the Board of Advisors, Management, the New Mexico State Legislature, Public Education Department, the Office of the New Mexico State Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Ronny Fouts, CPA". The signature is written in a cursive, flowing style.

Ronny Fouts, CPA
Melrose, New Mexico
August 27, 2010

STATE OF NEW MEXICO
High Plains Regional Education Cooperative No. 3

Schedule of Findings and Questioned Costs and
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2010

SUMMARY OF AUDIT RESULTS

Report on Financial Statements	Unqualified
Reportable Conditions on GAGAS	None
Material weakness involving reportable condition	None
Material Noncompliance	None
Type A & Type B dollar threshold	\$300,000
Entity Risk	Low Risk
Major Federal Programs: CFDA#: 84-391 State Directed Activities	
Reportable conditions on Internal Control over Major Programs	None
Report on Compliance with Major Programs	Unqualified

PRIOR YEAR AUDIT FINDINGS

Late Audit Report - Resolved

CURRENT FINDINGS – FEDERAL AWARD FINDINGS

None

CURRENT YEAR FINDINGS

None

STATE OF NEW MEXICO
High Plains Regional Education Cooperative

Exit Conference
For the Year Ended June 30, 2010

The financial statements were prepared by Ronny Fouts, CPA with assistance from High Plains Regional Education Cooperative. Management is responsible for the contents of this report.

EXIT CONFERENCE

The contents of this report were discussed with Stephen Aguirre, Executive Director; Gary Gabriele, Payroll Human Resources; Jack Wylie, Board Member, Mary Lisa Gonzales, Business Manager, Dana Stoltz Gray, Director of Programs, and Ronny Fouts, CPA on August 27, 2010



Ronny Fouts, CPA
Melrose, New Mexico
September 15, 2010